**Terms of Reference (ToR)**

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<th>Research Consultant (Conduct an assessment on the roles and effectiveness of international buyers and financial institutions in enhancing ESG implementation in the garment industry in Cambodia)</th>
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1. **Background:**

Transparency International Cambodia (TI Cambodia) is a fully accredited National Chapter of Transparency International, the global civil society organisation leading the fight against corruption. Founded in 2010, TI Cambodia envisions a Cambodia, which is free of corruption, where its citizens enjoy high quality of lives and sustainable development. TI Cambodia’s mission is to work together with individuals and institutions at all levels to promote integrity and reduce corruption in Cambodia.

Transparency International Cambodia (TIC) is now working directly with businesses to help them take action to stop corrupt practices and limit their exposure to the costs and other risks associated with bribery and corruption. It works with relevant government agencies, business associations and other groups of business to promote dialogue, facilitate information sharing and best practice development, and support collective advocacy to create a business environment free of corruption practices. The Business Integrity Programme (BIP) has also been engaging with Fair Finance Cambodia (FFC) since 2018 to enhance legislative adoptions on ESG principles and responsible business conducts, including best practices of sustainable finance.

TI Cambodia, along with Civil Society Organization (“CSO”) partners led by Oxfam in Cambodia, seeks to promote the concept of “sustainable financing” in Cambodia under a joint project entitled Fair Finance Cambodia (FFC), that focuses on the adoption of ESG principles. The strategy has targeted key stakeholders, including financial institutions, financial regulators, and policy makers to build a responsible financial sector in Cambodia, focusing especially on lending and credits policies, together with regulations within the Cambodian financial sector.

All qualified and interested applicants shall submit their application including a cover letter and materials specified in Section 3 and a copy of relevant research/studies the applicant has authored, if any, to recruitment@ticambodia.org by 25 June 2021. Any queries on the TOR should be sent to chanroatra@ticambodia.org.

2. **Main objective:**

The Consultant is expected to take the lead in conducting thorough research and producing an in-depth report on “the roles and effectiveness of international buyers and financial institutions in enhancing the implementation of ESG principles in the garment industry in Cambodia”, through a
close consultation and coordination from TI Cambodia’s team and CSO members in the Fair Finance Coalition of Cambodia (FFC).

Main objective of this assignment is to examine and assess the roles and effectiveness of international buyers and international financial institutions in enhancing the implementation of ESG principles in the garment industry in Cambodia. Specifically, the assignment aims to:

- Conduct in-depth reviews of the implementation of ESG principles in the garment industry in Cambodia, especially on workers’ rights and women’s rights;
- Assess the roles and the effectiveness of international buyers in enhancing/contributing to the implementation of ESG principles;
- Assess the roles and the effectiveness of financial institutions in enhancing/contributing to the implementation of ESG principles;
- Discuss relevant problems of ESG principles integration in the garment sector that need further research and to suggest recommendations for reforms in policy and practice;
- Provide recommendations focusing on internal protection policy and compliance to the financial institutions for reforms that would substantially improve the negative impacts on workers’ rights.

3. **Scope of work:**

The scope of work will be the following:

- Develop a clear and detail research method, framework and tool/questionnaires. This should be held in consultation with TI Cambodia;
- Conduct a thorough desk review to gather relevant information on the study topic taking into account the research objectives;
- Conduct interviews with targeted individuals and experts. These should be done in consultation with TI Cambodia in order to ensure that the sample size is large enough to make sound recommendations based upon the findings;
- Identify, approach and form an Advisory Group for the research which will play an advisory role for the duration of the study;
- Facilitate two consultation workshops (organised/funded by TI Cambodia). The first workshop is to present the research methodology and framework (inception report), while the second one is to present the draft report to the Advisory Group to generate their inputs and validate the study findings and recommendations;
- Produce a well-written and comprehensive research report based on the outcomes of the study, appropriately discussing the current contexts and issues of the roles and effectiveness of international buyers and international financial institutions in promoting the implementation of ESG principles in the garment industry in Cambodia. The report should also present an objective analysis of the findings, with the use of quotations and/or case studies, taking into account comments and inputs from TI Cambodia and other relevant experts. Most importantly, it should provide sound and solid recommendations to relevant stakeholders (mainly GMAC, ABC’s members, and government regulators) in light of the research findings.
- Present the research findings and recommendations at the report launching event (organised/ funded by TI Cambodia).

**Research Questions**

(i) Existing levels of policy and legal frameworks of workers' rights in the garment sector
- What are the existing policies and legal frameworks in place for protecting workers’ rights (including women’s rights) in the garment sector both national and international ones?
- To what extent is the government promoting workers’ rights and women's rights in the garment sector?
• What are the mechanisms to prevent the abuse of workers’ rights in the garment sector?
• How did the engagement of financial institutions by other stakeholders (such as NGOs) lead to them promoting workers’ rights?
• What are the policy gaps to promote ESG principles and workers’ rights in the garment industry?

(ii) The implementation of ESG principles in the garment industry
• What proportion of the garment factories (sample/respondents) know about ESG principles?
• What proportion of the garment factories have implemented ESG principles?
• To what extent have the garment factories implemented ESG principles?
• Why have those factories implemented ESG principles?
• From a social governance perspective, why are workers’ rights very important for the garment factories?
• What are case studies where garment factories have supported worker’s rights, especially women’s rights?
• How did the garment factories comply with existing government’s policies and regulations?

(iii) Financial flows focusing on capital flows in garment industry
• What are the current top ten investing countries in Cambodian garment sector?
• What are the main sources of investment capital?
• What is the proportion of local investment in the garment sector in terms of investment capital?
• What are the criteria (social and good governance) set up by the financiers on the investment credits/loans?
• What are the financial transaction types between Cambodian suppliers and the international buyers?
• What are the obligations of international buyers/networks to ensure the compliance of workers’ rights?

(iv) Financial institutions’ obligations to reduce the negative impacts on workers’ rights by the garment industry
• What can financial institutions do to reduce the negative impacts of workers’ rights in the garment industry?
• What are the criteria and/or requirements that should be improved in the investment credits/loan approval process to protect workers’ rights in the garment industry?
• What are the obligations of financial regulators to enforce and enhance better workers’ rights in Cambodian garment industry?
• What are the policy gaps to promote ESG principles in the financial sector, specifically with respect to regulatory enforcement?

(v) Case studies of international buyers (H&M, Adidas, Nike or other) regarding the support of workers’ rights in Cambodian garment industry
• Case studies describing the implementation of ESG principles by the garment factories who are the suppliers to major brands such as H&M, Adidas, or Nike

(vi) Case studies on the compliance of ESG principles by major brands such as H&M,
Adidas, or Nike with respect to workers' rights and women’s rights.

4. Deliverables:
The consultant is expected to deliver the following key outputs:

- A full, well-written and comprehensive in-depth study report on the roles and effectiveness of international buyers and international financial institutions in enhancing ESG principles implementation in the garment industry in Cambodia (English 35-40 pages);
- A summary version of the research report that outlines an introduction, key findings and recommendations (English 8-10 pages);
- A presentation (45 mn) on the research findings and recommendations at the report launching event.

5. Work schedule:
- The anticipated duration of the contract is expected to begin as soon as possible and is concluded by August 2021.

6. Payment schedule:
- Payments by TI Cambodia are deliverable-based. Any deliverable that does not meet the required specifications and quality will have to be reworked and resubmitted at no additional cost to TI Cambodia. The proposed payment schedule for this assignment is upon submission of progress reports on completed tasks, outlined against planned outputs. Based on the report and satisfactory performance, payments will be approved by the Director of Programmes.

7. Type of supervision and place of work:
- The consultant must work closely with TI Cambodia for the whole duration of this project, as well as with the inputs from the Advisory Group and senior management of TI Cambodia. The consultant will from time to time submit and share the progress of activities as agreed in the contract;
- The consultant does not have to be present at TI Cambodia’s office during the course of this assignment.

8. Required Knowledge, Experience and Skills:
- Advanced university degree (MA or PhD) in Economics, Finance, Political Economy, International Finance/Trade or other relevant subjects;
- Demonstrated strong knowledge and experience in undertaking qualitative and quantitative research studies particularly in financial sector;
- Experience in conducting garment sector assessment and/or analysis;
- Prior experience in Cambodia and/or knowledge of Cambodia’s garment sector are desirable;
- Good knowledge of legal and policy development and practice in Cambodia in particular on garment sector including the international financial flows and the roles of international buyers and financial institutions;
- Excellent English language skills (native speaker standard) and the ability to write succinctly and for a non-academic audience;
- Ability to work as a team with Chinese and Khmer speaker assistants to deliver the outputs with high quality;
- Ability to work with minimum supervision and deliver the outputs with high quality;
- Passion for Transparency International Cambodia's mission and goals and a commitment to the organisation’s core values.