



Terms of Reference FOR RENDERING CONSULTING SERVICES

STWI Projects Component 1 Implementation

Project Number (43-413)

2017

Stockholm International Water Institute (SIWI)

1 Contract Terms of Reference

1.1 List of definitions and abbreviations:

Technical Consultancies: A technical consultancy is a company of or individual technical experts, capacity builders, and trainers or advisors who have a track record in working with the textile industry in their respective Production Countries on achieving qualitative and quantifiable change in terms of improved capacities of Production Unit management and staff, and in providing technical expertise to Production Units that directly improves their environmental performance.

Production units: Textile and leather manufacturing units with or without water processing in Production Countries Nominated Production Units are those units nominated by STWI brands to SIWI for engagement in “STWI Projects” and are suppliers or sub-suppliers to at least one STWI brand.

Production country: Bangladesh, China, Ethiopia, India and Turkey. SIWI will be scoping in a number of other countries during 2017, in order to qualify them as STWI Project countries. Those include Pakistan, Vietnam, Cambodia, Myanmar and Indonesia.

STWI: the Sweden Textile Water Initiative consisting of 30+ brands who convene continuously to learn about and address water-related risks in their supply chains. STWI has a set of guidelines for the sustainable use of water resources in manufacturing processes. More information can be found here: www.stwi.se

SIWI: the Stockholm International Water Institute, is a non-profit research and development organization based in Sweden, but working in more than 90+ countries since 1991. The vision of SIWI is a water-wise world, and it contributes to that through different activity area such as policy development, advisory services, capacity building, and convening networks. SIWI acts as the convener and secretariat for the Sweden Textile Water Initiative, and manages all of the initiative’s activities. For more information: www.SIWI.org

STWI brands: STWI brands participating the in the Sweden Textile Water Initiative as listed on www.stwi.se

SIDA: the Swedish International Development Agency, a government agency in Sweden working on behalf of the Swedish parliament and government, with the mission to reduce poverty in the World. Throughout SIDA’s work and in cooperation with others, SIDA contribute to implementing Sweden’s Policy for Global Development. SIDA is a co-financier of STWI Projects.

STWI Projects: is a Public-Private Partnership (PPP) between SIDA, STWI brands and their Production Units, with SIWI as the implementing partner. STWI Projects builds the capacities of Production Units and provides them with technical support to improve their environmental impact sustainably. STWI Projects components include Production Unit Capacity Building (relevant to those tors) and other components such as Improving Industrial Water Governance, Harmonization with Global Industry Initiatives, and Communications. The overall vision of STWI Projects is to catalyze a shift towards sustainable use of water resources in major textile production hubs, aligning with STWI’s goal to establish a global network of textile-water initiatives in production and procurement markets to work continuously with improving environmental impact, with local financing through PPPs or cost-recovery by participating Brands and units.

1.2 Program description

In its role as secretariat for the Sweden Textile Water Initiative (STWI), the Stockholm International Water Institute (SIWI) has been driving collaborative programs to improve sustainable water use in production processes at the supplier and sub-supplier levels. Between 2015 and 2017, SIWI is continuing to scale up its current operations to Bangladesh, Ethiopia, China, India, and Turkey to build a global network of textile and leather manufacturers who continuously work to improve their environmental impact.

During 2016, SIWI worked with expert teams in each country to build the capacity of 117 suppliers and sub-suppliers to STWI brands. In 2017, the aim is to increase the number of engaged Production Units to up to 200 supplying STWI brands in a program financed by the STWI brands, the Production Units, and the Swedish government through the Swedish International Development Agency (SIDA). For 2017, the aim is to reach +200 Production Units engaged in national networks connected globally, which would also include a number of Production Units that participate at their own cost.

To that extent, SIWI works with STWI brands, and Local Expert teams “Technical Consultancies” in each country to manage the national Production Unit programs as part of the Global STWI Projects Component 1 (Capacity Building for Production Units) to:

- a) Continuously build the capacities of management and workers of production companies on improving the efficiency of water, energy and chemical use systematically in their suppliers’ manufacturing processes to achieve pre-set, annual quantitative and qualitative targets.
- b) Continue to provide support to Production Units to implement recommended projects to achieve these targets at the Unit level throughout the year.

The Client issued a Call for Tenders with Terms of References of November 17th 2014 to contract a consulting company to implement technical aspects of the call for tenders. Different Technical Consultancies were contracted for implementing the project during 2015 and 2016. The partnership between The Client and the Technical Consultancy was renewed one more implementation year (2016).

Following are the terms of reference for a framework agreement to be signed between SIWI and technical consultancies for rendering different service packages between 1 January 2017 and 1 May 2018. SIWI reserves the right to hire different technical consultancies to deliver different service packages.

1.3 Scope of work for the Technical Consultancy (“the Services”)

Following are the full Terms of Reference (TORs) for the Technical Consultancy. The Technical Consultancy is a company of or individual technical experts in cleaner and sustainable production, capacity building, with specific focus on textile processes. They act in their country as the extended implementation arm of The Client’s global program for Production Units and in full compliance of those TORs. The Client will continuously provide tools, software, solutions, trainings and manuals to Technical Consultancies as necessary.

The Technical Consultancy may not provide additional services to Nominated Production Units in any of the above mentioned Categories beyond those services identified in those TORs, and must inform The Client on a case-by-case basis on any on-going or past projects the Consultants have implemented with the Production Unit outside the scope of STWI.

The service packages, assume at least 30 units of which 20 are in Category A and 10 are in Category B, and are to be provided as follows:

1.3.1 Develop, manage and render one or more of the following service packages:

WO#	Description	Timeline	Minimum effort estimate per Resource type		Cost ceiling (SEK)	
			Project Manager	Technical Expert	Unit A	Unit B
1.1	Pre-assessment & Unit categorization	M0	0.5	-	500	500
1.2	Unit assessments	M0-M3	3/2	4/2	12000	10000
1.3	Implementation support visit	M0-M12	0	4	7000	5000
1.4	Capacity Building (per activity)	M3-M9	-	-		
1.4.1	Workshop 1	M3	0.5	1	1000	1000
1.4.2	Workshop 2	M6	0.5	1	1000	1000
1.4.3	Workshop 3	M9	0.5	1	1000	1000
1.4.4	Awareness Sessions	M3-M6	1	-	500	500
1.5	Country Coordination & Reporting	M0-M15	2	-	4000	4000
	Total (all taxes included)		8/7	11/9	27000	23000

1.3.2 Service package description

1.3.2.1 Pre-assessment & Unit categorization

Categorize and differentiate Nominated Production Units: The Client through its contacts with STWI brands will provide a list of Nominated Production Units to each Technical Consultancy. This list may be expanded from time to time. Once the list of Production Units has been provided by The Client, the Technical Consultancy will provide the unit with a pre-assessment questionnaire as per the clients’ formats and will divide the Production Units into the following categories based on their size.

Size:

The size of unit is used as a classification to differentiate between large (Group A) and small to medium (Group B). Criteria as listed below is used to make the distinction between Group A and Group B facilities. Qualifying for any one of the criteria is enough to classify a facility as group A.

Category	Criteria	Typical candidates
A	<ul style="list-style-type: none"> • Total number of Employees >500 • Water > 500 Thousand Liters per Day (TLD) • >2.5 million SEK on resources (Water, Energy & chemicals) 	Medium and Large integrated mills Large Denim Laundries Medium and Large CMT unit Medium and large dry/wet tanning mills
B	<ul style="list-style-type: none"> • Total number of Employees < 500 • Water < 500 TLD • <2.5 million SEK on resources (Water, Energy & chemicals) 	Small wet processing mills with limited process capabilities Small denim laundries Small CMT units Artisan facilities Small dry tanning mills

1.3.2.2 Unit assessments

1.3.2.2.1 Baseline assessment

Only done once in the program's cycle i.e. when the unit signs up for the program for the first time. The activity becomes merely reduced to an update of the existing baselines for units that are continuing the project in consecutive cycles.

1.3.2.2.1.1 Preparation work

- 1) Schedule the meeting with the unit, informing SIWI and in extension the nominating brand office, to ensure availability of all key stakeholders from the side of the unit for the different sub-activities to be carried out, as well as providing an agenda for the visit.
- 2) Establish early dialogue with technical managers at the unit to understand requirement of equipment while visiting the facility for taking data collection samples as well as doing utility and process assessments.

1.3.2.2.1.2 Activity

The activity is broken down into sub activities that need to be completed to achieve the intended outcomes.

- 1) Meeting with Unit Top Management, chaired by the Client, or on behalf of the Client if the Client does not have a country coordinator physically available, to:
 - a. Synchronize expectations from the project
 - b. Present project objectives and activity timeline
 - c. Appoint a team from the unit's management and a project leader (single point of contact), as well as ensure that the top management allocates time for these resources to work on the project activities.

- 2) Resource consumption data collection & validation
 - a. Map resource consumption patterns on for energy (electrical and thermal), water, and chemicals. Identify alternative / renewable resource sources and production material.
 - b. Validate resource consumption patterns by collecting documented proof for e.g. Purchase invoices, inventory logs, as well as on-site data collection using metering/process verification.
 - c. Validate data from resource consumption to the data provided in pre-assessment questionnaires and re-calibrating categorization as explained in Pre-assessment & unit categorization.
- 3) Utilities assessment,
 - a. Identify key utilities for water supply, treatment & distribution networks, electrical power supply, conditioning and distribution networks, thermal energy supply, control and distribution, chemicals storage and distribution & waste water treatment, or any other utilities where savings can be achieved.
 - b. Expert evaluation of each utility to optimize design, best practices and operational performance.
- 4) Production process assessment
 - a. Identify key equipment, techniques, and materials in the production process.
 - b. Expert evaluation of each process for design, best practices and operational performance.
- 5) Interview key persons from the unit to
 - a. Evaluate best practices followed in the routines of the unit
 - b. Identify key areas of training and capacity building for the unit teams
- 6) Opportunity identification
 - a. Identify existing opportunity areas where the unit can do better resource utilization.
 - b. Gather detailed information on how such opportunities can be converted into specific technical projects that can be implemented by the unit's team or with the help of external parties, as part of the Environmental Management Plan.

1.3.2.2.1.3 *Outputs*

The essential Outputs from the baseline assessments are:

- 1) The Technical Consultants' team's understanding of the processes and resource consumption patterns so as to articulate them in the Environmental Management Plan as well as other reporting areas.
- 2) Unit teams understanding of the goals, objectives and their responsibility in implementing the projects
- 3) A prioritization of opportunity areas to which the top management of the unit commit themselves to.
- 4) An Environmental Management Plan delivered in the format provided by client. The Environmental Management Plan will consist of all unit assessment data, KPIs and targets for continuous monitoring, policies and projects to be implemented in a pre-set timeline, with a project feasibility / ROI, name of team members and program responsible at top-management. Benchmarking (national, international) is to be provided in the Environmental Management Plan as provided by the Client. The Environmental Management Plan must meet the ISO 14000/1 standard. Each Plan must include an annex on the latest relevant governmental policies that must be complied to.

1.3.2.2.2 *Mid-term assessment*

At the middle of the program implementation cycle an assessment of the units needs to be carried out to validate the trajectory of the program's outcomes. This mid-term assessment provides for significant information to the program's stakeholders on the need for course correction.

1.3.2.2.2.1 *Preparation work*

- 1) Scheduling the meeting with the unit to ensure availability of all key stakeholders from the side of the unit for the different sub-activities to be carried out, as well as providing an agenda for the visit.
- 2) Establishing early dialogue with technical managers at the unit to establish the list of projects that will be reviewed in detail.

1.3.2.2.2.2 Activity

- 1) Meeting with Unit top-management for
 - a. Reviewing the prioritized project list for implementation status
- 2) Resource consumption data collection & validation
 - a. Validating resource consumption patterns by matching the data collected on a monthly basis against documented proof for e.g. Purchase invoices, inventory logs, as well as on-site data collection using metering/process verification.
- 3) Utilities assessment
 - a. Expert evaluation of each utility for design, best practices and operational performance.
- 4) Production process assessment
 - a. Expert evaluation of each process for design, best practices and operational performance.
- 5) Interviewing key persons from the unit for
 - a. Evaluating changes in best practices followed in the routines of the unit
 - b. Key areas of training and capacity building for the unit teams
- 6) New Opportunity spotting
 - a. Identifying key opportunity areas where the unit can do further resource utilization.
 - b. Gathering detailed information on how such opportunities can be converted into specific technical projects that can be implemented by the unit's team or with the help of external parties.

1.3.2.2.2.3 Outputs

- 1) Understanding by both teams (local and unit) on the current trajectory to achieve the project plan targets
- 2) Documentation of learnings and implementation activities for the unit's team
- 3) Verification of the impact yielded from implemented projects as well as potential impact yield from prioritized projects.
- 4) A unit mid-term assessment report delivered in the format provided by client (i.e. Progress report on the implementation of the Environmental Management Plan).
- 5) New project areas for the unit to work on if they have been able to manage the program timelines. (I.e. they have ability to absorb more project plans)

1.3.2.2.3 Final assessment

Towards the end of year, the unit are to be assessed to take stock of the outcomes and provide direction for the next cycles. The Units may continue to implement projects as part of the 3 remaining months for the program cycle, and get further support, but the final report must be delivered on a calendar-year basis as the Client and Brands must submit their official reports no later than the Beginning of February every calendar year.

1.3.2.2.3.1 Preparation work

- 1) Schedule the meeting with the unit to ensure availability of all key stakeholders from the side of the unit for the different sub-activities to be carried out, as well as providing an agenda for the visit.
- 2) Establish early dialogue with technical managers at the unit to establish the list of projects that will be reviewed in detail.

1.3.2.2.3.2 Activity

- 1) Meet with Unit top-management for
 - a. Provide final update on how the unit performed over the program implementation cycle
- 2) Resource consumption data collection & validation
 - a. Validate resource consumption patterns by matching the data collected on a monthly basis against documented proof for e.g. Purchase invoices, inventory logs, as well as on-site data collection using metering/process verification.

- b. Record resource utilization improvements driven by the program implementation cycles activities.
- 3) Utilities assessment
 - a. Expert evaluation of each utility for design, best practices and operational performance.
- 4) Production process assessment
 - a. Expert evaluation of each process for design, best practices and operational performance.
- 5) Interview key persons from the unit for
 - a. Evaluating changes in best practices followed in the routines of the unit
- 6) New Opportunity identification
 - a. Identifying key opportunity areas where the unit can do better resource utilization.
 - b. Gather detailed information on how such opportunities can be converted into specific technical projects that can be implemented by the unit's team or with the help of external parties.

1.3.2.2.3.3 *Outputs*

- 1) Agreement between Technical Consultants and unit teams on the achievements from the program implementation cycle.
- 2) Areas where the unit performed well and those where the unit could do better in the future
- 3) A final assessment report delivered in format provided by Client.
- 4) An update of the original Environmental Management Plan is to be provided as the basis for the next cycle. Implementation support

1.3.2.2.4 *Basic support*

The implementation process requires, on request by the factory and approval by the client, the Technical Consultants team arrange up to 2 visits to facilitate implementation of projects as well as keep time available for remote consultation (through email or phone). These activities range from agreement on the technical specifications of the project, targets and KPIs, troubleshooting on-site while project is being implemented, to support in finding vendors, verifying offers received from different vendors, as well as verifying actual outcomes in an ongoing or after project implementation etc.

1.3.2.2.4.1 *Preparation work*

- The visits should be scheduled in advance, with agenda being set to review specific prioritized project status
- Technical Consultants teams' experts should have deep understanding of the project and the support requirement of the unit.

1.3.2.2.4.2 *Activity*

To ensure the outcomes of this support activity the team must cover the following sub-activities

- Validate project impact (using the tools and estimation methods agreed upon with the Client), project implementation process, financial commitments from the unit and timelines
- Identify linkages and possible impact on other areas to ensure positive outcomes, i.e. Externalities
- Identify linkages between similar projects implemented within all Production units and provide insights to the unit team from those experiences
- Provide literature and information packages to help the unit team understand the scope of their activity.

1.3.2.2.4.3 *Outputs*

1. The unit teams should feel convinced that they have the knowledge to implement the projects
2. The unit teams are able to convince their top management to provide resources to implement the projects on hand
3. Minutes of meetings, Issue logs, Project trackers and other relevant formats provided by the client are updated.
4. The Technical Consultants team is able to accelerate the project implementation and ensure resource savings

5. The unit teams are able to provide testimony that the support provided by the Program Technical Consultants team has helped them make better/more informed decisions.

1.3.2.2.5 Value added services

Any activity requiring efforts in increment of the time cost covered by the STWI project are considered as value added services, these could be advanced technical studies, infrastructure design projects, extended assessments or similar activities (e.g. Green Buildings, LEAN Manufacturing, etc.). To maintain neutral perspective of the project, Technical Consultancies are not permitted to promote or provide their own services to the Production Unit in connection with the Unit's Environmental Performance beyond the scope of this Contract without firm agreement with the Client. The Client requires the Technical Consultants to scope possibility of offering value added service packages for the unit, provided that the unit teams indicate the need and willingness to fund them. Each value added service before being offered to the unit must be:

- 1) Documented for scope, timelines, outcomes, performance indicators and financial estimates
- 2) Verified by client for viability and possibility to enhance the offer using global insights as well as other team's capabilities.

1.3.2.3 Capacity Building

1.3.2.3.1 Workshops 1, 2 & 3

1.3.2.3.1.1 Activity

Separate workshops for Garment Units and Water Processing Units are full day workshops where all participating units come together, provides update on their progress, receive updates from experts on a variety of topics (designed to the capacity building needs of the participating unit teams), and collaborate on sharing their project priorities, learnings and shortcomings. These workshops are setup three times in a single program implementation cycle, and are aligned to the theme of the program implementation cycle. The workshops 1 + 3 are to be conducted in conjunction with the Clients opening and closing workshops. The topics for each workshops are to be decided with the Client, who in turn will also involve brands in the decision making – but generally tend to cover the broader areas of the project implementation: The Environmental Management Plan; water, energy and chemical resource use optimization and alternatives for circular production.

Participants

Unit program leaders and up to 2 relevant Unit staff members.

1.3.2.3.1.2 Outputs

1.3.2.3.1.2.1 Essential

- 1) Unit teams provide testimony that they have developed new areas of understanding for the topics presented by experts
- 2) Each Unit to score at least 70% on a case study exercise at the end of expert presentation
- 3) Unit teams share their project plans, share learnings and seek inputs for challenges faced by them on project implementation

1.3.2.3.2 Awareness Session

As a part of the process to enable the transition of a unit's maturity to higher levels, it is critical to not only engage with the decision makers (top management) and project implementers (unit's appointed team) but also with the mass of workers employed at the partner units.

1.3.2.3.2.1 Preparation work

- 1) All communication materials used for this activity should be prepared in advance of the visit
- 2) The visit should be scheduled well in advance and the time requirement for engaging with employees at mass (if they are to participate in person) should be communicated clearly in advance and agreed with the unit.

1.3.2.3.2.2 Activity

This activity engages with most if not all employees of the unit without taking away too many resources in terms of time from the unit's production schedules. The primary modus operandi are to put up public information regarding the project objectives as well as general information on how sustainable production practices that the employees can adopt helps improve their own life. This can be done in many innovative ways including but not limited to:

- 1) Use of posters with key messages in native languages understood well by a majority of the employees.
- 2) Making announcements regarding the project activities and achievements through public announcement systems at set period of time. Top Management to provide incentives for staff for project implementation components (i.e. better salaries or rewards for initiative and improvements, etc.)
- 3) Providing training material to be included in the worker training and on boarding programs at the unit

1.3.2.3.2.3 Outputs

- 1) A proportion exceeding 50% of the employees at each unit should be reached out to for awareness creation.
- 2) Photographs, audio-visual material as well as written testimony on the delivery of the awareness sessions is provided to client.
- 1) The messages should be delivered in a methods and mediums that they have a high retention/repeatability.

1.3.2.4 Country Coordination & Reporting

1.3.2.4.1 Activity

- Updated unit's Monthly Engagement Score and Actions: Based on program interactions with the units, a Monthly Engagement Score is assigned to every unit assigned to the technical consultancy. The score is evaluated using criteria provided by the client and the technical consultancy should suggest concrete actions for the Client, brands, and other relevant partners for improving the engagement score
- Develop country reports
 - Baseline: Compile baseline country report using data from unit reports at a country level view (without any unit details, and only aggregate data) and provide analytical insights on the same in a format provided by the client.
 - Midterm: Compile Midterm country report using data from unit reports at a country level view (without any unit details, and only aggregate data) and provide analytical insights on the same in a format provided by the client.
 - Final: Compile final country report using data from unit reports at a country level view (without any unit details, and only aggregate data) and provide analytical insights on the same in a format provided by the client.
- Provide support and query resolution for brands: participate in interactions with the Client and with brand representatives at local and central procurement office levels for providing support on program implementation processes and resolving queries on program plans/design/status etc.

1.3.2.4.2 Outcomes

1.3.2.4.2.1 Essential

- The Client is updated on Unit Engagement level.
- The Client knows the performance of Units in the program.
- The Client receives feedback on Program Implementation at unit level to enhance engagement in discussion with brands
- The Client is able to keep the brands engaged & updated in the program implementation process.

- Updates on the latest trends, policies, internal or external factors that affect unit's engagement, interest, goals, or project implementation.
- *Brands take quick and solid actions against recommendations provided to them by the client's appointed teams.*

2 Time-line for implementation

The technical shall perform the Services against issued work orders during the period commencing 15th January 2017 and continuing through 31st March 2017, the Local Partner will thereafter have a month (thirty days) to produce The Client's financial and narrative reporting requirements. The Client may extend the duration for the reporting period.

Following is the approximate timeline for implementation:

Phase 1: January 2017: Contracts and work plan

Set up period. Contract is signed between the Technical consultant and THE CLIENT, during January 2017. Tentative amount of work orders released to technical consultant will be provided along with the contract. The client reserves the right to withdraw work orders to accommodate changes in program process or manage program quality.

Phase 2: January 2017 – March 2017:

Assessment period. All baseline reports as required against work orders by THE CLIENT should be submitted to the client by 15 March 2017

Phase 3: April 2017 – November 2017:

Implementation Support period. All mid-term reports, data updates, trackers and relevant formats to be updated and provided to client before 15th September.

Phase 4: December 2017 – January 2018:

Reporting period for SIDA The final report draft to be submitted by 15 December 2017 and finalised in January 2018. Closing of the programme and books to be done at the absolute latest by 10 February 2018.

Phase 5: January 2018- March 2019:

Closing Workshop and Final Unit Assessment Reports completed. New recruits assessment cycle, continued reporting period for repeating units.

*Information on Nominated Production Units (Names, Contacts and Addresses) would be before the end of January 2017. Additional factories may be added in a subsequent period. These units would then be put on an accelerated track to complete the program according to its timeline.

Activities/Timeline	Months 1-4	Months 5-8	Months 9-12	Months 13-15
Workshops	Technical training workshop 1 Project leaders meeting 1	Technical training workshop 2 Project leaders meeting 2	Technical training workshop 3	Closing Workshop
Compulsory Onsite visits	Baseline Onsite Visits	Midterm Onsite Visits	Final Onsite Visits	
Implementation Support Visits on request from factories (max 2)	The timing of these visits, if any, need to be agreed by factory, local partner and SIWI			
Reports	Baseline Country Report Baseline Unit Assessment reports	Midterm Country Report Midterm Unit Assessment reports	Final Country Report	Final Unit Assessment reports
Payment to Local Partner	Payment 1	Payment 2	Payment 3	
Technical implementation support to	Continuous technical implementation support to factories			

3 Terms and Conditions

3.1 Financial terms

- A) Budget ceiling per Unit:** See section 1.2.1
- B) Continuing units from 2016:** The total cost for all continuing units over consecutive years will be reduced by 10%, as the Technical Consultancy would refer to the production unit's results from the earlier year as a baseline for the upcoming year, hence, baselining / assessment activities will be significantly less for continuing units.
- C) Financial Audit:** The Technical Consultancy should provide a financial report audited by an independent auditor confirming to ISA 800 Standard for The Client each year including all costs, revenues, and any participation fees collected by the Technical Consultancy on behalf of The Client.
- D) Accounting:** All accounting should apply the highest level of transparency and international standards and should be backed up by legitimate verifications. The contract will also include a clause about anti-corruption measures that should be observed performed by the Technical Consultancy.
- E) Requests for clarification by Client:** The Technical Consultancy shall, without conditions, hindrance or delay, be able to answer any requests by The Client regarding the Technical Consultancy's accounting of the project during the project implementation.
- F) Schedule and conditions of Disbursement by Client:** The Client will provide financial disbursements to the Technical Consultancy in three installments against disbursement requests as per the following

conditions:

35% of total value* within 30 days after receiving the first work order requests request following the signing of the contract with the Technical Consultancy (for 30 units as a minimum number of engaged units). A Discount of 15% will be accounted for all continuing units from the previous year in work orders where such discounts are applicable.

35% of total value* within 30 days after approving the outcomes of activities between initiation till 6 months into the program cycle (for the actual number of engaged units). This disbursement also is subject to following article G.

30% of total value* within 30 days after approving the final outcomes (for the actual number of engaged units and work orders issued for those units) A Discount of 15% will be accounted for all continuing units from the previous year against work orders where such discounts are applicable.

*Total value = is the sum of all values against issued work orders adjusted for performance based on 3.2.2. The Technical Consultancy must submit a written approval by The Client along with each disbursement request, providing approval by The Client for the number of work orders accounted for.

G) Withholding Payments: The Client reserves the right to withhold payments or cancel the contract all together should the Technical Consultancy reportedly fail to comply with any of the terms in these terms in this Contract.

H) Payment Conditions: Payment shall be made in Swedish Kronor converted into USD or EURO at the expense of the consultant no later than 30 days following the Technical Consultancy's submission of a disbursement request and an invoice to The Client, by money transfer to the following bank account.

The invoice must be sent by email to The Client to the attention of the Project Manager (Rami Abdelrahman). The address on the invoice must be:

Stockholm International Water Institute,
Contract ref: Rami Abdelrahman,
Project Number: 43-41300
Box 101 87
SE-100 55 Stockholm

I) Exchange rate fluctuations

The Client will not reimburse the Technical Consultancy, nor be reimbursed by The Technical Consultancy, for any currency exchange rate fluctuations. All invoices must be submitted in SEK, local currency and USD value at the date of the invoice, based on the rate that are retrieved from www.onanda.com. The client's bank might transfer the payment from The Client's account in SEK, USD or EURO.

J) Bank transfer fees

The Client is not responsible to reimburse the Technical Consultancy for any bank transfer fees associated with any disbursement.

3.2 Other Terms and Conditions

3.2.1 Project Management

The Client designates Mr. Rami Abdel Rahman as The Client's Program Manager; the Program Manager shall be responsible for the coordination of activities, for acceptance and approval of the reports and of other deliverables by The Client and for receiving and approving invoices for the payment. The Program Manager will assign project managers as focal points for each country from the Client's team. The Project Manager is the focal communications point at The Client and should be copied on all exchanges with The Client and STWI brands. The Technical Consultancy designates a project manager as the Technical Consultancy's Project Manager. The Project Manager shall be the focal point for all communications with The Client and has the delivery responsibility vis-à-vis The Client.

3.2.2 Performance Standards, Ethics and Compliance

The Technical Consultancy undertakes to perform the Services with the highest standards of professional and ethical competence and integrity.

All activities must be conducted in a professional manner, demonstrating sound ethics, high moral standards and in accordance with applicable legislation.

The Technical Consultancy undertakes to comply with the conditions and terms as stipulated in these terms and the Contract. The Technical Consultancy has a well-documented experience in implementing similar projects within the textile industry. The Technical Consultancy identify in advance all staff that will work on this project and provide a clear governance structure. Key staff members cannot be replaced without prior agreement with The Client. The Technical Consultancy will inform The Client of their main focal communication point with The Client and its SIWI, STWI brands, Production Units or any other representative. Any contract signed between The Client and the Technical Consultancy will adhere completely to those terms of reference in their entirety.

The Client will produce an evaluation form for evaluating Technical Consultancy's performance annually, which will give 100 points to:

- 1- **Compliance** with Contract terms between The Client and the Technical Consultancy, and with the requests of The Client to the Local Technical Consultancies. This includes points for accuracy, integrity, transparency, responsiveness, and timeliness. (40 Points)
- 2- **Overall performance** of the Technical Consultancy: Specific points will be allocated for the results achieved by the Technical Consultancies vs. Agreed on targets, the percentage of factories who achieve these results / engage in the program throughout the year, the percentage of factories who choose to continue working with STWI Projects either for a second year or by joining the alumni network, or institutionalize learnings in an evident way. (40 Points)
- 3- **Initiative and creativity**: Specific points will be allocated for Technical Consultancy's own initiatives that fit in with the goals of the program. Such initiatives can be anything from producing films / videos about the project results and partnerships, to creating special cases for deep-dives into some technical areas where there is a greater potential identified by the Technical Consultancies (i.e. Zero Liquid Discharge analysis, etc.), or contributing new ideas, formats, expertise beyond the scope of the services rendered for the benefit of the whole program... etc. (20 Points)

Should the Technical Consultancy fail to achieve minimum of 30 Points on areas 1 and 2, and at least 5 points for 3 (total 65%), The Client reserves the right to discontinue collaboration with the Technical Consultancy, and reserves the right to withhold the whole or part of the last annual payment to be provided to the Technical Consultancy following the acceptance of their final annual report (see section on financial terms).

3.2.3 Conflict of Interest

Conflict of interest is a situation in which a party has interests that could improperly influence that party's performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations. The Client has the right to terminate the contract at any point when a conflict of interest emerges on the Technical Consultancy's part during project implementation. An example of Conflict of Interest is when the Technical Consultancy receives any payment from any of the Partners (brands or Production Units, or other)

beyond the scope of these terms, and the Contract with The Client for any services not outlined in these terms, or contracted on by The Client and the Technical Consultancy, or without the consent of The Client.

3.2.4 Amendment of TORs

The Client may amend the terms of reference by issuing an addendum in writing or by standard electronic means. Technical Consultancies will be informed directly.

3.2.5 Intellectual Property

All data, models, studies, reports, manuals, benchmarks, or any other material, whether textual, graphical, numerical, audio-visual, provided, produced or monitored for or by the Technical Consultancy on behalf of The Client under the Contract shall belong to and remain the property of The Client. The Technical Consultancy may retain a copy of such documents and software during the Contract period but may not use any information produced as part of this project for any commercial, non-commercial or any other purposes beyond the scope of the contract, whether during or after the duration of the contract. Any material pertaining to the project must be surrendered to The Client before the termination of the Contract.

Any Intellectual Property Rights of the Technical Consultancy which are in existence at the date of this Contract and which are comprised in or necessary for or arising from the performance of the Consultancy Services owned by the Technical Consultancy shall remain in the ownership of the Technical Consultancy.

The Technical Consultancy warrants that The Client's Intellectual Property Rights have not and will not be copied wholly or in part from any of its work or material. The Technical Consultancy has not granted or assigned any rights of any nature in The Client's Intellectual Property Rights to any third party.

3.2.6 Anti-Corruption

The Client and the Technical Consultancy agree on cooperating to counteract corruption during the whole duration of the contract and undertakes to investigate and if necessary to take action including legal measures against any person or persons whom there is good reason to suspect of corruption or other improper gain. The Technical Consultancy shall inform The Client of any illegal or corrupt practice or any other misuse of the contribution in the planned activities that the Technical Consultancy is aware of or that has been brought to its attention.

3.2.7 Confidentiality

The Technical Consultancies shall not, during the term of this Contract and after its expiration, disclose any proprietary or confidential information relating to the Services, this Contract or The Client's business or operations without the prior written consent of The Client

3.2.8 Insurance

The Technical Consultancy shall be responsible for taking out any appropriate insurance coverage.

3.2.9 Assignment and sub-contracting

The Technical Consultancy shall not assign this Contract or sub-contract any portion of it without The Client's prior written consent.

3.2.10 Law Governing Contract and Language

The Contract shall be governed by the laws of Sweden, and the language of the Contract shall be English.

3.2.11 Dispute Resolution

Any dispute arising out of the Contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the laws of The Client's country

3.2.12 Termination of Contract

Either of the parties may terminate the Contract by notice in writing giving to the other party at least 30 (thirty) day notice. The right to payment for services provided at the termination and the obligation to remit payments for services not provided at the termination by the Technical Consultancy or which services will become entirely or partly useless due to the termination by the Technical Consultancy shall be governed by Swedish law (see section 4.2.10).

At the end of the contract period, the Technical Consultancy must return to The Client any property, including The Client's Intellectual Property, or equipment of The Client which is in the Technical Consultancy's possession or control.

The Client may terminate the contract should the Technical Consultancy breach this agreement as specified in this Contract.

3.2.13 Breach of Contract terms

Failure by the Technical Consultancy to carry out the contractual requirements is a material breach of the Contract, which may result in the termination of the Contract or other remedy as The Client deems appropriate.

3.2.14 Procurement

Procurement of goods, work, and services, shall be carried out in accordance with the SIWI Procurement Guidelines.

3.2.15 Audit

The Technical Consultancy is responsible for auditing the part of the project that is specified in this Contract and shall follow the same guidelines for audit as Donor demands from The Client. The audit shall be carried out in accordance with international standard ISA 800 by an independent auditor. The cost of the audit is to be paid by the Technical Consultancy. The Technical Consultancy shall present an audited financial report with narrative description explaining how the funds were used during the year. The auditor shall submit a Management Letter to the Technical Consultancy stating audit findings and measures to be taken to deal with project's shortcomings. The auditor's report shall be presented to The Client by the end of a project and no later than one month after the project activities are completed.

3.2.16 Travel

If The Client requires the Technical Consultancy to travel to specific meetings outside the scope of this Contract, only flights in economy class or the equivalent thereof are reimbursable. Preferably, flight travel shall be booked by The Client's travel agency, giving the project number and the name of The Client coordinator as reference. The Client coordinator provides the Technical Consultancy with further information.

3.2.17 Communications and the use of logos

The Technical Consultancy must keep a record of all communications with The Client and The Client's project partners, namely SIDA, the STWI brands, and the STWI suppliers and sub-suppliers. In all materials produced by the Technical Consultancy on The Client's behalf the following logos must be included: The Client, STWI, SIDA, and the STWI brands involved, as instructed by The Client. The Technical Consultancy may not engage in any communications with SIDA, the STWI brands related to activities similar or building on those identified in the scope of this Contract without a written consent from The Client. This is applicable during the contract period and up to two years after the termination of this contract.

All narrative reports (e.g. Baseline Report) submitted to The Client must be submitted in a Microsoft Word format.

3.2.18 Amendment and Variation

No amendment or variation to this Contract shall be effective unless it is in writing and signed by or on behalf of each of the parties hereto.

3.2.19 Force Majeure

If the performance of any party hereto with its obligation is delayed, restricted or interfered with by reasons of Force Majeure, then the party so affected, upon giving prompt notice in writing to the other party, shall not be liable for non-performance of those obligations affected by Force Majeure. The term "Force Majeure" shall mean acts of God, Government Actions, Natural Disaster, War, Lightning, Fire, Storm, Strikes, Civil Disorder, Vandalism, Lockout, Flood, Explosion and any other cause beyond the reasonable control of the parties. In case of Force Majeure, the obligations of the parties will be suspended during the duration of the event. Obligations under this Agreement prevented by force majeure will resume as soon as the situation becomes normal.

[Insert list of factories here]

SIDA procurement guidelines for CSO/NGO organisations receiving financing from SIDA for interventions, Version 2013

1. General principles

Should the implementation of the intervention contain procurement of services or goods, the organisation must award the contract to the tenderer with the most financially advantageous tender (I. E. The tender with the best combination of price and quality). For goods not containing after-sales services, the lowest price must serve as the awarding principle. The awarding of contracts must be transparent and all tenderers must be treated equally. Contracts may not be split in an effort to avoid procurement threshold values.

The organisation must abide by the rules described in chapters 2-6 below and in some cases also chapter 7. These rules should be considered minimum standard and the organisation is entitled to use elaborated rules, provided these encourage fair competition.

SIDA will conduct retroactive checks of the organisation's adherence to these rules. Should the rules not have been followed, the costs for procured goods or services may not be considered reimbursable from the SIDA financing.

2. Terms for participation

2.1 Nationality

The participation in the procurement must be open both to corporations and individuals on equal terms.

2.2 Exclusion of suppliers

The organisation will exclude tenderers on the following basis:

- (1) The tenderer is insolvent or in a liquidation process, is declared to be bankrupt, has agreed to reconstruction, has defaulted on payments or is subject to any corresponding circumstances defined by national legislation or injunctions.
- (2) The tenderer has been sentenced by a court of law for crimes related to its' occupational practices.
- (3) The tenderer is responsible for gross misconduct in its' occupational practices and the (procuring) organisation can substantiate this claim.
- (4) The tenderer has failed to fulfil its' obligations regarding social security or tax payments in it's' country of residence, in the country of the client or in the country where services will be performed.
- (5) The tenderer, persons authorised to act on behalf of the tenderer, or other officials in the service of the tenderer have been sentenced in a court of law for fraud, corruption

(receiving or giving a bribe, trading in influence or related activities), active participation in a criminal organisation, money laundering or other criminal activities that can be perceived as contradictory to SIDA's aim and purpose.

(6) Tenderers must certify that none of the above exclusion criteria are present.

Items 1-4 are not applicable when procuring goods on especially favourable conditions from a supplier who is liquidating its' business, from a liquidator, from a creditor in a bankruptcy, or from a (bankruptcy) trustee, at a reconstruction or any corresponding legal processes.

2.3 Causes for exclusion from contract awarding

Contracts may not be awarded to a tenderer if, during the procurement process;

- a) It can be shown that the impartiality of the tenderer can be questioned
- b) Erroneous, false or omitted information, conditional for participation in the procurement process, have been submitted by the tenderer.

3. General rules

The tender shall conform to best international practice.

The allotted time to respond to the request for tender must be sufficient to allow potential tenderers reasonable time to prepare and submit a tender.

An evaluation committee shall be appointed to evaluate submitted tenders, comparing the requested documentation and reviewing the exclusion criteria. The number of committee members must be odd, at least three, and the members must have sufficient technical and administrative capacity to evaluate the tenders.

4. Threshold values and particular rules regarding the procurement of services

4.1 Contract values exceeding €300-000

Service contracts exceeding €300-000 can only be awarded following a published procurement as regulated below.

An advertisement must be placed in all relevant media, especially on the organisation's website, in international press and in national press in the country where services will be provided, or in other journals. The advertisement must contain the number of tenderers invited to submit their tender. Tenderers should be 4-8 and must be sufficient in number to ensure a fair competition.

All tenderers that meet chapter 2 terms, must be allowed to participate by submitting an Expression of Interest, however a selection will be made among these, allowing only the best matches according to selection criteria leaving 4-8 contestants in competition.

4.2 Contract values exceeding €60-000 but below €300-000

Contracts should be procured through negotiation without a previous advertisement. SIWI should invite at least three suppliers to submit quotes, whereby SIWI can negotiate terms with one or more quotes.

4.3 Contract values below €60-000

For contracts regarding services below €60-000 but exceeding €10-000, the process is equal to item 4.2. For contracts below €10-000 for services with homogenous substitutes, price comparisons must be made with other suppliers. Should the comparison show that the intended supplier has a significantly higher price (>25% higher), revert to item 4.2

5. Thresholds and particular rules for the procurement of goods

5.1 Contract values exceeding €300-000

Goods contracts exceeding €300-000 can only be awarded following a published procurement as regulated below.

An advertisement must be placed in all relevant media, especially on the SIWI website, in international press and in national press in the country where services will be provided, or in other journals.

All tenderers that meet chapter 2 terms, must be allowed to participate.

5.2 Contract values exceeding €100-000 but below €300-000

Contracts shall be procured using an open tender following an advertisement in local press and in all relevant media in the country where the intervention will be implemented.

Tenderers that are not local will have the right to participate as long as they comply with chapter 2 terms.

5.3 Contract values exceeding €60-000 but below €300-000

Contracts may be procured through negotiation without a previous advertisement. The organisation should invite at least three suppliers to submit quotes, whereby the organisation may negotiate terms with one or more quotes.

5.4 Contract values below €60-000

For contracts regarding goods below €60-000 but exceeding €10-000, the process is equal to item 4.2. For contracts below €10-000 for goods with homogenous substitutes, price comparisons must be made with similar suppliers. Should the comparison show that the intended supplier has a significantly higher price (>25% higher), revert to item 4.2.

6. Circumstances when negotiated procurement may be used without previous advertising

The organisation may use negotiated procurement without previous advertising in the following instances:

- a) For humanitarian aid or rescue missions. This exception may only be used if SIDA decided that the criteria are met. SIDA will inform about the circumstances and the timeline for the decision.
- b) If the service contract is awarded to a public or state-owned company or an NGO or a not-for-profit organisation and the services are part of the organisation's regular activities or the purpose is to perform services in social sectors, and
- c) For extensions of an ongoing contract:
 - i) Services that were not part of the original contract, but due to unforeseen circumstances proved vital, and provided that the additional services cannot – without considerable technical or financial inconveniences – be performed by another supplier and the value of the added services is less than 50% of the original contract.
 - ii) The services are an extension of the services originally procured, provided that:
 - a) An advertisement was published for the first contract and the option to extend and the total contract value including the extension were stated in the original advertisement, and
 - b) The extension does not exceed the value and contract time stated for the initial contract.
- d) For additional deliveries from the initial supplier with the intention of either being (wholly or in part) reimbursement for procured goods or installations, or an expansion of previously procured goods or installations, where the replacement of the original supplier would force the organisation to purchase equipment with other technical characteristics leading either to incompatibility or disproportionate technical difficulties at use or maintenance.
- e) When the procurement resulted in no qualified offers, regarding qualitative or financial terms, whereupon the organisation may terminate the tender and proceed to negotiate with one or more tenderers, provided the original terms in the Terms of Reference are not changed substantially.
- f) When, for technical reasons, or other reasons motivated by monopoly, the contract can only be awarded to one supplier.
- g) When the characteristics of the good demands it; such as when a patent or a patent-license is required to perform the delivery.

- h) For contracts on which SIDA has imposed secrecy or contracts that must be fulfilled using special security measures, for the purpose of protecting STWI or SIDA interests, or when the cooperation country has demanded secrecy.
- i) For contracts regarding goods listed and bought on a public commodities trade exchange.
- j) For contracts agreed on using especially favourable terms from a supplier liquidating its' business, from a liquidator or bankruptcy creditors, (bankruptcy) trustees, at reconstruction or similar processes regulated in national legislation.
- k) A new contract must be entered into due to premature contract termination. Such a decision must be motivated by proof from the organisation of negligence on behalf of the previous supplier or other valid reasons, similar to those specified in Chapter 2.2.

7. Special procurement terms

The below alternative may always be used as “special terms”, bearing in mind that Chapter 1 principles should always be acknowledged.

7.1 Procurement central/procurement agent

Should the organisation select a procurement central/procurement agent, the contract must be predeceased by a procurement as specified in Chapter 4.

The procurement central/procurement agent is obliged to use the terms agreed upon by the organisation.