



European  
Commission

**IMPLEMENTATION OF THE BANGLADESH COMPACT**  
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**TECHNICAL STATUS REPORT**

**SEPTEMBER 2018**

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Date: 28/09/2018

Trade

### **A. Executive Summary**

The Bangladesh Sustainability Compact brings together the European Union (EU), Bangladesh, the United States (US), Canada and the International Labour Organization (ILO) with the common goal of improving working conditions and the respect of labour rights in Bangladesh's ready-made garment (RMG) industry to ensure that industrial disasters such as the Rana Plaza tragedy are not repeated. To do this, the Compact is built on short and long-term commitments related to three inter-linked pillars: 1) respect for labour rights; 2) structural integrity of buildings and occupational safety and health; and 3) responsible business conduct.

This technical status report follows those published in July 2014, April 2015, July 2016 and October 2017. It reflects progress in implementing the Compact since its launch in July 2013 up until June 2018. This report builds on information from a number of sources, including the regular meetings with the Compact Partners as well as inputs from meetings with and/or reports prepared by local and international stakeholders as well as projects implemented by the ILO in Bangladesh.

#### **Pillar 1: Respect for Labour Rights**

In the aftermath of the Rana Plaza collapse the Government of Bangladesh took steps in July 2013 to revise the Bangladesh Labour Act (BLA), making it easier to form trade unions and introducing new provisions relating to workplace safety. Implementation Rules for the BLA were also adopted in September 2015. Despite these changes the Compact partners as well as ILO supervisory bodies have continually stressed the need for further revision to bring both the BLA and the Draft EPZ Act (covering Export Processing Zones) into line with International Labour Standards (ILS) and to allow full freedom of association.

The Government of Bangladesh shared revised versions of both the Bangladesh Labour Act and the Draft EPZ Law with ILO in August 2017. These submissions have been reviewed by the Committee of Experts on the Application of Conventions and Recommendations (CEACR). While welcoming a number of the proposed amendments, the Committee observed that many of the changes it has been requesting for a number of years had either not been addressed or addressed only partially. Key issues such as minimum requirements to form a trade union and the extension of the BLA to EPZs continued to be a concern. In May 2018, the Government of Bangladesh subsequently advised ILO that it would ease the worker representation requirement for trade union registration irrespective of factory size to 20 per cent from the existing 30 per cent for all factories, including those in EPZs. The Department of Inspections for Factories and Establishments (DIFE) would also be allowed to carry out inspections of factories within the EPZs, albeit in collaboration with the Bangladesh Export Processing Zone Authority.

A Workers Resource Centre (WRC) was launched on 11 March 2018. The WRC will provide capacity building and services for workers and unions on organizing, collective bargaining, negotiating with employers and dispute resolutions. It brings together federations from the National Coordination Committee for Workers Education (NCCWE) and IndustriALL Bangladesh Council (IBC) and should help address fragmentation and capacity issues amongst unions.

The number of ready-made garment (RMG) trade unions continues to grow. Since 2013, 527 trade unions have been registered in the RMG industry, increasing the total number to 659<sup>1</sup>. However the high number of rejections of union applications remains a concern to CEACR. According to the International Trade Union Confederation (ITUC) nearly half of applications to form a new union in the RMG sector were not registered in 2017 while according to publicly available government data the rejection rate stood at approx. one third.

The Better Work Bangladesh (BWB) programme continues to work to improve compliance and competitiveness in the country's ready-made garment industry. As of August 2018, the programme was working with 233 RMG factories employing some 383,320 workers.

The reform of the Department of Inspections for Factories and Establishments took another step forward with the launch of a Labour Inspection Management Application (LIMA). LIMA will aim to improve the collection, storage and analysis of labour inspection data, benefiting workers and employers in all industrial sectors.

Key steps that still need to be taken with respect to labour rights include the necessary steps to effectively address anti-union discrimination, including acts of violence and intimidation and legislative changes to the Bangladesh Labour Act and its implementing rules as recommended by the CEACR and in full consultation with social partners. Notably it is considered that the proposed threshold to form a trade union (i.e. 20 per cent of workers to be in agreement) remains unrealistically high in view of the large size of many garment factories. A broad range of restrictions and interferences in the right to carry out freely trade union activities remains.

Standard Operating Procedures (SOPs), for trade union registration as well as the online registration system need to be put to effective use in order to improve transparency around the process and reduce the time it takes.

SOPs for dealing with unfair labour practices adopted in 2017 need to be widely understood and implemented while the RMG Tripartite Consultative Council (TCC) also needs to operate effectively.

Additional steps need to be taken to bring the draft EPZ Law into line with the BLA. This includes permitting worker associations in the EPZ to engage with outside actors.

Meanwhile, a reform roadmap to guide the upgrade of the Department of Labour (DoL) is also required. While the government has allocated an increased budget to the DoL for FY2017-2018 this needs to be accompanied by a clear plan to upgrade its staffing and operational capacity.

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<sup>1</sup> First quarter 2018 report of Social Dialogue and Industrial Relations (SDIR), a joint ILO and Ministry of Labour and Employment (MoLE) project

### **Pillar 2 Structural Integrity of Buildings and Occupational Safety and Health**

Following the inspection of virtually all export-oriented RMG factories for structural fire and electrical safety emphasis has switched to the remediation of faults identified during inspections. This work continues to be carried out by three initiatives: the Accord on Fire and Building Safety in Bangladesh, the Alliance for Bangladesh Worker Safety and the Government of Bangladesh's National Initiative supported by the ILO.

As of April 2018, the overall remediation progress rate of safety issues in Accord factories had reached 84 per cent while under the Alliance for Bangladesh Worker Safety, a total of 91 per cent of all non-compliance issues have been remediated. Under the National Initiative, the Remediation Coordination Cell (RCC) which was launched in May 2017 is gradually becoming operational. The Government of Bangladesh is hiring 60 engineers to undertake follow up to factory inspections while ILO is recruiting a further 47 engineers.

A workshop attended by the Accord, the Alliance, government and other stakeholders took place on 10-12 August 2018 in Dhaka to discuss the transition of Accord/Alliance efforts to the National Initiative.

Key steps that still need to be taken with respect to Pillar 2 of the Compact include the completion of all outstanding remediation of Accord, Alliance and National Initiative factories in a time bound manner. In order to ensure the effective operation of the RCC, full cooperation of all relevant regulators is still necessary. The Compliance Protocol for factories which fail to complete remediation needs to be fully operationalized. Meanwhile any RMG factory which has yet to have undergone assessment for structural, fire and electrical safety needs to either be inspected or closed.

Since the Rana Plaza collapse, efforts have been made to establish an Employment Injury Insurance scheme in Bangladesh which would provide compensation to workers in event of workplace accident or disease. A time bound commitment of the Bangladesh Government is crucial for introducing such a scheme.

### **Pillar 3 Responsible Business Conduct**

The Accord on Factory and Building Safety in Bangladesh and the Alliance for Bangladesh Worker Safety gathering more than 250 brands and retailers from over 20 countries, have been fully operational since 2013. Since that date they have carried out inspections of more than 2,000 factories while remedial work is underway to address shortcomings. Accord will have active operation in Bangladesh till November 2018 as per a High Court verdict and Alliance is currently wrapping up their operation to be ended at the end of 2018. To date, 91 percent of factory remediation is complete across all Alliance factories which is 84 percent overall in the Accord factories.

The government has agreed for the Accord to continue its operations until the RCC is ready to take over the platform's responsibility and has created a Transition Monitoring Committee (TMC) to review the RCC's readiness on a six-monthly basis.

Meanwhile the Alliance is seeking to establish an independent, credible, locally led organization that will continue its work.

Steps which need to be taken include the development of a clear roadmap for the transition of Accord and Alliance work to government responsibility. It is also important to ensure that the National Initiative takes full advantage of the expertise and experience of the Accord and Alliance and that both Accord and Alliance remain active in Bangladesh until the RCC is ready to take full responsibility for factory compliance and remediation – which is not the case yet.

### **B. Background**

Sustained economic growth over the past two decades has helped to reduce poverty in Bangladesh by nearly one third. However 24.3 per cent of the population still live in poverty and 12.9 per cent in extreme poverty<sup>2</sup> (2016) 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 (81.68 per cent of total export revenue<sup>3</sup>) thanks in large part to its duty-free quota-free access to the EU market via Everything but Arms (EBA) trade preferences. The EU is Bangladesh's largest export market for RMG products (59.78 per cent by value), followed by the US (21.27 per cent). Together, the EU, US and Canada account for almost 85 per cent of Bangladesh's total garment exports to the world.

The RMG industry also relates to the empowerment of women and associated social changes. It directly employs some four million people – of whom approximately 55 per cent are women. The Rana Plaza collapse, a tragedy which claimed 1,137 lives, led to intense global scrutiny of the Bangladesh RMG sector and highlighted the need for fundamental change relating to safety inspection and compliance as well as the respect for workers' rights. The collapse led to widespread recognition of the need for change. As a result, intense collaboration has taken place between the Government of Bangladesh, RMG industry associations, global and local unions, international retailers and brands, civil society and development partners to ensure safer workplaces and better respect of labour rights.

In this context, the EU's trade relations with Bangladesh and the importance of the RMG industry to the country's development gave the EU a special responsibility to act. Therefore, the EU together with Bangladesh, the US and the ILO forged the Sustainability Compact in July 2013. Canada subsequently joined the Compact in January 2016.

### **C. Monitoring of the implementation of the Sustainability Compact**

As a partner in the Bangladesh Sustainability Compact, the EU, together with the Government of Bangladesh, the ILO, and the Governments of the US and Canada

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<sup>2</sup> Household Income and Expenditure Survey 2016

<sup>3</sup> <http://www.bgmea.com.bd/home/pages/TradeInformation>

regularly assesses progress in the Compact implementation through different channels.

Since the launch of the Compact, the Compact Partners have held regular follow-up meetings and video conferences. In particular, four high-level review meetings took place with the last one in Brussels on 25 June 2018. Outcome documents from these meetings are [publicly available](#)<sup>4</sup>.

In addition, a high-level group based in Dhaka referred to as the 3+5+1 Group, regularly reviews progress in the implementation of the Compact. This group comprises three Secretaries of the Government of Bangladesh (Labour, Commerce and Foreign Affairs), five Ambassadors (EU, US, Canada, the chair of the Private Sector Development Working Group of the Local Consultative Group<sup>5</sup> - currently the United Kingdom - and one other EU Member State on a rotating basis) as well as the ILO. The ILO's Improving Working Conditions in the Ready Made Garment Sector Programme (RMG Programme), funded by Canada, the Netherlands and the United Kingdom, provides continued support for Compact monitoring and implementation.

The Local Consultative Group's Private Sector Development (LCG PSD) group plays an important coordinating role. Bangladesh's Commerce Secretary and the Growth and Private Sector Team Leader of DFID co-chair the group while ILO provides regular updates. In addition to its development cooperation programmes with Bangladesh, the EU has provided funding to a specific project with the ILO to monitor the Compact since the end of 2013 which includes the review of achievements and input into the preparation of technical progress reports such as this one.

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<sup>4</sup> [http://www.ilo.org/dhaka/Whatwedo/Eventsandmeetings/WCMS\\_554839/lang--en/index.htm](http://www.ilo.org/dhaka/Whatwedo/Eventsandmeetings/WCMS_554839/lang--en/index.htm)

<sup>5</sup> The Government of Bangladesh and all its development partners meet regularly through the Local Consultative Group (LCG) mechanism to discuss development priorities in Bangladesh. The PSD group is a working group of the LCG. It was co-chaired by the Netherlands until April 2016 when the function was taken over by the United Kingdom.

## **D. Compact Commitments – Achievements**

### **Pillar 1: Respect for Labour Rights**

#### **Key Achievements:**

- **An improved legislative environment**
  - In July 2013, the Government of Bangladesh adopted amendments to the 2006 Bangladesh Labour Act (BLA). These saw the BLA conform more closely to core international labour standards, particularly regarding certain aspects of freedom of association and collective bargaining.
  - Adoption of the implementing rules of the BLA took place in September 2015. These set out how the provisions of the BLA are put into practice, such as elections at factory-level of Participation Committees and formation of Safety Committees.
- **An increasing number of RMG trade unions**
  - Since 2013, 527 new trade unions have been registered in the RMG industry, increasing the total number to 659 (trade union: 611 and federations 48) as of 31 March 2018.
- **Enhanced framework for social dialogue**
  - A Workers Resource Centre (WRC) was launched on 11 March 2018. The WRC brings together federations from the National Coordination Committee for Workers Education (NCCWE) and IndustriALL Bangladesh Council (IBC) and will provide capacity building and services for workers and unions.
  - In March 2017, a 20 member Tripartite Consultative Council (TCC) for the RMG Sector was established. The RMG TCC will monitor worker rights and safety while seeking to enhance industrial relations. It also plays a role in consolidating recommendations from constituents relating to BLA amendments. The TCC has met several times as of May 2018.
  - Standard Operating Procedures for trade union registration and unfair labour practices were adopted by the Government of Bangladesh in May and August 2017 respectively.
- **Better Work Bangladesh launched**
  - The Better Work Bangladesh (BWB) programme was launched in 2014. This partnership between the ILO and the International Finance Corporation (IFC) aims at improving compliance and competitiveness in the country's ready-made garment industry. As of August 2018, the programme was working with 233 RMG factories employing some 383,320 workers.
- **Enhanced capacity of regulatory bodies to ensure the respect for labour rights**
  - The Department of Inspection for Factories and Establishments (DIFE) has undergone a significant upgrade since 2013 with an enhanced mandate, resources and personnel. DIFE is now better able to carry out its mandate following the implementation of a reform roadmap and actions including the development of a comprehensive inspection checklist.

- The Ministry of Public Administration (MOPA) and Ministry of Finance have given their consent for the Department of Labour to undergo a similar upgrade to DIFE and hence the budgetary allocation as well as manpower for DoL has been increased substantially in FY 2017-18 according to government data.

### Key steps to be taken include:

The Government of Bangladesh, in line with its Compact commitment needs to show concrete and time bound responses in a number of key areas as follows:

- Take the necessary steps to effectively **address all acts of anti-union discrimination**, including acts of violence and intimidation.
- To **undertake legislative changes** to the Bangladesh Labour Act and its implementing rules (notably to lower the membership threshold requirements for unionization) to **bring them in line with International Labour Standards (ILS)** and to **allow full freedom of association**. The recent cabinet meeting of the Bangladesh Government approving the reduction of the threshold to form a union to 20 per cent of the workforce is an important first step which needs to be fully applied in practice. The threshold should be further lowered to comply with ILS and recommendations by the social partners.
- To propose **amendments to the draft EPZ law** to provide a consistent regulatory environment in line with the BLA and to allow full freedom of association, thereby **bringing legislation applicable to EPZs fully in line with ILS**. This includes formation of Worker Welfare Associations (WWA) in the EPZs and their ability to exercise the same rights as trade unions outside EPZs.
- To **effectively implement** recently adopted **Standard Operating Procedures** for trade union registration and unfair labour practices. A high number of rejections of new union registrations remains. The Joint Director of Labour (JDL) should provide all relevant statistics on their website, including the average and individual time taken for registrations. Government also should provide information on the number of cases and progress made on investigations of unfair labour practices. Fines incurred for unfair labour practices remain inadequate to act as a deterrent.
- To ensure that law enforcement agencies do not **become unnecessarily involved with issues such as trade union registrations or labour rights issues**.
- **Sanction unfair labour practices** with adequate fines and reinstate all workers dismissed in cases like the Ashulia incident (December 2016)
- To support the **National and RMG Tripartite Consultative Councils (TCC)** so that they are able to operate effectively and fulfil their mandate.

### Commitment 1.a - Amendments to the Bangladesh Labour Law

In July 2013 Bangladesh amended its Labour Act of 2006 so that it would conform more closely to International Labour Standards. In total, 87 sections of

amendments were approved, with the main bulk of improvements relating to occupational safety and health, freedom of association and collective bargaining. Several provisions to improve workplace safety were included in the law, such as the creation of mandatory Safety Committees in factories with 50 workers or more.

On freedom of association (e.g. formation and registration of trade unions), an important amendment deleted a provision in the labour law requiring the Registrar of Trade Unions<sup>6</sup> to provide employers with the names of union officials before registration of a trade union.

The amended law allows workers and employers to consult with external experts for advice during collective bargaining at the enterprise level. The process of formation of Participation Committees was also improved by adding a provision specifying that such Committees must be directly elected by workers rather than selected (by employers). Furthermore, in the public industrial sector, workers are now able to elect 10 per cent of their trade union officials for their union's executive committees from outside the workplace, if the members of the trade unions so wish.

Despite the changes, the Bangladesh Labour Act and the EPZ Act continue to fall short with regards to international labour standards. At the 106th International Labour Conference held in Geneva in June 2017 the Committee on Application of Standards (CAS) repeated its call on the Government of Bangladesh to ensure that the Bangladesh Labour Act and the Bangladesh Labour Rules are brought into conformity with the provisions of the Convention regarding freedom of association, paying particular attention to the priorities identified by the social partners.

In response to these recommendations, a 24-member tri-partite technical committee headed by a Joint Secretary of the Ministry of Labour and Employment was formed on 5 June 2017 to recommend further amendments to the Bangladesh Labour Act 2006 to address observations of the ILO Committee of Experts. Proposed amendments to the Bangladesh Labour Act and the Draft EPZ Act were subsequently submitted by the Government of Bangladesh in November 2017 for consideration by the ILO's Committee of Experts.

The Report of the Committee of Experts on the Application of Conventions and Recommendations (CEACR) published in February 2018 commented extensively on the Government's proposed amendments. The findings of the CEACR and information on the government proposals are covered in Section 1.c of this report.

At the 5<sup>th</sup> Compact review meeting held in Brussels on 25 June 2018, partners expressed their deep concern about the progress made by the Bangladesh Government in relation to ILO Conventions on freedom of association and collective bargaining. The partners specifically highlighted the importance of the Bangladesh government addressing the conclusions and recommendations of the ILO's supervisory bodies. This prompted the Government to propose further revisions for consideration. The government has been reported to have brought a number of

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<sup>6</sup> The Director of Labour acts also as the Registrar of Trade Unions. On his behalf, the Joint Directors of Labour perform the responsibilities for respective administrative divisions.

changes in BLA and EPZ Law which it indicated to adopt to the Parliament in the fall.

*While legislative and regulatory changes have been made since 2013 extensive revisions to the Bangladesh Labour Act are required so that it is compliant with the ILO Conventions on freedom of association and collective bargaining. In this regard the comments of the Committee of Experts on the Application of Conventions and Recommendations (CEACR) need to be addressed.*

### **Commitment 1.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**

On 16 September 2015 the Government of Bangladesh issued the implementing rules for the BLA of 2006 as amended in 2013. The rules clarify certain issues relating to central elements of the BLA, including the formation and activities of safety committees, festival bonuses and contributions to Worker Welfare Funds amongst others.

While recognising that the Rules represented an important step to support BLA implementation, they are not in full compliance with ILO fundamental Conventions. They fail to give full effect to the fundamental rights of workers, including in relation to the definition of administrative and supervisory officers who are excluded from the BLA, prohibition of Safety Committee members from participating in an industrial dispute, the role of employers in the committee for the election of representatives to Participation Committees and broad prohibitions on worker activities, including the right to strike.

Observations of the CEACR made as follow-up to the conclusions of the Committee on the Application of Standards (International Labour Conference, 106th Session, June 2017) state the importance of bringing the Bangladesh Labour Rules into conformity with the Convention on Freedom of Association and Protection of the Right to Organise. The Committee reiterated its previous requests and expected that during the revision process of the Bangladesh Labour Rules social partners should be involved.

### **Commitment 1.c - Develop and adopt additional legislative proposals to address conclusions and recommendations of the ILO supervisory monitoring bodies, in particular with reference to ILO Convention No. 87 (Freedom of Association and Protection of the Right to Organise) and Convention No. 98 (Right to Organise and Collective Bargaining).**

While the 2013 revision of the Bangladesh Labour Act includes positive reforms, it still falls short of international standards with regard to freedom of association and collective bargaining with a high number of conclusions and recommendations made by the ILO supervisory mechanisms yet to be addressed.

Following the Labour Act revision, feedback was provided to the Government of Bangladesh on a number of occasions. Recently for example, the Committee on Application of Standards (CAS) at the 106th International Labour Conference in June 2017 repeated its call on the Government to ensure that the Bangladesh

Labour Act and the Bangladesh Labour Rules were brought into conformity with the provisions of the Convention regarding freedom of association.

Areas of concern to be addressed include, among others: the high minimum membership requirement (30 per cent) to form a union; the limitations on trade unions' right to elect representatives in full freedom (including from outside of their enterprises); broad administrative powers to cancel a union's registration, and severe limitations on the right to strike (prohibition of strikes for a period of three years from the date of commencement of production in a new establishment, or an establishment owned by foreigners or established in collaboration with foreigners; penalties of imprisonment for participation in, or instigation to take part in unlawful industrial action or go-slow).

As mentioned in 1.a. above, the Government of Bangladesh formed a 24-member tri-partite committee to consider further amendments to the BLA. Proposed revisions to the BLA were subsequently submitted to ILO by 31 August 2017 for review by the CEACR.

Amongst the proposed revisions to the BLA were the introduction of a sliding threshold scale for the formation of trade unions. This would have seen establishments with less than 2,000 workers still needing to gain approval of 30 per cent of workers (as per the current legislation) with the threshold gradually falling to 20 per cent for establishments with more than 7,500 staff.

The CEACR welcomed the Government's attempt to reduce the minimum membership requirement and adapt it to the size of the enterprise, despite an apparent lack of agreement among the social partners in this regard. However the Committee regretted that the proposed amendments did not respond to its longstanding concerns and noted with concern that the minor reduction in the minimum membership requirements proposed by the Government was not likely to have an impact on a large number of enterprises and thus would not, in any meaningful manner, contribute to the free establishment of workers' organizations.

On 9 May 2018 the Government of Bangladesh informed ILO that it will ease the worker representation requirement for trade union registration irrespective of factory size to 20 per cent from the existing 30 per cent for factories in and outside of the EPZs. The government indicated at the last Compact Review Meeting held in Brussels in June 2018 that the percentage would fall to 10 per cent in the near future. However, as of the time of writing no firm timeline for this change has been provided by the government nor have any consultations with social partners on this change taken place.

As part of its review, a number of proposed amendments to the BLA were welcomed by the CEACR. These include the extension of the scope of the Act to certain industries previously excluded from it; broadening of the definition of workers; the reduction of the time limit for the Department of Labour to register a trade union and the repeal of section 211(8) prohibiting strikes in an establishment for a period of three years from the commencement of its production.

However the Committee observed that many of the changes it has been requesting for a number of years had either not been addressed or addressed only partially. In

this regard, the Committee emphasized once again the need to further review the BLA to ensure its conformity with the Convention regarding the scope of the law as restrictions on numerous sectors and workers remain, restrictions on trade union membership as well as interference in trade union activity and elections amongst others. Since the government of Bangladesh is still not in full compliance with these provisions, the government was urged at the last Compact review meeting held in Brussels to translate its commitments into reality without further delay.

**Commitment 1.d – 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.**

Eight Export Processing Zones (EPZs) have been established throughout Bangladesh which employ roughly 400,000 workers. While all factories, establishments etc. outside EPZs are governed by the Bangladesh Labour Act, those inside EPZs are covered by the Bangladesh Economic Zones Act 2010. The Government of Bangladesh formulated a revised version of the act namely 'The Bangladesh Export Processing Zone (EPZ) Labour Law, 2014' which had been endorsed in principle by the cabinet on 7 July 2014.

In order to accommodate the ILO Committee of Experts' many recommendations related to the EPZ Act, the draft law that had been vetted by the Cabinet and passed for adoption to the Parliament (Standing Committee for Law, Justice and Parliamentary Affairs) was recalled by the Government in May 2017. As per the recommendation of the ILO Committee of Experts the government revised areas of the draft EPZ Law and submitted this to the ILO in August 2017.

The Committee of Experts on the Application of Conventions and Recommendations (CEACR) noted this development and the redrafting of a number of the Chapters (IX, X and XV) upon which it had been commenting. The Committee welcomed the Government's efforts to align the draft EPZ Labour Act with the BLA and noted a number of the proposed amendments, including simplification of the formation and registration of WWAs through the repeal of section 96(2)–(3) establishing an excessive referendum requirement to constitute a WWA and repeal of section 98 prohibiting to hold a new referendum to form a WWA during one year after a failed one.

The Committee regretted however that many changes requested by the Committee are still not addressed by the proposed amendments and emphasized the need to further review the 2016 draft EPZ Labour Act to ensure its conformity with the Convention regarding matters including the exclusion of specific categories of workers from the law and the excessive minimum membership requirement to create a WWA (In the proposed revision of the BLA, however, 20 per cent of eligible workers of the industrial unit are expected to demand formation of a WWA), as well as the restriction on WWAs from engaging in any way with actors outside the zones.

Observing that a very large number of provisions would need to be repealed or substantially amended to ensure the compatibility of the draft EPZ Labour Act with the Convention the Committee requested the Government to continue to review the draft EPZ Labour Act, in consultation with the social partners, to address all the

issues highlighted and to bring the EPZs within the purview of the Ministry of Labour and the Labour Inspectorate.

On 9 May 2018 the Government of Bangladesh informed ILO that it has decided to ease the worker representation requirement for WWA registration in EPZs irrespective of factory size to 20 per cent from the existing 30 per cent including for factories outside of the EPZs. Provisions would be incorporated into the Draft EPZ Labour Bill for labour inspection by the Inspector General of the Department of Inspections for Factories and Establishments (DIFE) albeit in collaboration with the Bangladesh Export Processing Zone Authority (BEPZA). In addition, in line with the BLA 2006 the consent of the workers representatives to call a strike was to be reduced from three-fourths to two thirds. The revised EPZ law is also expected to simplify the formation and registration of WWA. According to the Government, other issues raised by the CEACR on the Draft EPZ Labour Act were under active review.

*While the Government of Bangladesh has made a number of proposed amendments to the Draft EPZ Labour Law to bring it in line with ILO Conventions on freedom of association and collective bargaining further review is required to address all issues highlighted the Committee of Experts on the Application of Conventions and Recommendations.*

### **Commitment 1.e - Education and training programmes on fundamental principles and rights at work and on occupational safety and health**

Education and training programmes continue to take place for relevant constituents to enhance awareness of basic labour rights and obligations, to address unfair labour practices, to introduce the concept of workplace cooperation and to build a culture of occupational safety and health. The ILO has carried out a number of initiatives in collaboration with partners such as the Bangladesh Employer's Federation (BEF), the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) the National Coordination Committee for Workers Education (NCCWE) and IndustriALL Bangladesh Council (IBC) Federations. Other organisations have also carried out a series of activities with various stakeholders.

Key training and education initiatives which have taken place during the reporting period include:

- A Workers Resource Centre (WRC) was formally launched on 11 March 2018. The WRC brings together federations from the National Coordination Committee for Workers Education (NCCWE) and IndustriALL Bangladesh Council (IBC). Based in Tongi, an RMG cluster area close to Dhaka, the centre will provide capacity building and services for workers and unions on organizing, collective bargaining, negotiating with employers and dispute resolutions. It has been established with support from ILO's Social Dialogue Project and ILO's Workers Bureau (ACTRAV).
- ILO's Social Dialogue project has continued its actions to build capacity of government, employers and workers representatives relating to social dialogue processes. Training has taken place in a wide range of areas including, workplace cooperation, grievance handling, collective bargaining & negotiation as well as human resources management. The Department of Labour has taken initiative to establish a centralized pool

of conciliators within the department. The Social Dialogue project has therefore trained 30 DOL Officials (including 5 women) as conciliators of labour disputes.

- 19 engineers and inspectors from DIFE, the Bangladesh Fire Service and Civil Defence (FSCD), BGMEA and BKMEA were trained by Bangladesh University of Engineering and Technology (BUET) on Corrective Action Plans (CAP) development and follow up during a first batch of training aiming at enhancing the skills and technical knowledge of the delegated RCC engineers on understanding of preliminary assessment reports, CAP formulation, validation, orientation on DEA Guidance Manuals of fire, electrical, and structural safety. The six day training consisted of 3 days of technical sessions, a 2-day field trip and a daylong knowledge sharing session facilitated by Accord, Alliance, and FSCD.
- Officials from the Ministry of Labour and Employment and the Department of Inspections for Factories and Establishments took part in a training course held by the International Training Centre of the ILO in Turin in May 2018 on occupational safety and health.
- Better Work Bangladesh held training on Emergency Preparedness and Accident Investigation for 47 DIFE Labour Inspectors (including RCC engineers and doctors) in April 2018. The training focused on tools, procedures and mock sessions related to accident, investigation and emergency preparedness in the workplace. For more details of Better Work capacity building actions please see the Better Work section below.

### **Better Work Bangladesh**

- See Commitment 1.f below.

## **Commitment 1.f – Establishing the Better Work Programme, Registration of independent trade unions, Ensuring protection of unions and their members from anti-union discrimination and reprisals**

### **a. Better Work Bangladesh**

The Better Work Programme<sup>7</sup>, a partnership between the ILO and the International Finance Corporation (IFC), aims to improve both compliance with labour standards and competitiveness in global supply chains. It focuses on building factory-level industrial relations so that management and workers are together better able to prevent, identify and solve problems in the workplace. Better Work is now fully operational, with a staff of 27 including Enterprise Advisors, Training Officers and Administrative staff.

Since becoming operational in 2015 Better Work Bangladesh has provided services to improve working conditions and productivity at the factory level. As of August 2018, 233 factories are active with the programme, employing some 383,320 workers, 55 per cent of whom are women. Since it started, 25 factories have withdrawn from BWB, this is mainly due the introduction of charges for Better Work services in Bangladesh in order to drive sustainability while previously the programme had been free or discounted.

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<sup>7</sup> <https://betterwork.org/where-we-work/bangladesh/>

In all, 299 assessments have been carried out to date and are available for review by external stakeholders (particularly, buyers sourcing from these factories). Some 4,500+ non-compliance issues have been identified during these assessments. Of factories assessed twice (some 44 factories), over half have improved overall compliance during the first cycle, showing strong progress early on.

Addressing shortfalls in factory social dialogue continues to be a focus for Better Work Bangladesh's advisory services. In this respect, it has provided technical assistance to factories, helping them to conduct elections for Participation Committees (PC), as opposed to PC's appointed solely by management. As of April 2018, 61 elected PCs and 35 Safety Committees have been formed.

As of 31 August 2018, BWB has involved 5,733 participants in training and industry seminars. Training areas include: Sexual Harassment and prevention; Capacity Building for Welfare Officers; and Supervisory Skills Training for Female Operators. In order to address the issue of gender imbalance at factory supervisory and managerial levels, BWB together with IFC launched a program to increase female promotion on the factory floor. To date approx. 60 female participants have been promoted to supervisory posts as a result of the training.

Furthermore, to ensure coordination and mutual learning with the government, BWB and the Department of Inspections for Factories and Establishments has agreed to pilot joint factory visits. These visits will include inspectors shadowing BWB so they can see its methodology, as well as EAs shadowing labour inspections to see the strengths and weaknesses of the current approach.

### **Better Work Bangladesh activity statistics (as of August 2018)**

<i>Factories participating in BWB</i>	233
<i>Factories active in BWB</i>	173
<i>Buyers participating in BWB</i>	19
<i>Workers in BWB factories</i>	383,320
<i># of advisory visits</i>	1973
<i># of factory assessment completed</i>	299
<i># of industry seminars (# participants)</i>	223 (5733)
<i># participants received supervisory skills training</i>	716 (females constitute nearly 30 per cent)

#### **b. Registration of trade unions**

Following the amendment of the Bangladesh Labour Act in 2013 there was initially strong growth in the number of RMG trade unions. By 2015 however growth had slowed with the rejection rate for new union applications increasing. An [ILO high level tripartite mission](#) which visited Bangladesh in April 2016 noted that the heavily bureaucratic procedure for registration and some control measures could discourage and intimidate the workers. A need to protect the trade union registration process from arbitrary rejections was also apparent.

[Standard Operating Procedures \(SOPs\)](#) for the registration of trade unions were adopted and published by the Ministry of Labour and Employment on 22 May 2017.

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The SOPs were developed with the input from the ILO Social Dialogue project and the Fair Work Commission, Australia<sup>8</sup>. The SOPs provide a uniform approach to addressing union registration applications in the Department of Labour. There are now fixed steps with fixed times that standardize the process. The Social Dialogue project has also provided training to union leadership and staff on the SOPs. All concerned government officials have been instructed to follow the SOPs in processing applications for trade union registration.

In the RMG sector the number of trade unions increased from 132 in December 2012 to 659 in April 2018 as per date provided by MoLE.

### RMG trade union registrations (As of April 2018 provided by the Government of Bangladesh)

Formation of RMG sector unions	Up to Dec 2012	2013	2014	2015	2016	2017	2018
Newly formed		82	187	72	77	94	15
<b>Total</b>	132	214	401	473	550	644	659

### RMG sector registration information from 2013 to 2018 JDL office, Dhaka and Chittagong

Year	Previous	Received Application	Total	No. of unions registration	Registration (per cent)	No of application rejected	Rejected (per cent)	Under Process
2013	9	161	170	82	48%	49	28%	39
2014	39	392	431	187	43%	164	38%	80
2015	80	159	239	72	30%	152	63%	15
2016	22	122	144	77	53%	46	31%	21
2017	21	3	24	12	50%	4	16%	8
2018	15	50	65	15	23%	6	9%(till April 18)	44

<sup>8</sup> Fair Work Commission is Australia's national workplace relations tribunal with power to carry out a range of functions under the Fair Work Act 2009 (Cth)

### **On-line registrations**

An on-line registration system for trade unions and trade union federations was launched by Bangladesh's Department of Labour (DoL) in March 2015. The on-line trade union registration system was launched with a view to promoting transparency and accountability in processing applications. While the online system is functioning, submitting online registrations is not yet mandatory as per the Bangladesh Labour Act. There remains a lack of familiarity amongst Department of Labour staff as well as workers about the operation of the system. Therefore often only partial applications are made online while the large volume of supporting documents necessary are submitted in hard copy. In the online registration system only 291 of 801 applications were accepted. The status of 509 applications and the reasons for 62 rejections remain unclear. The Department of Labour has requested additional training from ILO to help create more awareness and understanding of the system to make it more operational. In this regard an agreement has been signed with the Department of Labour for the up-gradation of the online database-systems for both the registration of trade unions and complaint management for unfair labour practices and anti-union discriminations.

### **Public database of applications**

The Department of Labour has begun to upload detailed outcomes of applications for trade union registration to its website ([www.dol.gov.bd](http://www.dol.gov.bd)) to make the process more transparent. At present, the status of 53 trade union applications which includes 22 successful cases of application and 31 cases of rejection, are available in the database section. This database contains relevant information on the submission and resolution of registration requests, including the reasons for rejections of applications. The website will be updated to include other relevant information such as the date of application, time taken to consider an application, reasons for rejections, etc. The ILO's Social Dialogue programme is supporting development and management of the public database. However, the database needs to be updated on a regular basis.

*The slowdown in the number of trade union applications coupled with the continuing high rejection rate remains a concern. The Standard Operating Procedures for union registration need to be put into full effect and applicants provided with clear, transparent and detailed reasons for the rejection of their applications. Regular updates to the online registration system should be made to ensure transparency and confidence in the system. The process of registration should be made simpler to ensure that RMG workers can complete the process with ease while on-line registration needs to be made more user friendly. The discretionary power of the Joint Director of Labour in relation to rejection of the applications should also be addressed.*

### **Department of Labour upgrade**

The Government of Bangladesh has up-graded the Department of Labour (DoL) from a Directorate in order to ensure that the DoL is able to play a more effective role in upholding freedom of association, collective bargaining and labour rights. Staffing levels of the DoL have increased from 712 to 921 while the budget of the Department was \$4.3m in 2017-18, up from \$2.7m in 2015-16. ILO's Social Dialogue and Industrial Relations (SDIR) project is supporting the government in the reformation process.

### **c. Ensuring protection of unions and their members from anti-union discrimination and reprisals**

#### **Labour unrest in Ashulia late 2016/2017**

Labour unrest in the Ashulia area (RMG cluster area close to Dhaka) in late 2016, early 2017 and early 2018 led to union leaders being arrested, some 1,600 dismissed and union offices closed/ransacked. As per information provided by the government dated 9 May 2018, the detained leaders against whom the cases were filed are released on bail and the trial process is still going on. A case out of 13 registered in this connection is for an unrelated issue and another one remains under investigation to date.

#### **Tripartite Consultative Council (TCC) for the RMG Sector**

On 6 March 2017 the Government of Bangladesh announced the establishment of a Tripartite Consultative Council (TCC) for the RMG Sector with the objective to help facilitate industrial relations between workers and employers as well as provide advice to the Government on various areas such as productivity, regulations and policies. As per a government decision the TCC should sit three times a year however, if the Chairperson (State Minister of Labour and Employment) finds it necessary the TCC can be convened at any time. The TCC has met four times since it was formed and ILO is providing support to assist it in its operation and help make the TCC function more effectively.

#### **Standard Operating Procedures for the handling of unfair labour practice complaints**

Standard Operating Procedures (SOPs) were approved by the Government of Bangladesh in August 2017. The SOPs set out seven time bound steps to be followed by Government in the event of any allegation of unfair labour practice or anti-union discrimination. A two-day workshop was held by ILO with union leaders in September 2017 to raise awareness and understanding of both the SOPs for trade union registration and unfair labour practices. According to the Government of Bangladesh, in 2017, 50 cases of anti-union discrimination were reported to the Dhaka Labour Office. Amongst them, 27 cases were settled through negotiations by the labour officials, 16 cases were filed in the Labour Courts and seven cases were under process.

#### **Labour courts relocation**

Speaking at an ILO training event on 24 April 2017, the Minister of Law, Justice and Parliamentary Affairs stated that two labour courts would be relocated to major industrial areas with high concentrations of garment factories. He added that the process would also be initiated to set up two new labour courts in Sylhet and Rangpur where they can serve the Northeast and Northwest regions of the

country. It was also proposed to set up two more labour courts in Narayanganj and Gazipur which are major apparel hubs along with the current four in Dhaka, Chittagong, Rajshahi and Khulna. As of this report date, the relocation or establishment of new courts had yet to take place.

### **Telephone helpline**

A telephone 'Help line' for workers to make and resolve grievances relating to workplace safety or workers' rights was launched in May 2015 by DoL with ILO support. Calls received by the Help Line are logged and forwarded to either DIFE, the Fire Service and Civil Defence Department or the Directorate of Labour to deal with. Since its launch on 15 March 2015 15,600 calls had been logged by 31 March 2018 and the number of complaints stood at 2,387. Of the complaints 40 per cent related to wages/salary and 21 per cent job termination. Some 72 per cent were from workers in the RMG sector and 82 per cent made by men. Of the complaints made 459 were resolved. While the helpline remains operational it is important that the ability of relevant regulatory bodies to handle and resolve grievances is improved in order to build confidence in the helpline.

### **Key steps to be taken include:**

- Further efforts need to be made to ensure the Standard Operating Procedures (SOPs) for trade union registration and Unfair Labour Practices are operationalized and effective.
- The upgrade of the Department of Labour needs to be implemented as quickly as possible. A reform road map should be developed with indications of areas in which support is required (as was the case with the upgrade of the Labour Inspectorate).
- Steps should be taken to enhance the awareness and effectiveness of the telephone helpline to boost the resolution of complaints. Awareness efforts should seek to target female RMG workers in order to boost their use of the helpline. Consideration should be made of whether the Alliance helpline can be incorporated.
- Based on a fair investigation into the allegation pertaining to violence in the work place, a neutral prosecution of the cases is required. Also the trial process of the cases pending against labour leaders should be concluded without delay.

### **Commitment 1.g - Upgrading the Labour Inspectorate to a Department, with a strength of 800 inspectors and with adequate annual budget allocation, development of required infrastructure**

The Government of Bangladesh has taken a number of significant steps since 2013 to enhance the labour inspection system and strengthen the capacity of the Department of Inspections for Factories and Establishments (DIFE). These include improving its structure and processes, changes to legislative and policy frameworks, and providing training and equipment to inspectors and management. On 15 January 2014, the Government of Bangladesh upgraded the Office of the Chief Inspector of Factories and Establishments to a full Department - DIFE. The leadership of DIFE was enhanced by upgrading the post of Chief Inspector to Inspector General.

DIFE was authorised to hire up to 575 inspector positions, as compared to 183 authorised posts before the Compact. Since June 2013, a total of 262 inspectors

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have been recruited while 49 inspectors have resigned to take up job offers elsewhere. By March 2018, the total number of labour inspectors stood at 312 of whom 65 are female (21.6 per cent) as per information provided by the government. According to the government, 221 labour inspection posts are still vacant and the process has been initiated to recruit the remaining inspectors on a priority basis.

### Labour inspectors employed with DIFE as of March 2018

Labour Inspectors	June 2013			June 2017			September 2017			December 2017			March 2018		
	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F
	92	82	10	30	240	6	31	2	65	31	25	65	31	24	65
				6		6	8	5		5	0		2	7	
							3								

A survey looking at issues relating to the retention and motivation of labour inspectors was carried out during the first half of 2017. The report provides an analysis, conclusions and recommendations on areas including training, the recruitment process, performance management and structures/incentives to increase DIFE retention and motivation rates. The survey was carried out in response to the relatively high turnover of new inspectors, a number of whom left DIFE for other positions within the government. A number of recommendations made by the survey are under consideration of DIFE.

Significant changes have also taken place regarding the annual budget allocation, which has increased from US\$ 900,000 in FY 2013-14 to US\$ 4.93 million in FY 2016-17. As a result of these changes and the support to the DIFE reform process from various development partners, the labour inspectorate is increasingly able to carry out its mandate in a credible and effective manner.

### Support to the DIFE reform process

The reform of DIFE was a key priority identified in the aftermath of Rana Plaza. A labour inspection management reform and road map was agreed between ILO and the Ministry of Labour that forms the basis for ILO support to this reform process.

The reform of DIFE took another step forward with the launch of a digitalized Labour Inspection Management Application (LIMA) system on 6 March 2018. LIMA will improve the collection, storage and analysis of labour inspection data, benefiting workers and employers in all industrial sectors. LIMA is set to make DIFE's operations more effective by combining its key data gathering and management needs in one platform. It will also enhance data accessibility and transparency by making certain information available to employers and workers while facilitating day-to-day tasks such as factory licence applications or the submission of complaints.

LIMA comprises four different modules. A Factory/Establishments Database module allows for the online application of factory layout plans and licences. A Labour Inspection module is used for inspection planning, data collection and reporting. Information gathered during inspections is fed directly into the LIMA database

where it can be used to inform management decisions. An Occupational Safety and Health module is used for notifications relating to workplace accidents. Other LIMA modules are used for the tracking of remediation work of garment factories under the National Initiative as well as for following up on DIFE's internal operational activities.

Additionally LIMA features a 'DIFE Complaint Box' that allows workers or employers to make a complaint to DIFE about workplace issues. This can be done either through the LIMA [website](#) or via a smart phone app which can be downloaded at Google Play.

Some 250 android tablets have been provided to the Department of Inspections for Factories and Establishments (DIFE), to be used during inspections. DIFE also purchased 75 android tablets of similar configuration and Internet SIMs for all labour inspectors from their own budget. All the Labour Inspectors are equipped with tablet and internet connection to use LIMA. Orientation of Labour Inspectors and other staff in District Offices in Narayanganj, Gazipur and Chittagong (key RMG cluster areas) have been held. The Labour Inspectors were given hands-on training on the use of LIMA and all its modules, support mechanisms and operational workflows.

### **Key elements of the reform process carried out to date include the following**

- A labour inspection strategy was agreed in 2015 that sets out the priority sectors for inspection. Monthly inspection targets for every district have been established as well as factory selection criteria and a factory grading policy.
- An OSH unit was established in October 2015. This unit implements OSH related actions such as developing training manuals for factory safety committees, delivering OSH training for DIFE staff, employers and workers while also contributing to the implementation of national OSH policy.
- An Inspection checklist was adopted by DIFE on 1 January 2017. This is a key tool for labour inspectors to collect information on factories in a systematic and comprehensive manner. Previously there was no uniform list in use. The check list also considers areas not explicitly covered in the law such as violence against women in the workplace and gender-based discrimination.
- Standard Operating Procedures for labour inspectors have been developed and adopted. These provide the foundation upon which DIFE carries out a wide range of its operations.
- A comprehensive labour inspection foundational training programme ended in June 2017. In all, 239 inspectors have taken the 40-day course which was developed by ILO in collaboration with its International Training Centre (ITC-ILO) and Bangladesh Institute of Administration and Management (BIAM). It has been institutionalized into the labour inspectorate reform roadmap and will become a standard training package for any new inspectors who join DIFE.
- In view of the importance DIFE places on accountability and transparency, a Code of Ethics was adopted at the start of 2017. This provides guidelines, instructions and advice to all DIFE staff on how they should carry out their

work to ensure that integrity remains at a high level. In November 2016, the DIFE Accountability Committee drafted a Corruption Opportunity Inventory and a Risk Register.

To help the DIFE management improve and better coordinate their human resource practices, a database for DIFE inspectors was established containing key information such as date of joining, transfer and posting, training received, promotion etc.

**Key steps to be taken include:**

- The recruitment for all outstanding labour inspector posts should be carried out as a matter of priority.
- The Labour Inspection Management Application (LIMA) system need to be to be fully operationalised. Data collected should be made publicly available (where appropriate) and used to inform management decisions.
- Also see 1.j below

**Commitment 1.h – Creating a publicly accessible database listing of all RMG and knitwear factories, as a platform for reporting labour, fire and building safety inspections**

In March 2014, the DIFE website (<http://database.dife.gov.bd/>) began to provide information on 3,508 RMG factories. The publishing of summary inspection reports commenced later in the year. As of March 2018 the database contains summary assessment reports of 2,961 factories. With the completion of the inspection phase emphasis has switched to reporting on remediation progress. Accord and Alliance provide information on the remediation progress of their individual factory partners. With regards to the National Initiative, as reported in 1.g above, the knowledge management process and systems of DIFE have undergone a major upgrade to drive efficiency, transparency and accountability. The new systems will play a major role in enhancing data capture, analysis and transparency as well as support management decisions. A website for the RCC is in the process of being set up which will provide information on National Initiative remediation. It is expected to be launched in May/June 2018. However, the website of DIFE should be updated on a regular basis. Some information of nearly one year ago still exist there.

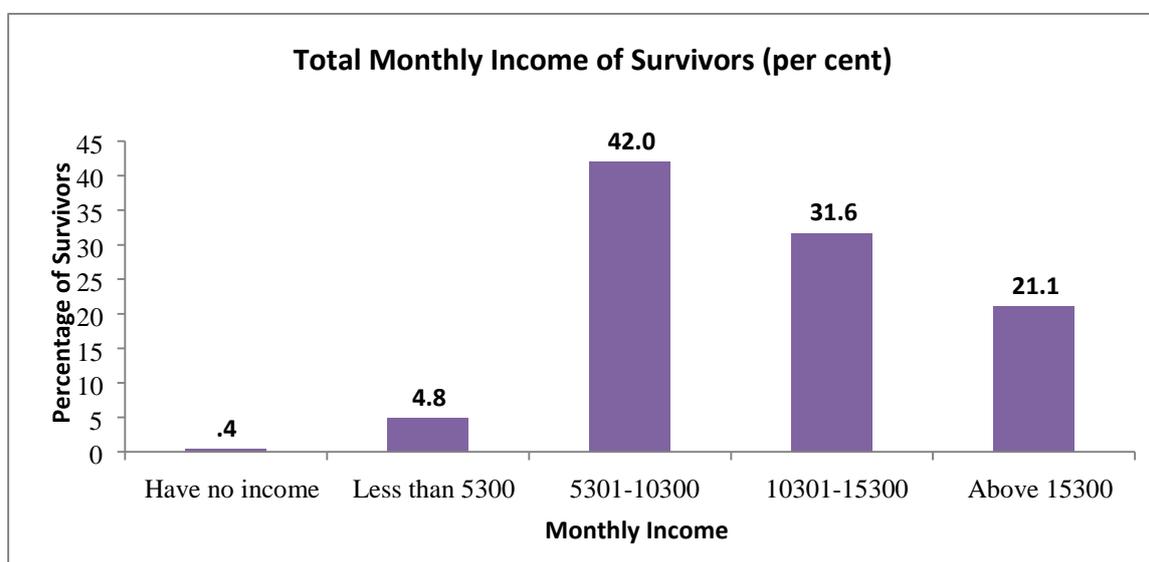
On 29 July 2017 the Digital RMG Factory Mapping in Bangladesh (DRFM-B) project<sup>9</sup> was launched by BRAC University's Center for Entrepreneurship Development in collaboration with BRAC USA, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and [C&A Foundation](#). The project is attempting to digitally map the entire garment industry in Bangladesh. The work of the initiative is ongoing.

*Enhanced transparency in the RMG sector will help drive compliance. Emphasis should be placed on ensuring that the numerous databases and on-line systems established contain accurate and up-to-date information. This should include the progress of remediation of RMG factories, labour inspections, anti-union discrimination and unfair labour practices, trade union registrations etc.*

<sup>9</sup> <http://ced.bracu.ac.bd/official-drfmb-launching/>

**Commitment 1.i - Skills training and rehabilitation of victims**

According to a survey carried out by Action Aid Bangladesh in 2017<sup>10</sup>, over 42 per cent of the survivors of the Rana Plaza collapse are still unemployed because of physical and mental weaknesses. Of the total unemployed, 48.1 per cent are physically weak and 33.4 per cent still suffer psychologically. The Action Aid survey was conducted on 1,403 survivors and the relatives of 607 deceased. Around 4.8 per cent of the survivors earn less than the minimum wage of the garment sector, now standing at BDT 5,300 a month. However, the situation has improved significantly since 2015 when 76 per cent earned less than BDT 5,300, according to the report. However more than 50 per cent of them have monthly income over 10,000 taka and almost 20 per cent have over 15,000 as shown in the table below:



*Monthly income of Rana Plaza survivors (Action Aid Bangladesh 2017)*

A follow-up of the Rana Plaza survivors supported by ILO<sup>11</sup> was conducted by Action Aid in February, 2017. Out of the participants a total of 255 survivors were contacted during the month of February, 2017. A total of 176 participants were engaged in small business and entrepreneurship, and in terms of wage-employment, the cumulative number now stands at 62. According to telephone interviews, the participants who are now self-employed are doing well with their enterprises. It is noteworthy that the Self-Help Groups are functioning and the members are interconnected.

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<sup>10</sup> [http://www.actionaid.org/sites/files/actionaid/full\\_report\\_1.pdf](http://www.actionaid.org/sites/files/actionaid/full_report_1.pdf)

<sup>11</sup> ILO provided support to 299 survivors.

**Rehabilitation related actions (supported by ILO)**

<b>Rehabilitation related actions</b>	<b>Men</b>	<b>Women</b>	<b>Total</b>
<i>Received training for reemployment</i>	68	231	299
<i>Employed/self-employed (Feb 2017)</i>			238
<i>Victims/relatives received information and counselling from RPCC</i>	1,626	2,605	4,231
<i>Received career, financial and family counselling as part of vulnerability assessment (December 2015)</i>			3,137
<i>Business development training</i>	6	44	50
<i>Medical support</i>	18	124	142
<i>Psychosocial counselling support</i>	16	50	66
<i>Career Guidance Workshop</i>	26	94	120

ILO phased out its interventions for Rana Plaza survivors with the end of the first phase of its Ready Made Garment Sector Programme in mid-2017. Ongoing support to Rana Plaza survivors is being provided by various agencies including BRAC, the Center for Rehabilitation of the Paralyzed (CRP), Christian Commission for Development in Bangladesh (CCDB) and GIZ.

**Commitment 1.j – Conducting a diagnostic study of the Labour Inspection System and developing and implementing a resulting action plan, including appropriate measures**

A mission to Bangladesh by the Health and Safety Executive (HSE) of the United Kingdom took place in May 2017. HSE worked closely with DIFE to carry out a benchmarking activity on the labour inspection system in Bangladesh, looking at its current status, practices and plans for the future. It made recommendations for the short, medium and long term for what DIFE can do in order to develop the labour inspection system further and continue the reform process. Recommendations included the development of DIFE into a function-based organization, a focus on fewer industries and the development of an enforcement strategy. The plan remains under the consideration of DIFE for further action.

### **Pillar 2: Structural Integrity of Buildings and Occupational Safety and Health**

#### **Key Achievements:**

Inspection of virtually all (3,780) export-oriented RMG factories for structural fire and electrical safety was completed by December 2015. The work was carried out by three initiatives: the Accord on Fire and Building Safety in Bangladesh, the Alliance for Bangladesh Worker Safety and the Government of Bangladesh's National Initiative supported by the ILO.

- As of August 2018 the overall remediation progress rate of safety issues in Accord factories had reached 84 per cent.
- Under the Alliance for Bangladesh Worker Safety, a total of 91 per cent of all non-compliance issues including 9,715 high-priority faults have been remediated.
- With ILO support, a Remediation Coordination Cell (RCC) was launched on 14 May 2017 to oversee remediation of factories under the National Initiative (NI). Under the NI, 185 factories were reported to have remediated more than 50 per cent of their Corrective Action Plans.
- ILO has assisted the Government of Bangladesh to come up with a time bound strategy on remediation to ensure full safety compliance alongside ensuring that governance of the continued work of industrial safety is in line with national and international labour standards.
- Government of Bangladesh commits to hiring 60 engineers through its own resources to support RCC operations.
- National Occupational Safety and Health Day was celebrated for the 3<sup>rd</sup> year in Bangladesh on 28 April 2018.

#### **Key steps to be taken include:**

- Completion of all outstanding remediation of Accord, Alliance and National Initiative factories in a time bound manner.
- Full cooperation of all relevant regulators, especially RAJUK is necessary for the RCC to operate effectively.
- The Compliance Protocol for factories which fail to complete remediation needs to be fully operationalized.
- Inspection or closure of any export-oriented RMG factories that may have moved or been newly established and have not undergone assessment for structural, fire and electrical safety.

#### **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**

Inspections completed under the government's National Initiative established by the National Tripartite Plan of Action have been overseen and followed up by the Ministry of Labour and Employment through the Department of Inspections of Factories and Establishments (DIFE). As part of its RMG programme, the ILO worked to build capacity of the DIFE to establish internal management processes to effectively follow up on the findings of fire and structural inspections in a systematic, comprehensive and transparent manner.

In collaboration with ILO, DIFE has worked with other government regulatory authorities to develop a harmonised remediation strategy for factories already assessed under the national initiative. As a continuation of this work, a Remediation Coordination Cell (RCC) was launched on 14 May 2017 to oversee remediation of the factories under National Initiative. The RCC is monitoring the implementation of Corrective Action Plans (CAPS) and Detailed Engineering Assessments (DEA). The long-term goal for the RCC is to evolve into an industrial safety unit or agency that provides a 'single window' service issuing factory building, fire, electrical and occupancy permits.

It is planned for the RCC to bring together staff and expertise from a number of regulatory bodies and government agencies namely, the Department of Inspections for Factories and Establishments (DIFE); Rajdhani Unnayan Kartipakkha (RAJUK) which is the Capital Development Authority; Chittagong Development Authority (CDA); Bangladesh Fire Service & Civil Defense (FSCD); Public Works Department (PWD); and the Chief Electrical Inspector.

As at the time of writing, 32 engineers from DIFE are working in the RCC. Eight inspectors from the FSCD are also providing support. A tender was launched by ILO in May 2018 for the engagement of private engineering firms to provide further support the remediation process. This tender will see another 47 engineers recruited to work within the RCC and they are expected to be operational in September 2018. The Government of Bangladesh has also committed to engaging 60 additional engineers through its own resources to support this effort. Whilst these recruitment efforts are underway, ILO has commenced the recruitment of 10 engineers engaged on temporary contracts to support RCC operations. At the time of writing, three were operational within the RCC. A workshop involving Accord, Alliance the government and other stakeholders took place on 10-12 August 2018 on how the transition from the Accord and Alliance to the RCC can take place in a systematic manner. The workshop concluded a work plan for the 60 government engineers and key performance indicators (KPI) for the RCC.

A total of 19 engineers and inspectors from DIFE, the Bangladesh Fire Service and Civil Defence (FSCD), BGMEA and BKMEA were trained by BUET on CAP development and follow up during a first batch of training aiming at enhancing the skills and technical knowledge of the delegated RCC engineers on understanding of preliminary assessment reports, CAP formulation, validation, orientation on DEA Guidance Manuals of fire, electrical, and structural safety. The six day training consisted of 3 days of technical sessions, a 2-day field trip and a daylong knowledge sharing session facilitated by Accord, Alliance, and FSCD.

A compliance protocol that puts in place a series of escalating steps to be taken should factories be non-cooperative or fail to complete remediation was agreed by the Government in collaboration with the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) as well as the Inspector General of DIFE in 2017. As of the time of writing the protocol has yet to be systematically implemented.

As requested at the 13th National Tripartite Committee (NTC) meeting held 9 January 2018 the ILO supported DIFE by submitting a proposal to the Ministry of Labour and Employment in January 2018 to launch a National Steering Committee

(NSC). The NSC would comprise representatives of various ministries and also include representatives of brands and retailers. It will provide coordination between relevant ministries, and provide support to the RCC with a view to the potential phase out of the Accord and Alliance. As of the time of writing the NSC has yet to be formally convened.

### **Access to remediation financing**

Efforts have been carried out by ILO as well as German Development Agency GIZ to enhance access to remediation financing. Access to Finance sessions have been carried out for factory owners to present the remediation credit line (Two Step Loan) supported by JICA and facilitated by Bangladesh Bank. More than 300 factory owners/representatives attended seven sessions on remediation financing and 10 factory owners had follow-up one-to-one discussions with Bangladesh Bank on the application process. The sessions gave factory owners the chance to gain clarification on application processes, eligible criteria and contact persons of the commercial banks for the credit facilities. As a result of the remediation sessions and follow up meetings, seven factory owners are now in consultation with Bangladesh Bank to initiate the application process for credit facilities. Recommendations from Access to Finance sessions with factory owners have been shared with GIZ to address in their capacity needs assessment study.

On 15 May 2018 the Accord on Fire and Building Safety approved two additional applications from Accord-covered factories to receive financial support for remediation through the Accord Inactive Factory Remediation Fund, adding up to a total of five factories. The Inactive Factory Remediation Fund was launched to support Accord covered RMG factories that no longer have any Accord company signatories as customers.

### **Development of an Employment Injury Insurance scheme**

Development of an Employment Injury Insurance is stipulated under the National Tripartite Plan of Action (commitment 13) which states "Development of a tripartite+ protocol for compensation of the families of workers who die and workers who are injured as a result of occupational accidents and diseases. The development of this protocol will include a review of the appropriateness of the level of current legal entitlements to compensation, bearing in mind the concept of loss of earnings and the provisions of ILO Convention No. 121."

Based on the lessons learned from providing compensation following the Rana Plaza collapse, the Ministry of Labour and Employment requested the ILO to coordinate activities for introducing an Employment Injury Insurance Scheme for Bangladesh and signed a Letter of Intent with the ILO and the German Government for the same in 2015. The ILO has been working since then to build consensus among constituents and develop the design of an EII scheme that will be suitable for the country in line with the ILO C-121. A draft legal framework for incorporating an EII scheme into the Bangladesh Labour Act was shared with the ministry in July 2017. A proposed design of the scheme including administrative structure, costing of the scheme, benefit packages for health care and rehabilitation, and institutional feasibility of the existing administrative bodies, was shared with tripartite constituents in November 2017. The ILO has been approached by several sourcing brands and international trade unions for expediting the introduction of an EII scheme starting in the RMG sector. However, employers namely from the RMG

sector raised concern regarding any additional contribution that will be required for funding the proposed EII Scheme. The Ministry has subsequently formed a tripartite committee on EII to further discuss the proposal for an EII framework and develop recommendations for further action.

### **Key steps to be taken include:**

- Commitment of the Bangladesh Government is vital for the RCC to function effectively and ensure completion of remediation. Strong collaboration between the key regulators is necessary for remediation work to be carried forward under the national initiative and should be supported by the highest levels of government.
- It is vital that the RCC adheres to the highest levels of ethics and transparency throughout all aspects of its operations in order to ensure credibility and effectiveness.
- As the RCC begins operations and recruits a large number of engineers special emphasis needs to be placed on the recruitment process as well as utilising available engineers with experience from the Accord and Alliance.
- Information and knowledge transfer from the Accord and Alliance should be maximised to enhance RCC operations.
- The adoption and effective implementation of the compliance escalation protocol is necessary for the RCC to be able to effectively carry out its mandate.
- A time bound commitment of the Bangladesh Government is crucial for introducing an Employment Injury Insurance scheme.
- Legislative changes to the Bangladesh Labour Act and its implementing rules to incorporate an Employment Injury Insurance Scheme are essential to ensure adequate compensation of the families of workers who die and compensation, medical care and rehabilitation for workers who are injured as a result of occupational accidents and diseases.

### **Commitment 2.b - Assess the structural building safety and fire safety of all active export-oriented RMG and knitwear factories in Bangladesh and initiate remedial actions, including relocation of unsafe factories**

Following the collapse of the Rana Plaza it was a priority to inspect all export-oriented RMG factories for structural, fire and electrical safety. Two initiatives representing international brands and retailers: the Bangladesh Accord on Fire and Building Safety and the Alliance for Bangladesh Worker Safety carried out inspections of the factories which their member companies source from. As part of its RMG programme supported by Canada, the Netherlands and UK, ILO supported the national initiative of the Government of Bangladesh to carry inspections of the factories not covered by Accord or Alliance. In total 3,508 factories were identified to be inspected.

Coordination and collaboration at the start of the assessment phase saw harmonised inspection and reporting standards developed based on the Bangladesh National Building Code and international good practices. By 31 December 2015 the inspection phase had been concluded. In total, three initiatives inspected 3,780 factories of which 1,549 were assessed through the national initiative. A total of 39 factories have been closed for posing an immediate danger to workers. Following

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the completion of the inspection phase efforts have moved to the remediation of factories.

### RMG factory inspections (31 December 2015)

Initiative	Factories inspected
Accord	1,505
Alliance	890
National Initiative	1,549
Total	3,780*

\*164 factories jointly inspected by Accord & Alliance

### National Initiative

Under the Government of Bangladesh's National Initiative, 1,549 factories were inspected with support of the ILO. Of those factories 531 have subsequently closed, while a number of others have subsequently relocated or joined the Accord or Alliance inspection initiatives. As of 31 April 2018 this left 809 factories being followed up by the National Initiative through the Remediation Coordination Cell.

**Table: Status of National Initiative Factories**

Assessment done under NI			Status of Factory, March 2018				
Assessment Type	# Reports/ CAPs Developed under NI	# Factory Covered	Number of Closed Factory	Number of Relocated/Shifted Factory	EPZ Factory	Join to Accord/Alliance	Currently Active Factory
Structural Integrity	1,379	1,549	531	68	12	129	809
Fire Safety	1,517						
Electrical Safety	1,517						
<b>Total</b>	<b>4,413</b>	<b>1,549</b>					

DIFE has received 300 CAPs in all areas with some errors and resent them for correction. Out of this number, five CAPs have been approved for implementation.

Of the 809 national initiative factories undergoing follow-up under the National Initiative a total of 185 factories were reported to have remediated more than 50 per cent of their CAPs. On average 29 per cent of all CAPs from NI factories have been remediated (29 per cent related to structural safety, 31 per cent electrical safety and 27 per cent to fire safety) as per factory reports submitted to DIFE.

A total of 110 factories submitted Detailed Engineering Assessments (DEA) to DIFE, of which 49 DEAs were checked by the members of fire, electrical and structural Task Forces comprising members of a number of regulators as well as professors from the Bangladesh University of Engineering and Technology (BUET). The Task Forces are responsible for approval of remedial proposals and provide recommendations on DEAs to ensure quality and standards.

### **Bangladesh Accord on Fire and Building Safety**

Under the Bangladesh Accord on Fire and Building Safety, the overall remediation progress rate of safety issues as of April 2018 was reported at 84 per cent. In all, 142 factories are reported to have completed all remediation from initial inspections, out of which 14 factories have remediated all issues, including new findings.

Despite having made significant progress, the Accord has noted that major safety concerns remain outstanding in many factories and need to be fixed urgently. These include: inadequately protected fire exits, inadequate fire alarm and fire protection systems, and outstanding structural retrofitting work.

The Accord monitors completion of remediation at the 1600+ factories with approximately 100 engineers on staff who conduct up to 500 follow-up inspections each month. Each factory covered by the Accord is inspected approximately once every three to four months. The Accord secretariat further conducts targeted remediation review meetings with individual signatory companies to identify high priority factories where remediation must be accelerated. More information can be found at <http://bangladeshaccord.org/progress/>

### **The Alliance for Bangladesh Worker Safety**

Under the Alliance for Bangladesh Worker Safety, a total of 91 per cent of all non-compliance issues including 9,715 high-priority faults have been remediated. As of August 2018, 735 factories were under the Alliance of which 671 are active members. The Alliance categorizes non-compliances (NCs) by both priority level (high, medium, and low) and discipline (electrical, fire, and structural). For more information see [www.bangladeshworkersafety.org/progress-impact/alliance-statistics](http://www.bangladeshworkersafety.org/progress-impact/alliance-statistics)

Since 1 December 2014, 243128 calls have been made to Alliance's Amader Kotha ("Our Voice") Helpline. There have been calls received from 913 Alliance factories where the Helpline has been launched (90 per cent) and substantive issues have been received from 759 Helpline-launched factories (75 per cent). Calls have also been received from other Alliance factories as well as Non-Alliance factories, for a total of roughly 3,083 factories. The total number of helpline launched factories so far is 1008.

### **Key steps to be taken include:**

- Approx. 930 export-oriented RMG factories are yet to have undergone assessment to ensure structural, fire and electrical safety. These factories are either new, have moved to new locations or were not covered by any of the three inspection initiatives. Government of Bangladesh needs to ensure that these factories either undergo inspection or are closed.

**Commitment 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**

In March 2014, DIFE website ([database.dife.gov.bd](http://database.dife.gov.bd)) of RMG factories was launched containing data on 3,508 factories. The publishing of Summary Reports commenced later in that year. As of 30 April 2018, the database contains summary assessment reports of 2,961 factories.

As reported in 1.g above, the knowledge management process and systems of DIFE have undergone a major upgrade to drive efficiency, transparency and accountability. The new systems will play a major role in enhancing data capture, analysis and transparency as well as support management decisions.

*It is important that various databases introduced by Accord, Alliance, Center for Policy Dialogue (CPD), civil society organizations etc. are integrated wherever possible into a single, sustainable system.*

### **Pillar 3: Responsible Business Conduct**

#### **Key Achievements:**

- The Accord on Factory and Building Safety in Bangladesh and the Alliance for Bangladesh Worker Safety gathering more than 250 brands and retailers from over 20 countries, have been fully operational since 2013. In all, Accord and Alliance have carried out inspections of more than 2,000 factories while remedial work is underway to address shortcomings.
- Almost 170 leading fashion brands have agreed to extend their commitment to a second phase of the Accord on Fire and Building Safety in Bangladesh. An agreement has been made to extending its mandate for an initial six months and to continue its operations until the RCC is ready to take over the platform's responsibility. A Transition Monitoring Committee (TMC) has been created to review the RCC's readiness to do so on a six monthly basis.
- The Alliance has initiated a toll-free, confidential worker helpline called Amader Kotha (Our Voice) for garment workers to report safety issues and workplace concerns. As of April 2018, 223,000 calls had been received.
- Better Work Bangladesh is directly engaged with 19 International buyers who source from over 233 RMG factories which have registered with the programme.

#### **Key steps to be taken include:**

- Continue encouraging private sector involvement in contributing to the finalisation of remediation work in RMG factories as per Accord and Alliance guidance.
- A clear roadmap is required for the transition of Accord and Alliance work to government responsibility. Efforts are needed to ensure clarity over the future of the Alliance as well to ensure mutually agreeable alignment for various bodies such as the Transition Monitoring Organisation and the proposed National Steering Committee both of which have the Accord/Alliance transition as their remit.
- The Transition Monitoring Committee (TMC) which is responsible to oversee the smooth transition of the operations of the Accord to the national body, has had only one meeting to date. A sub Committee should be formed to draft the Terms of Reference for how the committee should operate.
- Responsible Business Conduct (RBC) initiatives such as the Accord and the Alliance need to be supported and allowed to smoothly continue their work—including beyond November 2018. It is only when the Remediation Coordination Cell has demonstrated in word and in practice that it has met the readiness conditions, that these types of RBC initiatives may no longer be needed.
- Continue to promote the uptake of socially responsible supply chain initiatives involving the informal sector and facilitate transparent and coordinated mechanisms between involved initiatives.
- Encourage Multinational enterprises (MNEs), brands and retailers to deepen discussions on Responsible Business Conduct in accordance with internationally recognised guidelines and principles, including the OECD Guidelines on MNEs and the ILO Tripartite Declaration of Principles concerning MNEs – including on topics such as responsible purchasing practices.

- Encourage industry associations such as BGMEA and BKMEA to actively promote sectoral social dialogue and focus on capacity development of their member factories in this regard.
- Encourage the continuation of the work of the global retailers and brands to adopt a unified code of conduct for factory audit in Bangladesh.

**Commitment 3.a – Continued promotion of socially responsible supply chain initiatives and facilitation of transparency and coordination between them. Encourage all stakeholders to stay engaged in Bangladesh.**

A large number of major fashion and retail brands sourcing garments from Bangladesh are coordinating their efforts to help improve safety in the Bangladeshi factories which supply them. These efforts make a large contribution to implementation of the Compact. Further information on these initiatives is found under Commitment 3.b.

In the margins of the 4<sup>th</sup> high-level follow-up meeting of the Sustainability Compact, a pilot EU-OECD Workshop was organised on 26th June 2018 titled 'Responsible Purchasing Practices in the Garment and Footwear sector – a Bangladesh focus'.

This workshop provided an opportunity to introduce the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector and specifically to discuss the link between due diligence and buyer purchasing practices in the context of global supply chains sourcing from Bangladeshi manufacturers. The session allowed to acknowledge the importance of recent research that has shown that poor purchasing practices can contribute to increased pressure for suppliers and potentially adverse labour impacts, and pointed towards examples of initiatives that have addressed purchasing practices with positive outcomes as well as to suggest potential solutions to moving towards sector-wide responsible practices.

The workshop included a combination of presentation, break out smaller groups and moderated discussion which allowed for constructive exchanges amongst the participants, who included representatives of global brands sourcing from the Bangladesh garment export industry, as well as for Bangladeshi garment exporters.

**Commitment 3.b – Multi-national enterprises and retailers engage in discussion on responsible business conduct along the supply chain**

In the aftermath of Rana Plaza two major responsible business conduct initiatives were launched. Over 250 brands and retailers from over 20 countries are members of either the Accord on Factory and Building Safety in Bangladesh or the Alliance for Bangladesh Worker Safety.

**Accord on Factory and Building Safety in Bangladesh**

The Accord is an agreement which include independent safety inspections at factories, identifying safety issues and enabling remedial action. It has been signed by over 200 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 witnesses to the Accord. The ILO acts as the independent chair.

In June 2017, leading fashion brands and global trade unions announced at the OECD Global Forum on Responsible Business Conduct in Paris that they would enter into a new Accord on Fire and Building Safety in Bangladesh. The agreement, will extend the Accord a further three years until 31 May 2021. The signatories agree to continue the fire and building safety programme while also placing greater emphasis on the importance of Freedom of Association, industrial relations as well as ensuring the functionality of effective workplace OSH committees. As of the time of writing 166 companies had signed up for the new Accord.

However, both the Government of Bangladesh and employers organisations raised concerns over the process and the need for a clear path for the phasing out of Accord operations and the handover of its factories to the national efforts. Following discussions between the Accord, BGMEA and the government it has been agreed that the Accord will continue its work beyond the 31 May 2018 end date for its first phase until a fully-functional and competent national regulatory body (i.e the Remediation Coordination Cell) is in place to take over this responsibility.

On 15 March 2018 the government established a Transition Monitoring Committee (TMC) comprising representatives of the government, Accord brands, global trade unions, BGMEA and DIFE. The ILO is playing an observer role here. The TMC will review on a six monthly basis whether the RCC has met the readiness criteria. If these criteria are not met, the Accord will continue. If the TMC agrees that the RCC is ready, the Accord will stay for another six months to handover its functions to the national regulatory body. The criteria include demonstrated proficiency in inspection capacity, remediation of hazards, enforcement of law against non-compliant factories, full transparency of governance and remediation progress, and investigation and fair resolution of workers' safety complaints.

In April 2018 the High Court restrained the government from extending the inspection agency's tenure following a writ petition filed by Chittagong-based Smart Jeans after the Accord terminated its business relationship with the Chittagong-based garment maker. The Bangladesh High Court verdict dated May 2018 ruled that the Accord should wind down its operations by November 2018. It furthermore directed the government to establish an appropriate structure to look after the safety work of the RMG industry. However, the government alluded at the same time to the possibility of further limited engagement of the Accord beyond November 2018. Should the High Court end Accord operations, Accord remains committed to continuing its work without any physical entity in Bangladesh as per its agreement with brands and unions for the next five years. The government, however, states that it has nothing to do against the verdict and if otherwise from the government would be considered as 'contempt of court'.

### **The Alliance for Bangladesh Worker Safety**

The Alliance was founded by a group of North American apparel companies, 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. The 29 Alliance members represent the overwhelming majority of North American imports of RMG products from Bangladesh.

In April 2018, the Alliance Board of Directors met in Dhaka to discuss plans to form a successor safety monitoring organization (SMO) that would carry forward the Alliance's inspections, safety monitoring, training and helpline services once the Alliance's 5-year term draws to a close at the end of 2018. The Alliance has made clear its willingness to partner with the Bangladesh Government and the BGMEA to establish an independent, credible, locally led organization that will continue its work. At the time of writing Alliance is working to establish a Safety Monitoring Organization (SMO) to continue the work of ensuring remediation and compliance in Alliance factories.

In July 2017 the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) initiated a move to form a separate platform to look into the post-2018 RMG safety activities. Named 'Shonman' (the Bengali word for 'respect'), it was envisaged that the proposed platform would be formed under the Prime Minister's Office and take charge and responsibility of remediation work once the tenure of the Accord and Alliance expire in mid-2018. At the time of writing the status of the Shonman initiative is unclear.

*A Transition Monitoring Committee (TMC) has been formed, to ensure the transition of the operations of the Accord to the national body. To date the TMC is yet to become fully operational. A sub Committee should be formed to draft the Terms of Reference for how the TMC should operate.*

### **Better Work Bangladesh**

ILO's Better Work Bangladesh Programme aims to improve working conditions in the factories it cooperates with by working with RMG supply chains, driving sustainable changes in the industry and promoting transparency in findings/remediation on non-compliance. Strong collaboration and support for this initiative from key stakeholders has begun to take shape. At the time of writing 233 RMG factories producing for 19 global brands were taking part. In addition to its core services Better Work works with participating factories to ensure enhanced maternity rights protection through its "Mothers@Work" programme carried out in collaboration with UNICEF. A Healthy Mother Healthy Child initiative seeks to protect the rights and health of lactating mothers. Sexual harassment prevention training has been carried out for BWB brand partners. A Worker Empowerment Programme has also been implemented in two factories through collaboration with brand partner PUMA that has seen managers and workers receive training on sexual harassment prevention

### **Commitment 3.c – Retailers and brands to adopt and follow a unified code of conduct for factory audit in Bangladesh.**

Currently different retailers are conducting audits in RMG factories using different standards such as the Business Social Compliance Initiative (BSCI), Worldwide Responsible Accredited Production (WRAP), Sedex, Social Accountability (SA) 8000 and others. Though the main areas of assessment are similar in all the standards but they differ with regard to process, application and overall methodologies. A uniform standard of compliance audit as well as safety inspections would help both garment manufacturers and brands to reduce disruption, cost and time.

In many respects the Better Work Programme was designed to address this concern. It was envisioned that when a factory registered with the Better Work Programme, the buyer's placing production in the facility would all subscribe to the Assessment Report produced by BW and discontinue their own duplicate efforts, thus eliminating or significantly reducing audits. However, this has proven to be a major challenge as factories in Bangladesh are working with multiple buyers, most of who are not partners of BW. Nevertheless, the Programme has had limited success in eliminating compliance audits from certain buyers in registered factories, (for example: GAP, PVH, K-Mart Australia) and continues to pursue other buyers to do the same. However, the discussion is underway from many quarters to develop a unified code of conduct to audit the compliance of RMG Sector. The Recently held workshop organized by Institute of Compliance Professionals was one of them that has come to an agreement in this regard. A stronger coordination is required involving brands, suppliers, workers, employers and the government to develop and implement a uniform document to this end.

Better Work, on a Global level, has entered into collaboration with Fairwear Foundation and also joined the Sustainable Apparel Coalition's, Labour and Social Convergence Project. This is a brand driven initiative that seeks to consolidate and align audit tools and audit methodologies in an effort to bring uniformity and reduce audit duplication. These types of initiatives, in the past have had limited success as there are considerable challenges to this undertaking, not least seeking to combine the requirements of a large number of stakeholders into a single approach. The experience of Better Work has revealed the difficulties of seeking to unify audits. In view of the complexity of these issues it appears unlikely that a unified code of conduct for factory audit in Bangladesh will be adopted in the near future.

### **Commitment 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**

Following the finalisation of their project to develop a CSR risk assessment tool, the European social partners of the textile and clothing sector have started working on a follow-up project on "CSR Risk assessment model development, implementation, and dissemination". The project aims at fine-tuning and finalising the tool developed during the first project for increased use and dissemination amongst SMEs and other various stakeholders. In the first stage of the project, the data collected for the elaboration of the country profiles will be used to feed the underlying model of the risk assessment tool. Consequently, a number of companies will be identified, based on an appropriate profile selection, to be involved in testing the tool. It is also foreseen to create a dedicated online platform and a communication strategy.

*Further progress in the area is needed and dialogue and cooperation among all stakeholders further encouraged. Discussion/follow up actions should be considered in meetings organized to ensure that responsible business practices and initiatives from all international and Bangladeshi actors – including the Accord and the Alliance and the Bangladesh Better Work Program – are encouraged to continue their activities and provided support.*