

## Expressions of Interest for Innovative Concepts on Transparency in the Apparel Supply Chain

*Deadline: 31st July 2016*

### Introduction

[C&A Foundation](#) is a corporate foundation that aspires to a fair and sustainable apparel industry in which everyone can thrive. The Foundation works to address the deeply-rooted challenges of the sector by supporting and driving initiatives, and by partnering with stakeholders to maximise results in the following three signature programmes:

- 1) Accelerating sustainable cotton
- 2) Improving working conditions
- 3) Eradicating forced and child labour

The affiliation with [C&A](#), a leading global clothing retailer, allows the Foundation to test, replicate and scale programmes that can enable the apparel industry to become a force for greater good.

This call for Expressions of Interest (EOI) falls under the [working conditions signature programme](#) which focuses on improving working conditions in the apparel supply chain. While there have been many efforts to improve working conditions over the last two decades, progress is too slow for the millions of people working in the apparel supply chain. C&A Foundation's working conditions programme seeks to accelerate improvements through a two-pronged approach, supporting efforts that:

- 1) Increase accountability in the apparel industry through more transparent and traceable supply chains; and
- 2) Enable apparel worker voices and opinions to be heard, and demand recognition, respect and protections.

We invite expressions of interest from national and international organizations for both global and geography-specific concepts which fall under the first approach, increasing accountability through more transparent and traceable supply chains. A separate call for concepts that enable apparel worker voices to be heard has also been issued and is available on the C&A Foundation website. We welcome concepts which combine both transparency and worker voice.

Geography-specific concepts must be in one or more of our focus countries: Bangladesh, Brazil, Cambodia, China, India, Indonesia, Mexico, Myanmar, Sri Lanka, Turkey, or Vietnam. These concepts must increase the public disclosure of information in a manner which enables and incentivises improvements in working conditions.

## Background

The complexity of the international apparel industry results in opacity at all tiers of production, from cotton field to retail outlet. A complex labyrinth of production units, subcontract factories and sourcing agents has emerged across numerous countries. Multiple stages between materials sourcing, production and retail make the chain difficult to map. This system has contributed to persistently poor working conditions and weak systems of accountability including the following examples:

- Information about working conditions is documented by manufacturers and buyers but rarely shared with workers, government or the public – the parties most likely to exert pressure for improvement;
- Customers, brands and governments are often unaware of the locations and conditions in which products and raw materials are produced;
- Information about how decisions help or hinder decent working conditions are unknown, and decision makers lack incentives to prioritise improvement of working conditions.

By making previously hidden or unknown information publicly available we can both enable and incentivise decision makers, at each stage of the supply chain to improve working conditions. The following table illustrates the data, and decisions which may be used by different groups. It is important to note that results often depend on collaboration between multiple parties.

Actors	Publicly disclosed data that can be used by actor(s) <sup>1</sup>					Example of decisions by actors	Example results
	Brand sourcing in factories	Factory working conditions	Brand purchasing practices	Worker living costs	Recruiter practices		
Workers		✓			✓	<ul style="list-style-type: none"> <li>- Choose to move to better factories</li> <li>- Chose to use better recruiters</li> </ul>	<ul style="list-style-type: none"> <li>- Factories compete for workers based on good working conditions</li> <li>- Recruiters compete for custom based on fair practices</li> </ul>
Unions/ Worker orgs.	✓	✓	✓	✓		<ul style="list-style-type: none"> <li>- Negotiate with factory management for improvements</li> <li>- Advocate with govt. and buyers for improvements</li> </ul>	<ul style="list-style-type: none"> <li>- Improved working conditions</li> <li>- Policy improvements to support better conditions</li> <li>- Better enforcement of labour law</li> </ul>
Brands	✓	✓	✓		✓	<ul style="list-style-type: none"> <li>- Push poor factories to improve</li> <li>- Favour better factories</li> <li>- Improve purchasing practices</li> </ul>	<ul style="list-style-type: none"> <li>- Improved working conditions</li> <li>- Factories better able to pass benefits to workers</li> </ul>
Factory owners		✓	✓	✓	✓	<ul style="list-style-type: none"> <li>- Improve working conditions</li> <li>- Solicit buyers with better purchasing practices</li> </ul>	<ul style="list-style-type: none"> <li>- Improve working conditions to entice better buyers and retain and attract workers</li> </ul>
Investors	✓	✓	✓		✓	<ul style="list-style-type: none"> <li>- Invest in best performing brands and/or manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>- Brands improve conditions to attract investment</li> </ul>
Civil Society / NGOs	✓	✓		✓	✓	<ul style="list-style-type: none"> <li>- Advocate for improved working conditions and recruitment practices</li> </ul>	<ul style="list-style-type: none"> <li>- Brands and factories improve conditions</li> <li>- Govts. improve policy and law enforcement</li> </ul>
Govt.		✓		✓	✓	<ul style="list-style-type: none"> <li>- New laws/ better enforcement</li> </ul>	<ul style="list-style-type: none"> <li>- Improved working conditions</li> </ul>

Public disclosure enables and incentivises improvement of working conditions in two ways:

**1. Transparent data helps decisions makers understand the impact of their decisions on working conditions:** Accurate and granular information enables decision makers to make informed, fact-based choices. For example supplier feedback can help brands understand how their forecasting accuracy affects overtime, or workers' expenditure data can help policymakers during the wage-setting process. Having a public facing component for some or all of the information can help supply chain actors make more informed decisions.

**2. Public benchmarking enables comparison of peers, raising the priority of working conditions on decision makers' agendas:** Decision makers have finite resources. Suppliers weigh investment in employees against returns to investors, brands weigh price competitiveness against reputational risk. In the current status quo, working conditions are often low on decision makers' agendas. Public benchmarking enables comparison of peers. This becomes powerful when the public information is used to reward best performers. For example buyer governments can reward better performing producing countries with preferential trade deals, and workers can reward fair recruiters with increased business.

<sup>1</sup> These examples are non-exhaustive, we welcome other types of data disclosure.

## Proposal criteria

While public disclosure has long been employed as a means to achieve greater accountability in other industries – from food labelling to the disclosure of finances of elected officials – most actors in the apparel supply chain have been slow to embrace transparency (see Annex for full discussion). As such, we are seeking innovative concepts which will publicly disclose information in a manner that enables and incentivises improvements in apparel industry working conditions. Proposed initiatives should:

- Publicly disclose accurate, credible data, on working conditions, provenance of apparel, and/or purchasing practices – this data should be previously undisclosed;
- Ensure that information is disclosed in a manner that encourages improvement in working conditions, including mechanisms which encourage decision makers to prioritise working conditions;
- Enable nation or industry-wide comparison and improvement (as opposed to taking a factory-by-factory approach);
- Be widely accessible, reaching relevant decision makers including civil society, workers and their representatives;
- Include gender-disaggregated information describing needs and/or impacts on women. We believe that considering the specific needs of women, who form the majority of apparel workers increases the effectiveness of the Foundation's work.

We will not pursue concepts that:

- Provide visibility to one or more stakeholders, but do not include public disclosure;
- Unfairly target or discriminate against one group of people or individual entities;
- Disclose commercial information, or information that does not have a bearing on the improvement of working conditions within garment, footwear, accessory or textile production;
- Are purely research-focused without mechanisms for disseminating information or incentivizing change;
- Are not tied to specific activities (e.g., applications for core-organizational support must also clearly define specific results that meet the criteria).

## Additional guidance

- **Geography:** We welcome both global and geography-specific concepts. Geography-specific concepts must be in one or more of the following countries: Bangladesh, Brazil, Cambodia, China, India, Indonesia, Mexico, Myanmar, Sri Lanka, Turkey, or Vietnam.
- **Organisation:** Where proposals are geography-specific, we highly encourage proposals from national organisations or proposals from international organisations where the majority of funding goes to a national partner and there is a clear capacity building element. Proposals from all types of organisations are welcome (profit, non-profit, public sector etc.).
- **Length and size of grant:** While we are flexible on length and size of grant, we generally prefer to partner over multiple years in order to maximise impact. However innovative pilots with a duration of less than 18 months will be considered. Multi-year proposals with maximum budgets of EUR1.5 million will be considered. Proposals of EUR 500K or less may be approved on an ongoing basis.
- **Co-funding:** Co-funded proposals will be prioritised. We are open to partnerships with all types of funding bodies.

## Expressions of interest and proposal-writing timeline:

Timeline	Action
11 <sup>th</sup> July	Deadline for applicants to submit clarifying questions to C&A Foundation. Please send questions via email to <a href="mailto:eoi@candafoundation.org">eoi@candafoundation.org</a>
18 <sup>th</sup> July	Answers to clarifying questions issued to all applicants
31 <sup>st</sup> July, 5pm PST	Deadline for concept notes (4 pages maximum, not including budget). Concept notes should be sent to <a href="mailto:eoi@candafoundation.org">eoi@candafoundation.org</a> and clearly marked “ <i>Working Conditions Programme EOI: Transparency</i> ” in the subject line of the email
24 <sup>th</sup> August	Shortlisted candidates notified and provided with C&A Foundation’s full proposal format
14 <sup>th</sup> September, 5pm PST	Deadline for full proposal (10 pages maximum, plus appendices)
10 <sup>th</sup> November	Comments and clarifying questions to short-listed candidates from C&A Foundation Investment Committee
8 <sup>th</sup> December	Final decision

## Evaluation Process:

All concepts meeting the above criteria, will be scored in five categories. Weightings are as follows:

Evaluation dimensions	Points Possible
<b>Relevance &amp; Fit</b> <i>Does the initiative build on existing work (i.e. not reinventing the wheel)?</i> <i>Is the approach transformational and systemic (i.e. not factory by factory or brand by brand)?</i> <i>To what extent are gender equality and women's empowerment advanced by this idea?</i>	<b>35</b>
<b>Impact</b> <i>Does the plan will contribute to Key Performance Indicators listed in section 1 of the EOI format?</i> <i>Does the idea have clear and measurable results?</i> <i>Will the impact be sustained beyond the proposed funding period?</i>	<b>30</b>
<b>Expertise &amp; Experience</b> <i>Are staff competent and qualified?</i> <i>Does the organisation have a track record of results in this area?</i> <i>If the initiative is country-specific, will the majority of funding go to national organisations?</i>	<b>20</b>
<b>Cost</b> <i>Is the planned budget commensurate with expected results?</i> <i>Is the programme seeking, or has it secured co-funding?</i> <i>Does the partner bring in other, in-kind resources?</i>	<b>15</b>
<b>Total points possible</b>	<b>100</b>

## EOI format

**Applicants: Please address the following in no more than 4 pages (excluding annexes).**

<b>Initiative title</b>	
<b>Geographic Focus</b>	
<b>Organisation Name and Contact Details</b>	
<b>Duration</b>	<i>Initiative start and end dates</i>
<b>Other Partners</b>	<i>Local partners or other cooperating organisations</i>
<b>Total Cost (in Euro)</b>	<i>Total estimated cost</i>
<b>Funding Request (in Euro)</b>	<i>Amount that you are requesting from C&amp;A Foundation (cash)</i>
<b>Co-financing (in Euro)</b>	<i>Resources to be provided by yourself and others in addition to C&amp;A Foundation support (cash and in-kind)</i>

### 1. Description (context and relevance)

- What is the problem/issue the initiative seeks to address?
  - Which actors will the initiative seek to influence, and which decisions in particular?
  - Does the initiative enable more informed decisions; raise working conditions as a priority on decision makers agendas or both?
- Please describe how the initiative will contribute to one or more of the following working conditions programme KPIs:
  - Number of factories making changes to improve working conditions and wages
  - Number of disclosure and transparency mechanisms used by industry to improve working conditions
  - Number of collective bargaining agreements
  - Number of women leading efforts to improve working conditions
- As a foundation we apply a gender-justice lens to all our work. Please describe how the initiative will contribute to one or more of our gender-justice KPIs:
  - Increase in women's leadership and participation in worker organizations, self-help groups or collectives and MSIs
  - Increase in gender-responsive workplace policies or practices (at international, national, or local levels)
  - Increase in wage equity for women farm and apparel workers

## 2. *Objectives & Key Activities*

- What is the overall objective of the initiative?
- What are the initiative's activities?
  - How will the initiative prioritise working conditions on decision makers' agendas and incentivise improved conditions?
  - How will the initiative ensure information is trusted and credible?
- How will this initiative advance women's rights and build more equitable relationships between men and women?

## 3. *Results and Sustainability*

- What are the anticipated results (outputs/outcomes) and long-term impacts of the initiative?
- How will the results be sustained after the initiative ends?
- How will the initiative contribute to larger, systemic change?

## 4. *Organizational background*

- Who are the main implementing partners?
- What are their respective roles in the initiative?
- To what extent are implementing partners committed to, and have experience in gender equality and women's rights?

## 5. *Budget and details about funding sources*

- What financial support are you seeking from C&A Foundation?
- Please describe any sources of co-funding (potential or secured).

## Submission

Please submit the concept note by email [eoic@candafoundation.org](mailto:eoic@candafoundation.org) by 17:00 PST on July 31, 2016. The concept notes will be evaluated against the listed criteria, innovation, cost-effectiveness and organizational capabilities. Shortlisted candidates will be invited to submit full proposal by 14<sup>th</sup> September 2016.

## Annex: Transparency Landscape

Public disclosure has long been employed as a means to achieve greater accountability. From food labelling, to the disclosure of finances of elected officials, transparency has improved services and performance. In some cases transparency has even led to a redistribution of power, enabling ordinary citizens and consumers to use knowledge to demand change. Perhaps the most notable organization to enable change through public disclosure is [Transparency International \(TI\)](#), whose work has resulted in anti-corruption laws and conventions, the prosecution of corrupt leaders, and holding companies accountable for their actions. More recently, the [Panama Papers](#) demonstrated the significance of the trend toward greater transparency with its revelation of shadowy financial transactions, many of which likely violated tax and money-laundering laws, and brought elected officials and other prominent individuals to account for their illegal or unethical behaviour.

Within the apparel industry, most actors have been slow to embrace transparency, with some exceptions:

### **Disclosure of production facilities by brands**

A small number of reputation-sensitive clothing brands have started to address this issue by featuring the names and locations of some or all of their production facilities on their websites. While this is encouraging, most of the disclosure is limited to first tier cut-and-sew units and direct suppliers (only a few leading brands are beginning to disclose tier 2 and subcontractors), and does not include information about the working conditions in the factories.

### **Disclosure of working conditions information by MSIs, governments and civil society organisations**

[The Fair Labor Association](#) was the first institution in the apparel industry to post the contents of all of its independent assessment reports on their website.<sup>2</sup> However, only a portion of each FLA members' factories are subject to FLA assessments each year and there is currently no easy way to compare the performance of companies or to follow trends.

[Reporter Brazil](#) founded in 2001, has employed methods of investigative journalism to expose instances of forced labour, including in the apparel supply chain. Their work helped to establish the Brazilian Ministry of Employment and Labour's "dirty list" established in 2004. The dirty list is a register of employers (both people and legal entities) caught exploiting workers under abusive and coercive conditions. Between 2004 and 2014 [300 companies](#) were included on the list, including, but not limited to, apparel producers. Nearly all companies included on the list have

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<sup>2</sup> <http://www.fairlabor.org/transparency>

suffered a market reaction due to their involvement – being on the list makes you a risky investment.

The Rana Plaza collapse in Bangladesh in 2013 revealed once again the extent to which brands lacked knowledge about the location and working conditions of their garment production. The tragedy led to the establishment of two new organizations that practice transparency – [The Bangladesh Accord on Fire and Building Safety](#), the “Accord,” and the [Alliance for Bangladesh Worker Safety](#), the “Alliance,” – as well as other organizations including [Fashion Revolution](#), which developed the signature tag line: #whomademyclothes. The Accord and the Alliance disclose all factory inspection reports. Such public disclosure is enabling labour rights activists to hold brands accountable for [factory remediation](#). However, the scope, is limited to fire and building safety, and only includes factories known to be producing for the Accord and Alliance members.

Two programmes implemented under the International Labour Organisation’s (ILO) Better Work programme, transparently disclose working conditions in factories audited under Better Work. [Better Factories Cambodia publicly](#) discloses working conditions for over 400 factories, and has been able to show double-digit improvements in working conditions resulting from this transparency. For example, the programme cites a 15% improvement on the proper payment of bonuses and allowances after public disclosure. This effort has demonstrated that long-resisted changes can be addressed by introducing transparency.<sup>3</sup> However, in both Better Factories Cambodia and Better Work Haiti the scope of transparency does not cover all items included in audit reports.<sup>4</sup>

## Disclosure of purchasing practices

To date, we know of no systematic disclosure of purchasing practices, despite research indicating the impact poor practices have on working conditions. However, the planned public BetterBuying.org web platform aims to “shed light on purchasing practices so that they can be improved and factories will be better equipped to provide safe and fair conditions for workers.”<sup>5</sup>

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<sup>3</sup> Case Study: Transparency in Cambodia’s Garment Industry [http://betterwork.org/global/wp-content/uploads/2014/09/Transparency-in-Cambodia\\_V2\\_FA\\_Lowres.pdf](http://betterwork.org/global/wp-content/uploads/2014/09/Transparency-in-Cambodia_V2_FA_Lowres.pdf)

<sup>4</sup> [http://betterwork.org/global/?page\\_id=314](http://betterwork.org/global/?page_id=314)

<sup>5</sup> <http://www.betterbuying.org/>