

Terms of Reference (ToR)

Development of labour standards and procedures for procurement mechanism for garment subcontractors' factories

Background:

Over the last two decades, Jordan's apparel industry has been steadily growing and is now the leading export sector and manufacturing employer in the country. Like most other apparel exporting countries, Jordan gained entry to the global apparel value chain through international ties to developed markets. This began with preferential trade access to the US market, which led foreign investors producing apparel on behalf of international apparel brands to set up manufacturing facilities in Jordan with mostly migrant workers.

Better Work Jordan (BWJ) is a partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC). The ILO flagship programme brings together stakeholders from all levels of the global garment manufacturing industry to improve working conditions, enhance respect for labour rights, and boost competitiveness. The Better Work Jordan programme is mandatory for garment factories that export to the US under the US-Jordan Free Trade Agreement. Better Work Jordan covers an estimated 95 per cent of garment workers in Jordan, as the vast majority of garment-sector employment comes from factories that export to the US.

(<https://betterwork.org/jordan/>)

The Jordan Garments, Accessories & Textiles Exporter's Association (JGATE) (www.jgate.org.jo) is a non-profit, private sector initiative established in 2003 to drive industry growth. JGATE aims to serve as the focal point for all activities related to the garment sector. Thereby, providing leadership and support to principal industry stakeholders and supporting partners.

JGATE's mission is to increase sector competitiveness and expand export capacity. JGATE connects its members to the resources necessary to build export networks, improve management know-how, strengthen marketing & promotion, improve supply chain collaboration, enhance production and design capabilities, attract investment, and advocate for policy development and reforms.

Since its establishment, JGATE has assumed an active role in the development of the Garment sector, stemming from its strong commitment to service its members through policy advocacy. Lobbying and support schemes.

Overview of the Garment sector

Within the exporting garment industry, there are three types of factories. The largest factories are **direct exporters** who produce goods directly for buyers. These factories are mostly located in the main economic zones of Dulayl, Irbid and Sahab. Below these factories in the supply chain are numerous **subcontracting** factories, smaller factories that produce goods for the direct exporters upon request. Parallel to this system are **satellite** units, which operate outside of the industrial zones, primarily employ Jordanians, and are typically small. There are currently 45 direct exporters, 21 subcontractors, 24 satellite units, in addition to 5 non-garment factories.

Around 74,000 workers were employed in the exporting garment sector in 2023. Migrant workers make up three-quarters of the workforce. These workers, primarily from South Asia, typically work in Jordan for a contract of two to three years, which can be extended. Bangladeshis are the largest group of workers (over 50 per cent of migrant workers), and there are also workers from India, Sri Lanka, Nepal, and Myanmar. Jordanian workers make up the remaining 25 per cent of the workforce. The majority of workers are women – nearly 75 per cent of the production work force – whereas the majority of management positions are held by men. Direct exporters employed the vast majority of the workforce, with satellite units employing roughly 10 per cent and subcontracting units the remaining 6 per cent. Women are most heavily concentrated in satellite units (92 per cent of the work force), followed by exporting factories (74 per cent) and finally subcontracting factories (56 per cent).

As a result of their participation with Better Work, factories have steadily improved compliance with ILO core labour standards and national legislation covering compensation, contracts, occupational safety and health and working time. This has improved working conditions and, at the same time enhanced factories' productivity and profitability. However, challenges remain, particularly within the subcontracting network.

The relationship between main exporting factories and subcontracting factories in Jordan's garment sector is often characterized by a power imbalance, with main factories holding significant leverage. This dynamic is largely governed by market forces and contractual agreements, often favouring the interests of the main factories. The pressure to meet tight deadlines and production quotas, coupled with the pursuit of lower costs, can lead to subcontracting factories cutting corners, compromising worker safety and welfare. This hierarchical structure can also hinder workers' ability to collectively bargain or advocate for their rights, as subcontracting factories may be more vulnerable to closure or reduced orders.

Developing robust labour standards and procedures for procurement mechanisms specifically for garment subcontractor factories could significantly impact working conditions. By establishing clear guidelines and regulations, these standards would help to level the playing field, reducing the power imbalance between main factories and subcontractors. This could lead to improved working conditions, fair wages, better safety practices, and increased opportunities for workers to organize and advocate for their rights and eventually less non-compliances in the sector. Moreover, by incorporating ethical sourcing and labour practices into procurement procedures, main factories would be incentivized to select subcontractors who adhere to these standards, further improving the overall working environment in the sector.

To address these challenges and ensure uniform standards that contributes to consistent and fair treatment for all workers; Better Work Jordan is partnering with the Jordan Garments, Accessories & Textiles Exporters' Association (JGATE) to develop comprehensive labour standards and procurement procedures specifically designed govern the relationship between main exporting factories and their subcontracting factories. Implementing these standards will ensure consistent and fair treatment for all workers, improve working conditions, and contribute to a better working environment, ultimately enhancing factories' productivity and profitability.

Objectives:

The objective of this consultancy is to develop labour standards and procedures for procurement mechanisms that meet international best practices and local regulatory requirements, with a focus on improving working conditions and promoting workers' rights in garment subcontractor factories in Jordan. These standards are to ensure consistent and ethical practices in the contractual and operational relationship between main exporting factories and subcontracting factories. This mechanism will also support JGATE in establishing and implementing a program to certify subcontracting factories as labour-compliant, enabling them to qualify for contracts with large manufacturers.

Scope of Work:

The consultant is expected to – among other tasks- undertake the following:

- Reviewing existing labor standards and regulations in Jordan relevant to the garment sector, including those related to subcontractor factories.
- Conducting a thorough analysis and benchmarking of international best practices and standards for labour rights in the garment industry and such procurement standards and identify key principles and approaches that can be adapted to the Jordanian context.
- Consulting with relevant stakeholders, including government entities, industry associations, trade unions, and NGOs, to gather input and feedback on the draft standards and procedures.
- Developing comprehensive labour standards and procedures for procurement mechanisms for garment subcontractor factories in Jordan, covering areas such as working hours, wages, occupational health and safety, child labor, forced labor, and non-discrimination.
- Ensuring that the developed standards and procedures govern the relationship between main exporting factories and subcontracting factories and are aligned with international conventions and guidelines, as well as with local laws and regulations.
- Presenting the draft standards and procedures to stakeholders for review and feedback and incorporating their inputs into the final version.
- Suggest mechanisms to make the developed standards and procedures obligatory, including legal, regulatory, and industry-driven approaches, provide recommendations on how to ensure effective implementation and enforcement of the standards and procedures within the subcontractor factories and identify potential challenges and propose solutions to address these challenges.

Methodology

The consultant will need to articulate a detailed methodology and approach to undertaking this assessment in their proposal.

Deliverables:

The consultant will be required to deliver the following:

1. Inception report outlining the consultant's approach and work plan.
2. Draft labour standards and procedures for procurement mechanisms for garment subcontractor factories in Jordan (and implementation manual – TBD).
3. Final report (and manual/s) incorporating feedback from stakeholders and detailing the finalized labor standards and procedures. (This shall include a PowerPoint presentation to be used in showcasing the finding).

Deliverables	# of Expected Working Days	Deadline*	Report Language
Inception report outlining the consultant's approach and work plan.	1	8th October 2024	English
Draft labor standards and procedures for procurement mechanisms for garment subcontractor factories in Jordan (and implementation manual – TBD)	10	30th October 2024	English
Final report (and manuals) incorporating feedback from stakeholders and detailing the finalized labor standards and procedures. (This shall include a PowerPoint presentation to be used in showcasing the finding)	5	15th November 2024	English and Arabic (standards and procedures)
Total number of expected workdays		16	

*Indicative

Supervision

The consultant will report to the BWJ National Project Coordinator - Employer's Relations under the BWJ program manager's overall guidance and work closely with the BWJ team and JGATE team to finalize all above mentioned deliverables.

The National Project Coordinator - Employer's Relations (in consultation with JGATE CEO) should approve all deliverables.

Payment Method

Payments for this consultancy will be made as one payment following the acceptance of all deliverables and upon receipt of signed invoices.

Responsibility of Data Collection

Collection of any data / information required is the responsibility of the consultant. BWJ/ JGATE will facilitate for any needed meetings.

Confidentially

The External Collaboration will sign a contract with International Labor Organization that contains clauses on confidentiality and non-disclosure.

Qualifications:

The consultant should possess the following qualifications:

- Master's degree in a related field.
- In-depth knowledge of international labor standards and best practices.
- Excellent research and analytical and report writing skills. Consultant is expected to have excellent research skills and the ability to gather and analyze qualitative and quantitative data.
- Familiarity with the garment industry, particularly in Jordan, and other countries is also an asset.
- Ability to work independently and deliver high-quality work within the specified timelines.
- Excellent command in English, Arabic is a plus.

How to apply

Interested consulting companies wishing to apply to this assignment must send an email to jordan@betterwork.org with the subject (**Procurement_Standards_2024**).

The email shall include the following:

- 1- Technical Offer
 - A proposal which at least consists of proposed approach and methodology, team member composition, work plan and timeframe.
 - Company profile containing CVs of the project leader as well as proposed team members.
 - Summarised description and examples of work on the previous specific and similar assignments.
- 2- Financial Offer
 - The financial offer should demonstrate the needed budget for implementation, including detailed fee breakdown by each activity.

The deadline for receiving applications is **26th September 2024**.

Only short-listed applicants will be contacted.