Fount and C&A Foundation seek an Evaluation Team to undertake a developmental evaluation (DE) of the Good Fashion Fund (GFF). Complete proposals must be submitted by 10 February 2020. More details are given below.

1. Introduction

Fount is a strategic advisory and investment management firm specializing in impact investing in emerging countries, with clients including (international) development organizations, investment initiatives, impact investors and donors. Fount works closely with clients and partners to create lasting environmental and social impact through a market-based approach. Fount combines professional business acumen with a deep understanding of financial and development issues to advise and support clients around the globe. Fount is the fund manager of the GFF (hereafter – the fund manager).

C&A Foundation is a corporate foundation here to transform the fashion industry. The foundation works with change-makers all over the world, offering financial support, expertise and networks to make the industry work better for every person it touches. The foundation collaborates with a variety of stakeholders, including NGOs and industry partners across labour rights, sustainable raw materials and circular fashion. In every programme, specific emphasis is placed on the issues facing women and girls as they are disproportionately affected by the challenges of the apparel industry. C&A Foundation is driven by the belief that despite the vast and complex challenges, collaborative action can make fashion a force for good.

The GFF was set up in 2019 to invest in the adoption of high-impact and disruptive technologies, and circular innovations in the apparel and footwear production industry in Asia. The goal of the GFF is to create ‘more-good’ instead of being ‘less-bad’. The key objectives are to:

- Generate substantial and measurable environmental and social impact of apparel and footwear manufacturing (along the Five Goods⁴)
- Finance the implementation of high-impact and disruptive technologies to drive mainstream adoption

The investment thesis is – to assist manufacturers and operators in building restorative and regenerative apparel supply chains. In practice, this means development and/or adoption of recyclable and safe materials, renewable and efficient energy, closed loop manufacturing and the creation of fair jobs and growth inter alia. The target investees are manufacturers based in

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¹ https://fashionforgood.com/good-fashion-fund/
² https://fount.eu/
³ https://www.candafoundation.org/
⁴ 5 Goods – Good Materials – avoidance of waste and hazardous chemistry (SDG6, 8 & 14); Good Economy – Revenue Growth (SDG8); Good Energy – increase in renewable energy use and reduction in energy use (SDG7, 8); Good Water – increase in treated wastewater / decrease in consumption (SDG6, 8 & 14); and Good Lives (Fair jobs improved and created).
⁵ This has conceptual and practical similarities with ‘industrial ecology’ and ‘cleaner production’ intended to minimize waste and pollution, whilst maximizing industrial productivity, and championed by UNEP and UNIDO since the UNCED Rio Summit in 1992.
Bangladesh, India and Vietnam. Advisory partner to the GFF is Fashion for Good\textsuperscript{6} (hereafter – the partner) and GFF uses the Higg-index of the Sustainable Apparel Coalition in its assessment.\textsuperscript{7} GFF will provide loans to investees in the range of USD 1 to 5 million and the loan should result at least in 50% reduction of one of the 3 relevant Goods (Materials, Energy and Water).

C&A Foundation is an anchor investor alongside The Mills Fabrica\textsuperscript{8} in the GFF (hereafter – the investors), with an initial ‘close’ and starting capital of USD 12.4 million. The first close is targeted at approximately 27 million Euro (USD 30m) with a final close of 54 million Euro (USD 60m). The GFF term is 10 years.

It is acknowledged that current approaches to measuring the impact(s) of impact investing that tend to stop at outputs are not sufficient to either enable learning and adaptive management or provide sufficient evidence of achievement of the GFF objectives. Developmental evaluation (DE) will complement the GFF impact measurement approach by focusing on providing regular feedback and learning to the fund manager, investors and investees, up to and including underlying reasons for success and failure (e.g., with regard to adoption and scale); and unintended effects and impacts. By doing so, be a ‘critical friend’ over the course of the fund term.

The request for proposals presents a brief description of the purpose, scope and objectives of the DE; intended users and audience(s); roles and responsibilities; principles of engagement; DE outputs; consultant qualifications and projected level of effort.

2. Purpose, Scope and Objectives

The overall purpose of the DE is to enable the fund manager to situate the GFF results and learning to address the environmental and social challenges of the apparel and footwear industry, and support it on a net-positive trajectory. In doing so, the DE will develop a set of approaches that are appropriate for the context within which the GFF investees operate, and importantly will address learning questions that arise regarding investments and interactions.

In this regard it was considered inappropriate to design a standard formative and summative evaluative framework, where the fund manager, investors and investees would have to ‘wait’ for judgments and inputs from evaluation, which may come too late to enable correction management. A developmental approach is well suited to this dynamic system, market-driven context, and must take-into-account the complex and sensitive issues around development, adoption and scaling of innovations where technical, economic, managerial and cultural issues and incentives and disincentives mix.

The GFF has just started analysing and making investments, initiating the DE in this early stage is intended to build a robust approach to creating value and related measurement and learning that can evolve as the GFF begins to deploy and return capital over time. It is expected that the scale and sophistication of evaluative learning approaches will be aligned with the goals and capacities of the companies (investees) that the GFF supports.

The DE is also expected to make contributions to elevate the current use and understanding of evaluation to assess environmental and social impact for impact investing, specifically in relation to the apparel industry.\textsuperscript{9}

The DE of the GFF has the following purposes:

\begin{itemize}
  \item [6] https://fashionforgood.com/
  \item [7] https://apparelcoalition.org/
  \item [8] http://www.themillsfabrica.com/
\end{itemize}
• **Learning** through collecting and summarizing data (qualitative and quantitative) to inform ongoing decision-making for the fund manager and stakeholders and identifying what are emerging outcomes that have been hit, what outcomes have been missed, what do ‘hit’s’ and ‘misses’ tell the fund and other stakeholders (and particularly external environmental and social advisors in-country) about what to do next and why. Furthermore, to assist the fund manager and others to apply learning to drive improvement; inform decisions regarding follow-on investments; and the type of advisory support provided to investees (companies) – and to do so using creative and collaborative means.

• **Knowledge Generation**, contributing new insights on results and impact measurement, evaluation approaches including methods and tools to the fields of impact investing, corporate responsibility and systems change across the apparel and footwear industry.

The initial **scope** of the DE is for the three years of the GFF term (2020 thru 2023). This will cover the important first phase as the GFF garners further investors to move toward the first and final close; develops and challenges the theory of change; solidifies a metrics for measurement; and deploys the DE to provide learning, particularly on scaling of proven technologies and adoption of early-stage technologies and to assess ‘what cannot be reduced to quantitative metrics.’

The key **objectives** of the DE are:

1. To finetune and **assess the theory of change** of the GFF, including the challenging, testing and validation of linkages between activities, outputs and outcomes; clarifying and interrogating assumptions within the TOC and how they vary across the portfolio; and document the ongoing evolution of the TOC as the GFF investments develop and mature (‘the theory of change will change’).

2. To **support investment and monitoring activities** conducted by the fund manager and contracted environmental and social advisors; including providing critical reflection and feedback to enhance the relevance of metrics and use of this information by investors, investees and the GFF. In addition, the DE will provide support where appropriate to environmental and social advisors and investees to ensure monitoring is relevant, cost-effective and useful with regard to the development, adoption and scaling of innovative technologies.

3. To help **identify practices and pathways in the GFF investments that work well and also those that do not work** for influencing behaviour amongst the GFF stakeholders, including apparel and footwear companies (clients of investee companies). This will also include; developing and revisiting learning questions; and with the fund manager identifying and developing channels to share answers to the questions internally (informing adaptive management) and externally to build the credibility and trust in impact investing.

3. **Intended Users & Audience**

The primary users of the DE are:

- The fund manager (internal);
- Investees – portfolio companies;
- Investors (e.g., C&A Foundation; The Mills Fabrica *inter alia*).
- Environmental and social advisors (in Bangladesh, India and Vietnam).

Secondary audiences include:

- Apparel and footwear companies;
• Other impact investors;
• Other stakeholders involved in impact management and evaluation

4. Roles and Responsibilities

The fund manager will be responsible for:

• Ensuring the GFF’s financial and impact objectives are met, which includes the overall portfolio goals as well as objectives for individual investments.
• Engaging with portfolio companies to assess and monitor financial, environmental and social performance. Specific activities and responsibilities that relate to monitoring may include:
  o Assess alignment of potential investments with the Fund’s environmental and social impact objectives with support of contracted environmental and social advisors;
  o Develop a value creation plan, impact hypothesis and impact forecast for each investment;
  o Design and administer baseline and annual surveys to investee to collect data around financial performance and short and medium-term environmental and social results;
  o Assess investee environmental and social impact performance and prepare annual impact report for investors and other stakeholders (with a view to transparent reporting and publication);
  o Provide additional support to investees for fulfilment of the Environmental & Social Action Plan and underperforming investees as necessary, directly or through contracted dedicated support;
  o Review and adjust environmental and social impact metrics to ensure relevancy and utility.
• Ensuring the DE has full access to fund staff, investors, investees and other stakeholders as necessary to carry out and support evaluative learning. This is critical for accurate, candid and relevant feedback that can be utilised by the fund manager and others.
• Identification of lessons learned for the portfolio itself and for dissemination to the broader fields of impact investment and evaluation.
• Support the evaluative learning by informing the development of relevant learning questions related to the objectives and impact thesis of the GFF.

The DE will:

• Support the learning and knowledge generation agendas of the GFF by helping to structure learning questions, information gathering processes, and assess information gathered from investees.
• Support the fund manager in relation to activities and responsibilities related to monitoring (as stated above)
• Support the monitoring processes by providing the fund manager with an additional layer of analysis and review, in order to identify patterns, offer recommendations, and if appropriate, to provide specific technical guidance to improve monitoring processes including selection of / or changes in metrics. Specific activities and responsibilities of the DE as it relates to monitoring may include:
Review the E&S Framework in order to ensure compliance with an adequate investment and monitoring process.

Review regular financial and impact reporting provided to the fund manager by investees, and, where appropriate, provide feedback on alignment with the investment rationale and targets.

Analyze and summarize impact reporting provided to the fund manager by investees, highlighting the most relevant and significant trends and issues across the portfolio.

Participate in fund manager discussions, including in joint discussions with investees on the implications and actions from monitoring results.

Validate and improve monitoring processes for specific investees, including regular reviews of data collection, analysis and reporting functions.

Provide selective technical capacity building to investees / companies and if applicable environmental and social advisors to strengthen their performance monitoring approaches and tools.

Collecting additional qualitative and quantitative data, where appropriate and needed to enhance monitoring of performance and feed into the overall DE process.

Retain primary responsibility for overall evaluation of the impact of the GFF and individual investees working closely with the fund manager. The DE will have specific responsibility for:

Developing a process to regularly revisit the GFF Theory of Change and the impact measurement system and to assess its continued relevance and validity as the GFF evolves. This will include testing the links between activities, outputs and outcomes; updating the assumptions and contextual factors; examining the role of the various types of outcomes to impact at the individual, investee, sector and market level; and documenting any material shifts in any of these areas.

Design of a developmental evaluation methodology drawing on qualitative and quantitative approaches and relying, as appropriate, to assess adoption, uptake and scaling of technologies within and between investees; and their effects on the environmental and social aspects of the apparel and footwear industry.

As appropriate and feasible given capacity of investees, design an M&E readiness assessment for portfolio companies to assess their specific sustainability strategy, learning questions and impact goals, proposed approach to deliver and measure results and long-term impact, and approach to reporting and using evaluative data. The DE will be responsible for conducting this assessment for every portfolio company upon their entry into the portfolio, and to provide a summary of their findings and implications to the fund manager. The DE will draw information provided by the fund manager to prevent a duplication of efforts and to minimize burden on investees.

Implement the developmental evaluation framework that traces how the outputs at the investee level translate into outcomes. This will build on the initial results measurement framework, and include a range of appropriate methods to collect data to assess the nature of social outcomes from individual investees.

Provide timely, relevant and short summary reports, presentations or audio / visual briefs to the fund manager, investees and other partners on what is working and what is not working. A key element involved in this process will be establishing candid feedback and trust that allows all stakeholders to consider, respond and act on evaluative learning.
Knowledge Generation

The Knowledge Generation function is intended to translate the learning from the Fund – through both the monitoring and evaluation activities – into knowledge products that are intended to contribute to market building in the impact investing, DE (particularly as applied to impact investing) and corporate responsibility sectors. This will be a joint responsibility of the fund manager and DE.

The fund manager will be primarily responsible for documenting the journey and evolution of the GFF as it relates to its theory of change and investment thesis, the curation of pipeline and due diligence to select investee companies, and the process of providing financial and non-financial inputs to help those companies deliver on their financial, environmental and social objectives. This will include lessons learned in each area, and their implications for future investment decisions.

The DE will be primarily responsible with the collaboration from the fund manager to draw out substantive lessons that are surfaced within the GFF portfolio, based on the evaluative data. This will be informed by a strong understanding of the key issues in the apparel and footwear industry, impact investing and corporate responsibility. The DE team will ensure that the knowledge products from the GFF will have high relevance to their fields, and be accessible to the various audiences within them (e.g., free of jargon). It will also identify potential partners and channels to amplify the relevance and impact of this learning.

Specific activities and responsibilities of the DE team as it relates to knowledge generation may include:

- Maintain a “finger on the pulse” of the ‘field’ of impact investing, DE and the apparel and footwear industry (e.g., learning from related investments and projects).
- Inform the design and development of a series of knowledge products that would appeal to the range of audiences in these sectors; this would be informed by an analysis of what other knowledge products and channels are being used, and how effective they are.
- Draft and/or review selected knowledge products to ensure that the key messages and lessons are accurate, accessible, and relevant to the field.
- Support the fund manager to disseminate these knowledge products through online and offline channels.

5. Principles for Engagement

The principles of engagement are intended to guide the behaviour of the DE team as they engage with the primary stakeholders. It is expected that the DE team will work most closely with the fund manager, followed by investee companies, and other stakeholders where appropriate.

Working with the Fund Manager

- Create a trusting relationship informed by mutual respect where the candid exchange of viewpoints on data is established, and where success and failure are treated equal curiosity.
- Sharing info and ideas in an inclusive and accessible manner.
- Regular meeting schedule, balancing online and in-person.
- Balance the focus on prove (e.g. assessing outcomes) and improve (e.g. adapting investment strategies), as well as knowledge (e.g. identifying and sharing lessons).

Working with in-country Social and Environmental Advisors

- Creating a trusting relationship with advisors where access to other stakeholders are shared and facilitated (as advisors will be critical ‘gatekeepers’ at the country level).
• Sharing monitoring and performance data on investments where success and failure are treated with equal curiosity.
• Demonstrating the value-add of the DE to the monitoring work of social and environmental advisors – with the emphasis on learning.
• Establishing a regular meeting schedule on-line and in-person.

Working with Investee Companies
• Create a trusting relationship informed by mutual respect where the candid exchange of viewpoints on data is established, and where success and failure are treated with equal curiosity.
• Demonstrate soon and often how the M&E process can “improve” and add-value to investees.
• Ensuring that M&E processes do not add a material burden on investees but is based on use and utility, and not on bureaucratic routine.
• Balancing the prove and improve goals of the evaluative process.
• Use technology to enhance efficiency, accuracy and privacy.

Utilizing a Rights-Based Approach
• Overlay a right-based lens to the entire process.
• Recognize that the implementation will vary by country / investee.
• Pay specific attention to engagement with investee employees (managerial and non-managerial) and the socio-cultural reception of innovation.
• Describe any limitations to the process, or adjustments over time.

6. Projected Outputs and Milestones

The DE team will be expected to deliver the following key outputs:
• DE Inception report and work plan;
• Regular review and finetuning of the Theory of Change of GFF, if needed
• Quarterly feedback DE reports;
• Learning Forum/Fora and associated knowledge products;
• Synthesis DE reports (annually) and to;
• Facilitate on-going review processes of the fund manager, as requested.

Precise milestones will be developed with the fund manager and DE consultants at the time of the inception report.

7. Timeframe

The DE will be carried out from mid-2020 until mid-2023. To accommodate the practicality of contracts, the initial contract with the DE team will be 3 years (with the expectation of renewal based on satisfactory performance) for a further 3 years. This will include a phased approach with the milestones (to be determined).
8. Consultant(s) Requirements and Level of Effort

The following competencies and traits are required:

- Skilled communicators with excellent observation, synthesis, listening, facilitation, teaching and speaking capabilities;
- Comfortable initiating and nurturing relationships, and have the high emotional intelligence required to set and manage expectations around roles and outcomes;
- Demonstrate the integrity necessary to build trust and confidence among partners and stakeholders, while also being cognizant of inherent biases that may be present in DE;
- Comfort with using a range of context-specific evaluation techniques and approaches, with the ability to iterate and adapt based on the needs of end users;
- Have ability to engage a diverse range of internal and external stakeholders, across and within multiple levels of an organization, in order to plan and implement DE activities.

The following skills and experience are required:

- Previous evaluation experience in developing countries is required and ideally with an understanding of market-based approaches and gender-based issues;
- A strong track record of designing and implementing DE and / or real-time and feedback-based assessment;
- Comfort and experience with mixed methods, including examples that draw on qualitative and quantitative approaches;
- Demonstrated comfort with the use of technology to collect and analyse data from investees and others that require high levels of privacy, diplomacy and discretion;
- Experience using a rights-based approach to evaluation;
- At least one team member with familiarity and experience in the apparel industry and ideally country experience in Bangladesh, India or Vietnam.
- Excellent written and verbal presentation and facilitation skills in English.

The expected level of effort for the evaluation is approximately 50 - 60 working days per year. This is an estimate – the level of effort proposed must be aligned with the proposed approach and discussions with the fund manager.

Please submit the following to Dr. Lee Alexander Risby, Head of Effective Philanthropy, C&A Foundation (l.risby@candafoundation.org); and Mr. Bob Assenberg, Partner, FOUNT, (bob@fount.eu)

A. Technical Proposal

- A narrative proposal (no more than 6-7 pages excluding annexes) including the following sections:
  a) DE Methodology: Describe your overall approach and methodology including, and not limited to, initial learning questions, evaluation design and methodology.
  b) Relevant Experience: Provide details of projects of similar scope, complexity and nature you have worked on previously. Please include any experience with DE and real-time, utility-focused learning evaluations.
c) Specific Expertise: Describe your level of knowledge and expertise in apparel supply chain and circular fashion (additional and not essential)

d) Key Personnel and Staffing: Describe the key personnel. Include CVs (no more than 4 pages each and attached as annex) of key personnel who would be part of the proposed DE.

e) Timeline: Include a detailed timeline of key activities.

f) Sample reports: Two sample evaluation reports (ideally DE-based products) authored by the team lead (will be treated as confidential and used for purposes of selection only)

B. Financial proposal

- The financial proposal should include a line-item budget and a budget narrative. The cost estimates used to prepare the budget should be presented in Euros.