

Technical Progress Report 8 July 2014

Staying Engaged - A Sustainability Compact for continuous improvements in labour rights and factory safety in the Ready-Made Garment and Knitwear Industry in Bangladesh

A. Executive Summary

The Sustainability Compact for Bangladesh¹ builds on existing commitments on (i) respect for labour rights, with a particular focus on freedom of association and right to collective bargaining; (ii) occupational safety and health and factory safety; as well as the (iii) support for and promotion of responsible business conduct.

Bangladesh has made much progress since the launch of the Compact on 8 July 2013, including amendments to the labour law to strengthen fundamental rights at work, such as certain aspects of freedom of association and collective bargaining. New trade unions have been established and intense training and capacity building of various stakeholders has taken place. Overall, workers are more aware of their rights and are more ready to assert them. In addition, common standards for structural building safety assessments have been agreed. Factory inspections are on-going with basic factory data already published and steps being taken to make information of inspections also publicly available in addition to the information of inspections published by private-sector initiatives. Some new male and female labour inspectors have been recruited and their training is ongoing. The responsible business conduct private initiatives launched in response to the Rana Plaza tragedy are operational and new companies are joining in.

Despite these notable achievements, workers are just beginning to see the resulting tangible improvements in working conditions and respect for their rights. More must be done to ensure safety and health at work as well as freedom of association and collective bargaining must continue to improve. Inspections of buildings also must continue and should be swiftly followed by remediation measures to ensure safety and health of workers at work. The extension of the application of the national labour law to the export processing zones (EPZ) must begin, and implementing regulations need to be adopted swiftly. Effective steps need to be taken to ensure that new legislation is effectively implemented in practice and that monitoring mechanisms are put in place ensuring sustainability of improvements made. In addition, further amendments to the Bangladesh Labour Act (BLA) are necessary to ensure full compliance with core labour standards. It must become easier to establish a trade union and workers must be free to organise and exercise their right to collective bargaining. The Government of Bangladesh (hereafter "the Government") must address reports of denials to register trade unions, anti-trade union discrimination, intimidation and harassment. In this respect, Bangladesh's Ready-Made-Garment (RMG) industry must also keep to its commitments to improve labour rights at the factory level.

B. Background

Sustained economic growth over the past two decades has helped to reduce poverty by nearly one third. Still, this means that 31% of the population (53 million people) lives under the poverty line, which represents a considerable development challenge. The ready-made garment (RMG) industry is one of the main contributors to economic growth in Bangladesh, and it is the country's main export industry thanks in large part to its duty-

¹ [Staying engaged: A Sustainability Compact for continuous improvements in labour rights and factory safety in the Ready-Made-Garment and Knitwear Industry in Bangladesh: http://trade.ec.europa.eu/doclib/docs/2013/july/tradoc_151601.pdf](http://trade.ec.europa.eu/doclib/docs/2013/july/tradoc_151601.pdf)

free quota-free access to the European Union (EU) market via Everything But Arms (EBA) preferences. The EU and the United States (US) are Bangladesh's largest export markets for garments.

The RMG industry also contributes to the empowerment of women and related social changes. It directly employs some 4 million people – of whom about 80% are women – and indirectly supports as many as 40 million Bangladeshis (about 25% of the population).

Since the collapse of the Rana Plaza building – which claimed over 1,100 lives in Dhaka – the RMG sector in Bangladesh has become the focus of attention in the country and worldwide. There was widespread recognition of the need for rapid action on the part of the Government of Bangladesh as well as the RMG factory owners and their associations for ensuring safer workplaces for the workers.

The International Labour Organisation (ILO) responded swiftly and, in consultation with its tripartite constituents, provided technical assistance in the development of the National Tripartite Plan of Action on Building and Fire Safety in the Ready-Made Garment Sector in Bangladesh (the National Tripartite Plan of Action – NAP). A National Tripartite Committee was tasked to implement the NAP.

The EU's trade relations with Bangladesh and the importance of the RMG industry to the country's development gave the EU – as Bangladesh's largest export market of RMGs – a special responsibility to act. Therefore, together with Bangladesh, the US and the ILO, the EU launched the Sustainability Compact in July 2013.

The Compact signalled the willingness of the Government of Bangladesh to bring about the necessary changes in the RMG sector in both the short-and long-term. In the short-term, Bangladesh needed to ensure immediate action be taken to prevent further building collapses or fire incidents in the RMG sector, and in the long term, improve legislation, capacity and regulation of working conditions, as well as the effective implementation and enforcement of legislation.

C. Achievements since the launch of the Compact

1. RESPECT FOR LABOUR RIGHTS

Key Achievements:

- The adoption of an amended Bangladesh Labour Act on 22 July 2013 which conforms more closely with international labour standards, namely strengthening fundamental rights at work, particularly regarding certain aspects of freedom of association and collective bargaining (including elections of Worker Participation Committees, improvements in union registration, access to external experts during collective bargaining) and improves health and safety standards (e.g. establishment of Occupational Safety and Health Committees).
- Increase of registration of 187 new trade unions (96 in 2013 and 91 in 2014 so far) in the garment industry. This increased the total number of unions from 136 to 323.
- Increased capacity and manpower of the Ministry of Labour and the upgraded Directorate of Inspection of Factories and Establishments (DIFE) as well as dedicated training on the amended Labour Law.
- Qualification of Bangladesh for the Better Work Programme.
- Launch of capacity building programmes and ongoing training of victims (see also separate part on Financial and Technical Assistance)

Key steps to be taken include:

- The revision/reduction of the 30% minimum membership requirement to form a union in a workplace and other key reforms are not included in the July 2013 Amendments to the Bangladesh Labour Act

(BLA). Changes are also needed to existing industrial relations regulations that allow employers to conduct the elections for Worker Participation Committees.

- Rules and regulations required for effective implementation of the BLA must be swiftly adopted.
- The BLA needs to be extended to the export processing zones (EPZs) or the existing EPZ law needs to be amended to reflect fundamental labour rights.
- Recruitment of labour inspectors must be advanced.

Reform of the Labour Law

Compact commitments:

- 1 a) Adoption in July 2013 of the amendments to the Bangladesh Labour Law aimed at improving the fundamental rights of workers, and thereafter ensuring entry into force of the amended Labour Law by the end of 2013.**
- b) Conforming to all the existing ILO rules, procedures and practices in appraising the actions taken with respect to the implementation and enforcement of the revised Labour Law.**
- c) Consulting closely with the ILO to develop and adopt additional legislative proposals to address conclusions and recommendations of the ILO supervisory monitoring bodies**

As a first step, Bangladesh has amended the 2006 Labour Act to make it more in line with International Labour Standards. The amendments were passed by Parliament on 15 July 2013 and notified in the Bangladesh Gazette on 22 July 2013.

The Government approved the new labour law with a total of 87 sections of amendments to boost workers' rights as regards trade union registration and improving occupational health and safety conditions at the industries.

On the issue of freedom of association, the legislation also puts in place provisions for assurance that union members will not be transferred to another factory of the same owner after labour unrest. Another important amendment deleted a provision in the labour law requiring the Registrar of Trade Unions² to provide employers with the names of union leaders at the time of registration of a trade union. The provision had led to the mass terminations of union leaders' employment prior to registration. While government officials are no longer required to share the names of union leaders with employers, reports of authorities still sharing such information informally with employers persist.

The amendment to the labour law will also allow workers to consult with external experts for advice during collective bargaining. In the public industrial sector, workers will now be allowed to elect 10% of their enterprise officers from outside the workplace.

Several provisions to improve workplace safety have now been included in the law, such as the creation of Occupational Safety and Health (OSH) Committees in factories with 50 workers or more. The labour inspectorate has the responsibility to inspect health and safety conditions of workplaces and conduct on-the-spot inspections. New provisions require the establishment of safety welfare officers in workplaces with more than 50 employees and workplace health centres in workplaces with over 5,000 employees. Under the amendments, compensation for work-related deaths will be provided after two years in employment, compared to the current three years.

² The Director of Labour acts as the Registrar of Trade Unions as well. On his behalf, the Joint Directors of Labour perform the responsibilities for respective administrative divisions.

Major areas that remain to be addressed include the reduction of the 30% minimum membership requirement to form a union and restrictions on the right to strike. Changes are also needed to existing industrial relations regulations that allow employers to conduct the elections for Worker Participation Committees (see under Trade Union registration). Therefore, the ILO has provided detailed feedback on further amendments required to make the law fully compliant to international standards.

The Government has expressed its willingness to take the necessary steps to further amend the Bangladesh Labour Act (BLA) in future, on a tripartite basis considering the socio-economic conditions of the country, and with the ILO's assistance. The Government has stated that the amendment of any law is a continuous process. The Government should initiate cooperation with the ILO to put a structure in place to look into further amendments needed to the BLA.]

Implementing regulations

Key implementing regulations of the new Labour Law are still pending. The Government has formed a Committee headed by the Secretary of the Ministry of Labour and Employment to develop and promulgate rules and regulations required for effective implementation of the Bangladesh Labour Act (BLA). A Working Group established by the Committee has prepared the initial draft of the Rules. The ILO has translated the rules into English and has provided its comments to the Government. The draft Rules for implementing the BLA is now undergoing final review by the Ministry of Labour and Employment.

Rules and regulations required for effective implementation of the Bangladesh Labour Act (BLA) must be swiftly adopted.

Trade Union registration

The amendments to the Labour Law adopted on 15 July 2013 included improvement of the process for the registration of trade unions and the formation of Worker Participation Committees:

- Registration Process: A provision has been deleted regarding submission of the list of workers intending to form trade unions to factory owners/management.
- Participation Committees: A provision has been added to the labour law specifying that Worker Participation Committees must be directly elected by workers rather than selected.
- External Experts: Workers and employers will be able to obtain support from external experts in collective bargaining at the enterprise level.

The years of 2013 and 2014 have seen significant growth in trade union registration with registration of 187 new trade unions (96 in 2013) in the RMG industry increasing the total number of unions from 136 to 323. In addition, workers are now more vocal where anti-union discrimination occurs and some cases of unfair labour practices (ULP) have been investigated and cases filed in the Labour Courts. However, there are reports of increased denial of trade union registration, anti-trade union discrimination and harassment.

It must become easier to establish trade unions and Workers Participation Committees in practice. Trade union registration procedures must be reviewed to ensure that unnecessary obstacles to the registration of unions in practice are removed. The requirement that Worker Participation Committees representatives are elected in full freedom by workers must be effectively enforced to ensure that mandatory committees are established in practice.

Workers must be free to organise and exercise their right to collective bargaining without interference or fear of anti-union discrimination, harassment, intimidation, or harm. The ability of the Ministry of Labour and Employment to investigate and prosecute unfair labour practices, including anti-union discrimination, intimidation and harassment cases effectively, expeditiously, and transparently, such as through the establishment of expedited procedures and public reporting of cases, must be improved.

Laws on export processing zones

Compact commitment:

- 1 d) Taking all necessary steps, with support from the ILO, to further improve exercise of freedom of association, ensure collective bargaining and the application of the national Labour Law to Export Processing Zones (EPZ), including ensuring that the Ministry of Labour inspectors and other regulatory agencies have full authority and responsibility to conduct inspections.**

On October 31st, 2013 a time-bound provision in the EPZ law barring the right to strike was allowed to expire. The Bangladesh Export Processing Zones Authority (BEPZA) has also affirmed that workers who strike in the EPZs are not blacklisted. However, given the discretion afforded to the BEPZA under the current EPZ law with regard to industrial relations and all industrial disputes, the right to strike is still not guaranteed in practice.

An inter-ministerial Committee with representatives from the Ministry of Labour and Employment (MoLE), the Ministry of Commerce (MoC) and the BEPZA and headed by the Senior Secretary of the Prime Minister's Office was formed on 27 August 2013 to review the existing laws on EPZs and recommend amendments. The Committee, at its first meeting on 29 September 2013, formed a sub-committee to draft a new law relating to EPZs. The sub-committee submitted a new draft law entitled the "Bangladesh EPZ Labour Act 2013" to the inter-ministerial Committee. The inter-ministerial Committee has indicated that this law will be placed before Bangladesh's Parliament by October 2014. However, consultation of key stakeholders has so far not taken place.

The Bangladesh Labour Act needs to be extended to the export processing zones (EPZs) or the draft Bangladesh EPZ Labour Act needs to be finalised by the Government and placed before the Parliament for its consideration, together with relevant implementing regulations. Stakeholders must be consulted in the drafting process before the draft progresses further. The responsibility for inspections and enforcement of labour laws in the EPZs must be reviewed to ensure rights are also respected in practice.

Upgrading of Labour Inspectorate to a Department

Compact commitment:

- 1 g) Completing the upgrading of the Department of the Chief Inspector of Factories and Establishments to a Directorate with a strength of 800 inspectors, having adequate annual budget allocation, and the development of the infrastructure required for its proper functioning.**

The government has initiated a number of activities in different streams with the aim to revamp the labour inspection system and to strengthen the capacity of the Labour Inspection Department, which include improving structure and processes of the labour inspectorate; improving legislative and policy frameworks, and equipping and training current and new inspectors.

On 15 January 2014, the Government upgraded the Office of the Chief Inspector of Factories and Establishments to a Department (the Department of Inspection of Factories and Establishments – DIFE) that is anticipated ultimately to have 993 staff and 23 District Offices. The post of Chief Inspector has been upgraded to Inspector General. The new Department comprises an authorised total of 575 inspector positions: 392 new positions, 107 upgraded (former Shops and Establishment Inspectors) and 76 existing positions. The Government reports that a total of 67 inspectors (of which 11 are women), including 42 inspectors to fill existing vacancies, have been recruited so far since the upgrade.

An initial draft of the National Inspection Policy was prepared in collaboration between the DIFE and the ILO. Based on further inputs from social partners (employers and workers), series of consultations have been planned for discussions and finalisation of the policy.

Capacity building and training of labour inspectors is underway:

- Basic introductory training was organised in February 2014 in collaboration with the ILO for 39 newly recruited labour inspectors on a variety of issues, including inspection of working conditions; fundamental principles and rights; occupational safety and health (OSH); hazard identification and risk assessment, and investigations of work accidents.
- A comprehensive training plan was developed in consultation with the ILO International Training Centre (ITC) to provide training to the newly recruited and current inspectors during the next two years. On this basis, in June 2014, the ILO ITC conducted comprehensive training courses for 125 labour inspectors. The training helps the inspectors better understand the role of inspection; international labour standards and best practices, the content of the Inspector Manual, the different steps outlined in Standard Operating Procedures; modern inspection techniques - including interviews with workers; the role of advisory services in inspection, and ethics.
- Finally, a workshop on Labour Inspection Management was held from 23-24 June 2014 in Dhaka. 24 officials from the Ministry of Labour and Employment and the Department of Inspections of Factories and Establishments (DIFE) participated. The objectives of the workshop was to discuss the labour inspection management process, sharing good practices and examples of reform processes from other countries and identifying current labour inspection challenges and how to overcome them in Bangladesh.

With support from the ILO, inspection equipment and personal protective equipment will be provided to the inspectors in order to enhance their capacity to carry out quality inspections. The purchase of motorcycles for inspectors is also underway.

Standard Operating Procedures (SOPs) must be developed in consultation with the ILO so that labour inspectors and their supervisors will know which steps to follow – and who is responsible – in undertaking the different activities. The development and implementation of SOPs will also make it easier for workers and employers to understand what to expect when, for instance, a complaint is filed concerning an alleged unfair labour practice or when being subject to an inspection visit.

Establishing the Better Work Programme

Compact commitment:

- 1 f) Achieving eligibility for the Better Work Programme, a partnership between the ILO and the International Finance Corporation (IFC), in order to improve compliance with labour standards and to promote competitiveness in global supply chains in the RMG and knitwear industry.**

Better Work is a partnership programme between the ILO and the International Finance Corporation (IFC). Operational since 2009, the programme aims to improve both compliance with labour standards and competitiveness in global supply chains.

In September 2012, Better Work, based on the assessment of the labour administration and industrial relations systems, requested the Government to address a number of risk factors so as to facilitate the establishment of a Better Work Programme in Bangladesh. These risk factors related mostly to the ability of workers to form, register and operate unions. Addressing these risk factors would require amendments to the Bangladesh Labour Act, 2006 Code as well as adjustment in the administration of union registration processes.

After amendments to Bangladesh Labour Act in July 2013, the Better Work Bangladesh (BWB) was officially launched in October 2013 as part of the Improving Working Conditions Programme in RMG Sector.

Better Work works with managers and workers in participating factories to improve working conditions, productivity and quality. Better Work focuses on building factory-level industrial relations so that management and workers are together better able at preventing, identifying and solving problems in the workplace. As such it complements wider efforts aimed at improving the labour regulatory, labour administration and social dialogue framework at the national level.

The BWB should continue to train staff and finalise the required tools and reaching out to factories to secure wide participation.

Skills and training programmes for the Rana Plaza victims

Compact commitment:

- 1 i) Launching, by 31 December 2013, with the support of the ILO, skills and training programme for workers who sustained serious injuries in the recent tragic events and redeploying the RMG and knitwear workers that were rendered unemployed as well as rehabilitated workers.**

In collaboration with the Ministry of Labour and Employment, the ILO has provided support to establish a coordination cell in Savar to provide support to the survivors and dependants of the deceased workers in Rana Plaza. To date, over 1,500 persons have visited the Coordination Cell.

A helpline is in place since 25 November 2013. Most callers inquired about medical support, job opportunities, small business and financial support and missing persons, and were provided with information and support or, as appropriate, referred to relevant organisations and institutions.

In the last quarter of 2013, a first batch of 50 of injured workers received skills training and support for re-employment and self-employment. Rehabilitation programmes are ongoing for another 60 victims by providing skills training and seed money for their respective skills development. Another 250 disabled workers have been mobilised into Self Help Groups and counselling has been initiated.

Skills training and rehabilitation of victims must continue.

2. STRUCTURAL INTEGRITY OF BUILDING AND OCCUPATIONAL SAFETY AND HEALTH

Key achievements:

- The Government of Bangladesh has adopted the National Occupational Safety and Health (OSH) Policy on 5 November 2013.
- A multi-media information, education and outreach campaign was launched to raise awareness about occupational safety and health issues.
- The National Tripartite Committee (NTC), the Accord and the Alliance have agreed on a common approach to determining factory building safety.
- 1,685 structural assessments have been completed, most also covered fire and electrical safety.

- The launching in April 2014 of the basic version of the publicly accessible database listing RMG and knitwear factories in Bangladesh, as a platform for reporting labour, fire and building safety inspections.

Key steps to be taken include:

- The implementing rules and regulations concerning the establishment of the OSH Committees at factory level must be adopted.
- Inspections must continue. The Government needs to increase its capacity to inspect factories so that it can progressively reduce its dependency on privately run CSR initiatives.
- Agreement must be reached on harmonised reporting and format for public reporting on labour, fire, and building safety inspections.
- The publicly accessible database should be upgraded and expanded to include the detailed information on all factories in the sector, inspection results and remedial actions, if any.

Implementation of the National Tripartite Plan of Action

Compact commitment:

2 a) Implement the National Tripartite Plan of Action on Fire Safety and Structural Integrity in the RMG industry in Bangladesh with the support of the ILO, in accordance with the established milestones and timelines, as stipulated in the Programme of Action.

Progress has been made in the implementation of the National Tripartite Plan of Action on Building and Fire Safety in the Ready-Made Garment Sector in Bangladesh. The Cabinet Committee for the RMG Sector has formed a Task Force on Building and Fire Safety in RMG Sector headed by one Joint Secretary from the Ministry of Labour and Employment. The Task Force is meeting once a month. Meanwhile, the Task Force has convened six meetings and has taken some decisions for implementation.

Another Task Force on Expansion and Simplification of the RMG Industry headed by one Additional Secretary from the Ministry of Commerce is working to review and, where necessary, adjust factory licensing and certification procedures concerning fire safety, including electrical, chemical and environmental safety.

The Directorate of Fire Service and Civil Defence (DFSCD) has submitted a proposal to the Government to create 260 posts of fire inspectors. Under the ILO's RMG project, necessary training will be provided to the Inspectors of DFSCD once they have been recruited.

The implementing rules and regulations concerning the establishment of the OSH Committees at factory level must be adopted.

Building Structural Safety Inspections

Compact commitment:

2 b) Assess the structural building safety and fire safety of all active export-oriented RMG and knitwear factories in Bangladesh by June 2014 – with the most populated factories assessed by the end of 2013 – and initiate remedial actions, including relocation of unsafe factories.

The Bangladesh University of Engineering and Technology (BUET), the Accord on Fire and Building Safety³ (the Accord), and the Alliance for Bangladesh Worker Safety⁴ (the Alliance) reached an agreement on harmonised standards for assessments of both fire and building safety on 7 November 2013 at an ILO-facilitated workshop. These standards have been formally endorsed by the Government through the National Tripartite Committee

³ See also Section 3

⁴ See also Section 3

(NTC). In addition, a review mechanism to handle urgent safety issues in RMG factories has been agreed upon by all parties.

The Accord will cover the inspections of approximately 1,400 factories and the Alliance will cover 608 factories. The remaining factories will be assessed by the NTC with the support of the ILO. The NTC has planned to inspect 1,500 factories. The NTC requirements vary depending on active factories identified and registered under the BGMEA and BKMEA.

Significant progress has been made by the three initiatives in inspecting the RMG factories for structural integrity, fire and electrical safety. The chart below depicts the progress made:

Building Safety Assessment – Structural Integrity

	NTPA	Accord	Alliance	Total
Targeted Factories	1,500	1,400	608	3,508 ⁵
Inspection Completed for Factories	282	834	604	1,685
Referred to Review Panel	1 (1) ⁶	23 (12)	14 (6)	38 (20)
Partially closed	0	3 (3)	2 (1)	5 (4)
Closed	2 (1)	12 (6)	3 (1)	17 (8)
Decision Pending	0	1 (1)	0	1 (1)
Allowed operations	0	6 (3)	9 (4)	15 (7)

The Bangladesh University of Engineering and Technology (BUET), as part of the national initiative, has completed assessments of 282 factories (200 buildings). Reports have been submitted to NTC for finalisation.

Based on the assessment results, the review panel has reviewed 38 factories (20 buildings). As per recommendations of the review panel of 18 June 2014, operations have been suspended at 17 factories. The review panel's decision is pending for 1 factory; and 15 factories have been allowed to continue operation after remedial actions.

Inspections must continue. The Government needs to increase its capacity to inspect factories so that it can progressively reduce its dependency on privately run CSR initiatives.

Public reporting

Compact commitment:

- 1 h) Creating, with the support of ILO and other development partners, a publicly accessible database listing all RMG and knitwear factories, as a platform for reporting labour, fire and building safety inspections, which would include information on the factories and their locations, their owners, the results of inspections regarding complaints of anti-union discrimination and unfair labour practices, fines and sanctions administered, as well as remedial actions taken, if any, subject to relevant national legislation.**

⁵ About 300 factories are common to both the Accord and the Alliance

⁶ Numbers in brackets refer to buildings

2 c) Develop, with the assistance from the ILO and other development partners, the publicly accessible database described in paragraph 1.h) of the Compact

A website⁷ for the Directorate of Inspection of Factories and Establishments (DIFE) has been launched. The website includes a publicly available database, which was inaugurated on 27 March and includes an initial list of RMG factories and some basic information about the factories.

The DIFE is working to further develop the database with the aim to include comprehensive information on trade union registration (including: registration, complaints of discrimination, complaints of unfair practises, etc.); building and fire safety (including: inspections, remedial actions with time frames, closures, etc.), and working conditions (including: inspections, remedial actions, injury tracking, etc.)

The ILO is supporting the Government in this endeavour and has engaged a local IT firm. Plans for next phases include the introduction of modules with information on enterprises and legal persons, occupational safety and health data, risk assessment, document management, inspection task management, warning/ticket issuing, and statistical reporting, as well as a planning module.

There needs to be an agreement on harmonised reporting and format for public reporting on labour, fire, and building safety inspections including availability of information on training activities. The publicly accessible database needs to be expanded to include the detailed information on all factories in the sector, results of labour, structural integrity, fire, and electrical inspections, and all follow-up inspections.

3. RESPONSIBLE BUSINESS CONDUCT

Key achievements:

- The Accord and the Alliance are now fully operational, many new companies have joined them and have agreed with national authorities on a common approach for inspections and inspections are underway.

Key steps to be taken include:

- Continue encouraging these initiatives, including with respect to work on the follow-up on results of inspections, and for further companies to join them.

Compact language:

- 3 a) Bangladesh, the EU and also the ILO welcome the fact that major fashion and retail brands sourcing garments from Bangladesh are coordinating their efforts to help improve safety in the Bangladeshi factories which supply them. They recognise the progress made in developing implementation plans and underline the importance of engaging with stakeholders to ensure effective implementation of and consistency amongst the various initiatives.**

The responsible business conduct private initiatives launched in response to the Rana Plaza tragedy are operational and new companies are joining in

The Accord on Fire and Building Safety⁸ is a legally binding agreement which include independent safety inspections at factories, identifying safety issues and enabling remedial action. It has been signed by around 180 apparel corporations from around 20 countries in Europe, North America, Asia and Australia; two global trade unions (IndustriALL and UNIGlobal), and numerous Bangladeshi trade unions. Clean Clothes Campaign, Worker Rights Consortium, International Labour Rights Forum and Maquila Solidarity Network are NGO

⁷ <http://www.dife.gov.bd>

⁸ <http://www.bangladeshaccord.org/>

witnesses to the Accord. The ILO acts as the independent chair. The Accord makes the results of its inspections public through its website.

The Alliance for Bangladesh Worker Safety⁹ was founded by a group of North American apparel companies and retailers and brands who have joined together to develop and launch the Bangladesh Worker Safety Initiative, a binding, five-year undertaking with the intent of improving safety in Bangladesh's RMG factories in a transparent, results-oriented, measurable and verifiable manner. Collectively, the Alliance members represent the overwhelming majority of North American imports of RMG from Bangladesh, produced at more than 700 factories. The Alliance has committed to also host all of its inspection reports on its own website and the publicly accessible database of the Government of Bangladesh.

The Accord and the Alliance have inspected around 1,430 factories so far. One important component of the Alliance and the Accord is the public release of all inspection reports as well as periodic updates to each corrective action plan.

Compact language:

3 d) Bangladesh and the EU take note of the work by European social partners in the textile and clothing sector started on 26 April 2013 to update their 1997 Code of Conduct on fundamental rights, in the framework of the European Sectoral Social Dialogue Committee for Textile and Clothing

European social partners in the textile and clothing sector are implementing a pilot project supported by the EU on "Harmonisation Guidelines for Implementation and promotion of Corporate Social Responsibility in the European Textile and Clothing Industry", which aims at developing a risk assessment and management tool linked with CSR compliance. The tool is specifically targeted at companies outsourcing (part of) their production.

D. Monitoring of the implementation of the Sustainability Compact

Since the launch of the Compact, quarterly meetings and videoconferences between the headquarters/capitals of the parties, namely the Government of Bangladesh, the EU, the US and the ILO, to follow progress of the Compact implementation have been held.

In Dhaka, a high level group of three Secretaries (Labour, Commerce and Foreign Affairs) and five Ambassadors (EU, US, Canada, the Netherlands as the chair of the Private Sector Working Group of the Local Consultative Group (LCG PSD group), and the UK as the EU Member State participating on a rotating basis). The ILO has been regularly reviewing the progress of implementation of the Compact and RMG programme and is providing assistance in monitoring and reviewing the commitments under several instruments and providing assistance for implementation.

The Private Sector Working Group of the Local Consultative Group comprising development partners and the Government is playing a key donor coordinating role supporting reforms in the sector and the implementation of the Compact. Bangladesh's Commerce Secretary acts as the chair with the Deputy Head of Mission of the Dutch Embassy. The ILO is providing assistance and regular updates to the Group.

The EU has funded a specific project with the ILO to monitor the Compact at the end of 2013 that includes the review of achievements and the preparation of technical progress reports such as this one.

Conclusion

Generally speaking, in one year, follow-up to the Compact has been intense and will require continued monitoring and interaction to reduce implementation gaps further. The RMG sector in Bangladesh is the focal point for improvements of labour rights and labour conditions in Bangladesh. As the country continues to

⁹ <http://www.bangladeshworkersafety.org/>

consolidate its position as a garment manufacturer and exporter, it is bound to pay much more attention to sustainability concerns than ever before. By the same token, foreign companies are working differently through their global supply chains and paying more attention to responsible business practices. With these two dynamics working in parallel and provided the commitment to better work is unchanged, the memory and dignity of the persons who perished in the Rana Plaza disaster will be upheld.