



Terms of reference (ToR) for the procurement of services

**Technical Study of grievance mechanisms on purchasing practices
for manufacturers, including review of ACT complaints mechanism
for the purpose of a pilot.**

I. General information

ACT (Action, Collaboration, Transformation) is an agreement between global brands and retailers and IndustriALL Global Union to transform the garment, textile and footwear industry and achieve living wages for workers through collective bargaining at industry level linked to purchasing practices.

Purchasing practices, the ways in which brands and retailers interact with their manufacturers, play an important role in shaping an environment in which manufacturers can build constructive social dialogue with trade unions. ACT members are committed to purchasing practices that are seen as key to enable payments of living wages. It is the first and only collective action of this kind to improve purchasing practices.

Grievance mechanisms for both workers and employers/manufacturers in the global supply chain play a key role in the ACT approach. Having effective mechanisms in place for both workers and manufacturers to address their grievances towards each other as well as towards buyers' purchasing practices impacting both sides is a precondition to build trust and social dialogue as a foundation for achieving collective bargaining on living wages.

For manufacturers this refers to a grievance mechanism through which manufacturers and employers' associations from Bangladesh, Cambodia and Türkiye can lodge a complaint against an individual ACT member brand for failure to meet its membership obligations in relation to respect of applicable ACT Global Purchasing Practices Commitments No. 2 (Fair Terms of Payment) and No. 5 (Responsible exit strategies). Pillar 2 - the grievance mechanism for manufacturers - is a pilot of an already developed mechanism by ACT.

ACT is therefore looking for technical experts to support our work on grievance mechanisms regarding purchasing practices.

ACT is seeking an expert to conduct a technical review of the grievance mechanism "ACT Complaints Mechanism for the Purpose of a Pilot" on the ACT Purchasing Practices Commitments 2: fair terms of payments and 5: responsible exits. Contractors may bid to conduct research, individually or in cooperation with co-authors.

An international independent expert will assess the functionality and scalability of the pilot including feedback from manufacturers, employers associations and other stakeholders. The independent expert shall interview and consult with parties that have used the mechanism and other stakeholders.

II. Contract Duration

The technical review should be carried out between 1 April and 30 June 2023.

III. Deliverables

- A. A **technical report** of 15-20 pages with continuous texts, tables and figures in English that provides analysis on the areas and research questions outlined below.
- B. An **executive summary** of approximately 1-3 pages of the key findings of the research in English. The executive summary should be concise, clearly drafted and emphasise the most relevant findings of the research.

The study should cover the following areas and questions:

Part A: Technical study

- 1. What are international standards, recommendations, best practice examples and relevant national (legal) frameworks in the ACT priority countries regarding grievance mechanisms for manufacturers to seek remedy on purchasing practices?**
- 2. Mapping of existing grievance mechanisms for manufacturers to seek remedy on purchasing practices, if any.**

Part B: Gap analysis and Recommendations

- 1. Analysis of potential gaps of the ACT complaints mechanism and other mechanisms (as applicable) when mapped against:**
 - Relevant international standards and recommendations
 - Needs and effectiveness criteria expressed by manufacturers/employer representatives
- 2. What should be the effectiveness criteria for grievance mechanisms for manufacturers on purchasing practices?**
- 3. What could be options to improve the ACT complaints mechanism in line with relevant international standards and recommendations and related guidance and the needs and effectiveness criteria expressed by manufacturers/employer representatives?**

IV. Methodology

The primary methodology for the study is desktop and legal research supplemented with key informant interviews, including with representatives of manufacturers and employers (individual companies and industry associations as applicable) and other relevant experts and informants. All documents and interviews should be clearly cited. The exact methodology will be discussed during the preparatory call with ACT.

V. Qualifications of proposed contractor

Expertise: Contractors bidding for the work should have demonstrated expertise in the field of purchasing practices in global supply chains and commercial relations between manufacturers and brands, ideally in the garment industry, and alternative dispute resolution. The ability to write and communicate well in English is required.

Experience in the region:

- At least 5+ years of working experience internationally and/or in Bangladesh, Cambodia and/or Türkiye.

Language skills:

- Good business language skills in English.

VI. Submission process

Interested contractors should submit their resume and a brief letter of interest or proposal on how they meet the necessary qualifications, how they will implement the study and any

additional considerations they would recommend in implementing the study along with a financial proposal to michelle.lowe@actonlivingwages.com by **13 March 2022**.

Contractors will be reviewed against the requirements of the ToR and their financial proposals.