

## Terms of Reference

### **Research Study and Preparation of a Working Paper on the Impact of COVID 19 on Textile and Ready Made Garment Enterprises and Sector and an Assessment of Resulting Needs**

#### **Duration**

The total duration of the assignment will be 30 work days commencing approx. 8 December 2020 (covering desk review, interviews, field visits, telephone discussions, validation workshops and finalization of the report). Please note that the finalized report will be the property of the ILO and may, depending on the findings, be treated as an internal document and not used for publication. The finalized report is expected by 31 January 2021.

#### **Duty Station**

Given the on-line nature of the inputs the duty station will be the city in which the consultant/organisation is based.

#### **1. Project background**

The ILO's International Labour and Environmental Standards Application in Pakistan's SMEs project (ILES) is funded by the European Union and is delivered by the ILO's Country Office in Islamabad and the World Wide Fund for Nature (WWF) in Lahore. The ILO's work focuses upon improving labour standards in the textile, ready made garment and leather industries in Pakistan. The project works with the federal and provincial governments, the labour administration, trade associations and at industry level. The programme also commissions and conducts research to improve knowledge of the relevant sectors.

The project focuses, at industry level, on Karachi (through its SCORE enterprises) but also through work on occupational safety and health and through the work undertaken by WWF, in Lahore, Faisalabad and Sialkot.

The project also seeks to support the potential reform of labour dispute resolution mechanisms and the existing freedom of association and collective bargaining provisions.

The project coordinates with our colleagues within Better Work, who plan to pilot a three year Better Work pilot project focusing on the textile and readymade garment sector.

Strategically, the project contributes to the Decent Work Country Programme 2016-2022 Priority Areas 2 and 3, in turn contributing to the United Nations Sustainable Development Framework Outcome 2. The project also contributes to the ILO Program and Budget Outcomes 2 and 4.

## 2. Introduction

In January 2014, Pakistan was awarded GSP Plus status by the European Union, allowing it access to tariff-free exports to the EU market. However, its status is conditional on improved implementation of its international obligations, including those relating to environment and labour standards. Textiles and RMG have been of particular significance, as they together make the largest contribution to non-agricultural GDP. The major markets for such exports are the European Union and North America.

The COVID 19 global pandemic in 2020 has had a significant effect on Pakistan and its industries. Lockdown arrangements were adopted by the provinces and federally in March 2020. The textile and RMG industries were prominent in discussions with government at Federal level to press for exemptions from the various lockdown arrangements and the Ministry of Commerce agreed with the provinces, a series of measures to allow exporting enterprises to reopen. The various provinces developed and introduced standard operating procedures to be implemented in exempted enterprises.

The Sindh government utilised the Sindh Epidemic Diseases Act to introduce an order specifying that for the period of lockdown no workers were to be laid off and that workers prevented from working by the lockdown arrangements would be regarded as working on full pay. These provisions were replaced by the provisions of the Sindh Emergency Relief Ordinance 2020, which also contains wider relief measures.

The notification and Ordinance have been challenged by a number of employers through a petition to the Sindh High Court. Those proceedings are on-going. Workers' organisations plan a similar challenge to compel the Sindh Government to begin implementation of the provisions.

The responses of individual enterprises have been mixed. However social media posts by individuals, workers' organisations and trade unions appear to demonstrate widespread breaches of the provisions prohibiting lay offs and payment of wages. Worker protests have been covered by social and main stream media and the position of various enterprises regarding workers' rights and safe working conditions have been highlighted in the international media. The situation in Karachi has received most coverage but anecdotal evidence also indicates that similar conditions are being experienced in textile and RMG enterprises in Punjab.

An accurate picture of the impact on and needs of workers and enterprises in the sector is required. No government data is readily available. The project recently initiated a rapid assessment of the impacts upon workers. That process is on-going. The project now wishes to undertake an analysis of impacts on enterprises in the sector and an assessment of the sector's needs resulting from the impacts on both workers and employers. Collaboration with the researchers undertaking the worker-focused study will be expected and a joint presentation of findings will be required.

## 3. Objectives and research questions

The research is intended to:

Impacts:

- Assess (i) the impacts to date on the number of enterprises in the sector affected by the COVID 19 pandemic and (ii) business' leaders' assessments of likely future impacts, ;
- Assess the impact and future likely impacts upon orders (international) of the COVID 19 pandemic;

- Assess the number of units/enterprises that have diversified or intend to diversify into alternative product areas, such as medical protective equipment and the likely future implications for product diversification;
- Assess the degree of market diversification undertaken
  
- Assess the number of units/enterprises that have closed and that forecast future closures of production units as a result of the pandemic. Assess and the length of those closures;
- Assess the number of units/enterprises closing permanently as a result of the pandemic, and the characteristics of those which have closed eg. size, product categories, female/male led, workforce composition;
- Assess the impact on the size of the workforces of enterprises, changes in skills requirements and human resource management within the sector for the immediate and longer term;
- Assess the impact in the downwards supply chains (e.g. sectors, products, home-based work); and

#### Needs:

- Assess the needs of industry in relation to product and market diversification and the government support required to address these needs;
- Assess the needs of industry in relation to business resilience and continuity and aspects of legislative, policy and other frameworks requiring reform to better support industry.
- Assess the types and terms of financial support available to enterprises within the sector (through the state bank, commercial banks, other finance institutions or other schemes) and the numbers availing such support;
- Assess vulnerabilities within the current exiting legal arrangements regarding export guarantees and the vulnerabilities arising in this regard;
- Assess the types of financial support and/or business support that employers and workers believe they need for the remainder of the pandemic and the future (if different from the above);
- Identify possible gender-related differences in impact and needs e.g. access to credit;
- Identify the various needs and opportunities of the sector (and subsectors) emerging as a result of the impacts of the COVID 19 pandemic;
- Formulate conclusions and pointers for further steps required:

## 4. Methodology

The research is intended to provide both quantitative and qualitative information to the project. Subject to discussions between the researcher and the ILO, the methodology to be used is expected to comprise:

- A preparatory discussion (virtual) with the ILES/Better Work/ILO team to discuss expectations, parameters and methodology;
- A desk review of existing literature and data on the sectors arising from the COVID 19 pandemic;
- In-depth telephone/virtual/in person interviews with relevant stakeholders, including:
  - Federal government ministries;
  - Provincial government departments;
  - Provincial tripartite consultative bodies in Punjab and Sindh;
  - National and international financial institutions;

- Members of the call to action working group;
- Employers' organisations including the Employers' Federation of Pakistan, relevant trade associations and industrial town associations;
- Enterprises in the textile and ready made garment sectors in Karachi, Lahore and Faisalabad.
- Workers' representatives, including the Pakistan Workers' Federation;
- ILO participating SCORE trainers and enterprises;
- The consultants conducting the ILES research on impacts upon workers in the sector.
- Development organisations working in the sectors, including WWF, FES and GIZ;
- Representatives of brands and retailers both in country and at HQ level;
- Other relevant stakeholders;
- Researchers undertaking the rapid assessment of impacts on workers.
- A joint workshop with the researchers developing the study on impacts upon and needs of workers;
- A presentation of the first draft findings to the working group on the Call to Action.
- A presentation of the final conclusions to the working group

The research will incorporate the following:

- Face to face or virtual meetings with individuals and organisations;
- Focus group discussions;
- Workshops (face-to-face, virtual and hybrid subject to COVID-19 developments and potential restrictions);
- A survey designed to gather data from enterprises (validated by the working group prior to its application)

All face to face meetings must incorporate COVID safe practices and may be replaced by virtual or hybrid meetings if the situation requires.

## 5. Ethical Guidelines

In relation to the interviews and focus group discussions the researcher should adhere to international best practices in conducting the research, including the following:

- Ensure that all interviewees understand the purpose of the research and how the findings will be used;
- Obtain informed consent from interviewees and notify them of the arrangements for confidentiality;
- Notify participants that they are free to stop at any time;
- Conduct the interviews in local language;
- Be sensitive to cultural norms;
- Comply with the legal requirements in place regarding social distancing, presence of staff in offices, limitations of gatherings and safe working practices

## 6. ILO's Responsibility

The ILO will support the researcher in establishing contact with the federal and provincial governments, employers' federation, workers' federation and other relevant stakeholders.

The ILES Project Manager in Islamabad will work closely with the researchers in the conduct of the research and its drafting.

## 7. Consultant/Organisation's Responsibilities - Expected Outputs:

The researchers are expected to produce a qualitative report of a **maximum** of 25 pages in English, excluding the executive summary, bibliography, figures and annexes. The report will contain a tabulated record of identified enterprises and the number of workers affected and, where possible, a rationale /reason for the layoffs/non/under payment. Coordination with researchers engaging with the rapid assessment of impacts on workers will be required.

In addition the following outputs are expected during the research process:

- An inception report, to include the proposed methodology, timelines, and a draft outline of the main chapter headings and structure of the report, to be agreed with the ILO;
- Appropriate research tools to be implemented during the research, including lists of questions for interviews and focus group discussions;
- The identification and documentation of case studies;
- A draft report, including an executive summary, bibliography, figures and annexes;
- Powerpoint slides for the presentation of the report findings.

## 8. Schedule of Reporting - Deliverables:

The consultant/firm will be expected to produce the following deliverables.

- a) A draft inception report and proposed draft structure, including chapter headings;
- b) A revised inception report (if required);
- c) Field work tools (including templates for use in semi-structured interviews and focus group discussions);
- d) Joint workshop with the researchers engaged in the worker focussed study;
- e) A draft report
- f) A presentation of initial findings to the Call to Action National Working Group;
- g) An agreed draft report (incorporating comments made by the ILO);
- h) A presentation to the ILO internally;
- i) A presentation to a consultative workshop comprising the ILO's tripartite constituents;
- j) A presentation to the call to action Pakistan working group;
- k) A final draft of the report, incorporating further information.

A total of 30 working days is envisaged.

Deliverables	Number of work days
Initial meeting and inception report and desk review revised and delivered	1
Tools designed, activity plan, key informant and stakeholder identification and selection of comparable institution/organization etc. ILO comments made and approved	4
Research interviews	10

First draft report findings delivered to ILO and presented to working group	10
Second draft report incorporating ILO comments delivered	2
Prepare and present findings to ILO	1
Presentation at consultative workshop, Islamabad	1
Final draft agreed	1
<b>Total</b>	<b>30</b>

## 9. Terms of Payment

Payment will be made on successful completion of the following deliverables:

<b>Deliverable</b>	<b>Payment %</b>
Advance of field expenses	10%
First draft report approved	50 %
Consultative workshop delivered	30 %
Final draft approved	10 %

## 10. Qualification, Experience and Expertise of Consultant/Firm

The researcher/organisation must have the following minimum qualifications and experience:

- a) Documented record of experience in relevant research and analytical work;
- b) Extensive documented experience of research and analytical work relating to the textile and garment industry;
- c) Proven familiarity with and contacts within the textile and RMG sector in Pakistan;
- d) Familiarity with government policies, laws and regulations, international labour standards and social dialogue is desirable;
- e) Proven experience in working with international development agencies, UN and/or Government on legal and development issues with focus on relevant sector;
- f) Strong ability to analyse and integrate diverse and complex quantitative and qualitative data from a wide range of sources;
- g) Good writing skills in English, including a demonstrated ability to draft clear, concise and policy-oriented reports that are attractive to the intended audience;
- h) Ability to facilitate participatory workshops and understanding of ethical requirements of participatory research approaches;
- i) Ability to work in Urdu, Sindhi and Punjabi;
- j) Demonstrated capacity to carry out the assignment within allocated timeframe

## 11. Coordination Arrangements

The researchers will coordinate closely with the ILES project manager/team, Pakistan.

## 12. How to submit

Interested individuals/organisations are requested to submit the expressions of interest by email addressed to [islamabad@ilo.org](mailto:islamabad@ilo.org) and cc'ed to [bates@ILO.org](mailto:bates@ILO.org) by **midnight (PAK) on 3 December 2020 with the reference ILES/ILO/2020/001 in the email subject line**, along with the following supporting documents

- One page summary of individual/organizational expertise
- Budget based upon 30 days work (for individuals, a daily rate should be quoted) and field expenses
- Links to two examples of previously conducted research in a relevant area
- CVs of consultant/lead consultant

Any offer received after the closing time and date will not be accepted.