Annex 1: Terms of Reference (ToR)

for

Conducting Study on Financial Health of RMG workers and their residential community members and Need Assessment for Skills Development Opportunity in Ready Made Garment Industry

# 1. Background

The Ready-Made Garments (RMG) workers, despite their significant contribution to the national economy and global fashion industry, remain outside the purview of formal banking services with limited or no access to relevant, quality and affordable banking products and services.

**Sarathi – Progress through Financial Inclusion** is a 48-month project (Jan 2018-December 2021), jointly funded by MetLife Foundation and Swisscontact. It is working with commercial banks and Ready-Made Garments (RMG) factories in Bangladesh to bring RMG workers, especially women, within the sphere of mainstream commercial banking and enable them to conduct financial transactions as account holders and clients. After the 22 months pilot phase was completed in December 2017, the scale-up phase started from January 2018. The target group, RMG workers, are mostly young females who have migrated internally from rural to urban areas in search of employment opportunities. The project activities were directed to find market-based and scalable solutions that address underlying constraints such as lack of financial literacy of RMG workers, poor accessibility to banking services for RMG workers and viable business solutions for banks to cater to the needs of RMG workers. During this phase, Sarathi managed to partner with 4 commercial banks, reach 200,000 people and financially include 76,000 RMG workers incumbent in 49 RMG factories.

After successfully implementing the scale-up, Sarathi entered a 12-month bridging period (January 2021 - December 2021). During which, the Sarathi team focused on providing rehabilitation to RMG workers who got laid off during the pandemic, designing and promoting healthcare solutions for the RMG workers and their families, testing digital financial access points with local merchants in RMG communities and launching a digital credit service with the Prime Bank Limited (PBL). In the next phase, Sarathi aims to further explore the scopes of digital finance and provide upskilling and entrepreneurship training to ensure the beneficiaries financial wellbeing.

# 2. Objectives of the Study

The Assessment contains two components. The first component is to assess the present status of financial health of RMG workers and their residential community members and needs of financial products, services and knowledge for the communities. The second component is to assess the need for upskilling, reskilling and skill development opportunity in the RMG industry.

The specific objectives of the study are provided below:

Component 1: Financial Health

* To analyze the opportunity and map the clusters, which includes number of industries, educational and religious institutions, formal and informal financial institutions, and access points etc.;
* To understand and measure the current financial health condition of the low-income communities in RMG clusters;
* To evaluate the existing stage of financial inclusion, which includes use of mobile financial services, insurance services, microfinance institutions etc. in low-income communities in RMG clusters;
* To measure the access to digital services, smartphones, internet and evaluate the financial literacy;
* To identify the income and expenditure patterns of low-income families of RMG workers and their community members;
* To conduct a financial product needs assessment to design and provide products appropriate for RMG workers and their community members;
* To understand the level of financial literacy and the knowledge gaps of RMG workers and their community members;
* To identify the ideal set and style of marketing communications, promotional tools and literacy training materials that are best to impart financial education to RMG workers and their community members;
* To conduct a baseline study of specific outcomes or indicators of Sarathi interventions. The baseline study report will be used as a measurement to monitor the project progress against the set indicators over the course of the project implementation.

Component 2: Skill Development of RMG Industry

* To understand the need of skill development and upskilling opportunities in RMG sector;
* To identify the set of skills that are necessary for the RMG sector;
* To assess the current scenario and identify the existing skill gap in RMG sector segregated by gender.

3. Specific Outcomes, Information Required in the Study

Table 1: Specific Information list required for the study

|  |  |  |  |
| --- | --- | --- | --- |
| **Information Category** | **Required Information** | **Respondents** | **Possible Methodology** |
| Information about Major RMG Clusters | - Information about the clusters  - The List of factories, number of workers, list of industries  - Population; size of the communities  -Number of access points  -List of other institutions | -Relevant government Authority  - Industry Association | - Field Observation  -Secondary Research  - KII |
| Beneficiaries Information | - Beneficiaries Financial Index and expenditure pattern  - Current Situation and Financial Health Score  - Analysis of financial literacy, awareness, and behavior  - Access to financial services (Commercial banks and MFS), transaction patterns, frequencies  - Saving and Credit Behavior  - Current Status of Digital Literacy | - RMG Workers  - People from other Profession in the community who earn below BDT 25,000 per month | - Quantitative Survey  - Case Stories |
| Institutional Information | - Thoughts of commercial banks and MFS about the beneficiaries  - Current business stage and profitability | - Representatives from commercial banks  -Representatives from Mobile Financial Services | -KII |
| Skills Information | * - List of skills required in the RMG sector * - Find the current skill gap in RMG industry * - Current problems and situations of skills * - Current situation, barrier, and skill gap that are contributing to the lag of female RMG workers growth in RMG Industry | - Representatives from RMG factories  - Representatives from industry associations  - Representatives from other development organisations | KII- - IDI  - Secondary Research |

4. Methodology

This study will employ a multidisciplinary approach— both quantitative and qualitative — and will triangulate data gathered from different sources including secondary literature, sample questionnaire surveys, in-depth interviews (IDI) and key-informant interviews (KII). The representative sample will be included in this study and the analytical results must be disaggregated by location, age and sex.

5. Geographic location

This study will be conducted in the RMG factory clusters, specifically in Dhaka, Narayanganj, Tangail, Gazipur and Chattogram.

# 6. Duration of assignment, specific activities and targets

**The duration of the assignment is 01 month 20 days, starting from 01 November 2021 to 20 December 2021.** To avail the advantage of effective planning, the prospective bidder can refer to the table below:

Table 2: Specific Activities[[1]](#footnote-1)

|  |  |
| --- | --- |
| **Sl.** | **Activity** |
| **6.1** | **Needs Assessment and Baseline Survey** |
| 6.1.1 | Extensive literature review; Submit a report/presentation of the findings |
| 6.1.2 | Finalize RMG clusters, factories and communities for sample surveys |
| 6.1.3 | Develop overall work plan and detailed field plan with assigned responsibilities of each human resource recruited for this assignment. Set day wise targets for each individual |
| 6.1.4 | Finalize questionnaires and checklists for:   * Survey with RMG workers for needs assessment and related information for baseline; * FGDs with RMG workers for needs assessment and related information for baseline; * KIIs with key stakeholders (as defined in Table 1) |
| 6.1.5 | Conduct pre-testing of questionnaires and improvise as per need |
| 6.1.6 | Conduct data collection |
| 6.1.7 | Complete data triangulation, cleaning, coding and analysis |
| 6.1.8 | Prepare a dashboard for Sarathi where we can efficiently summarize and view key project outcome indicators |
| 6.1.9 | Submit draft report and present findings to Sarathi and partner banks |
| 6.1.10 | Incorporate feedback and submit the final report |

## **The role of Swisscontact will be to:**

* Provide approval of the methodology and work plan;
* Review and approve the questionnaire;
* Monitor data collection, cleaning and analysis through active participation;
* Provide feedback on the draft report;
* Approve personnel proposed for conducting surveys, FGDs and KIIs;
* Cover all associated costs for this assignment upon submission of appropriate supporting documents, bills and vouchers;
* Provide approval for the final report;
* Learn to update and operate the prepared dashboard

# 7. Schedule of Payment and Deliverables and Deadlines

Invoices will be paid upon receiving the pre-set deliverables as mentioned in the table below[[2]](#footnote-2):

Table 3: Schedule of payment and means of verification

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl.** | **Deliverables and means of verification** | **Date: clearance** | **Maximum allowable limit per invoice** |
| 1. **.** | Report/presentation of the findings of literature review | 15 November 2021 | 40% of contract value (upon submission of deliverables 1,2,3 and 4) |
|  | Complete list of locations and clusters of RMG factories and communities for surveys |
|  | Overall work plan and detailed field plan with assigned responsibilities and daily targets of each human resource recruited for this assignment |
|  | All questionnaires and checklists finalised |
|  | Filled up questionnaires (hardcopy) and database (softcopy). In case of online surveys (if applicable), submit the information database | 30 November 2021 | 30% of contract value (upon submission of deliverable 5) |
|  | Submission of the Final Report (hardcopy and softcopy) | 20 December 2021 | 30% of contract value (upon submission of deliverables 7 and 8) |
|  | Presentation and infographics and handover of the dashboard prepared for Sarathi’s outcome indicators |

Each payment will be affected after submission of invoices and till date expense report. Any deviation without prior consent and rationale will be considered as non-performance.

8. Selection Criteria

| **Criteria** | **Weight** |
| --- | --- |
| Background and experience of the bidder | 15 |
| Personnel involved in the assignment | 15 |
| Strategic thinking and technical knowledge | 20 |
| Efficiency of the proposed work plan | 20 |
| Financial Proposal | 30 |
| **Total** | **100** |

9. Required Documentation

In addition to the technical and financial proposals, it is mandatory for bidders to submit necessary documents demonstrating their legal, taxation and financial statuses. The documents should be part of the technical proposal and include the following:

* A certificate of incorporation (for individual companies- a trade license);
* Joint stock registration certificate (if applicable);
* An organizational organogram of key personnel, inclusive of the names of such personnel;
* Tax Identification Number (TIN);
* VAT registration number;
* Proof of a segregated account (providing the name and address of such an account);
* Other valid papers (Provided by Government institutions);

The vendor has to bear all Annual Income Tax (AIT) and VAT. The total amount of VAT should be mentioned in the financial proposal

**Submission Details:**

Interested consultant/agency/firm should submit the technical and financial proposal, on or before **24 October 2021** to the address mentioned below:

Senior Officer - Procurement,

Swisscontact, House 28, Road 43, Gulshan-2, Dhaka 1212, Bangladesh

E-mail to [bd.procurement@swisscontact.org](mailto:bd.procurement@swisscontact.org)

***N.B.: Swisscontact reserves the right to reject or cancel any offer***

1. Modification of the table can be made on a mutual agreement with the selected organisation as per necessity. [↑](#footnote-ref-1)
2. Modification of the table can be made on a mutual agreement with the selected organisation as per necessity. [↑](#footnote-ref-2)