



Bangladesh looking forward

This note was prepared by the Accord on Fire and Building Safety in Bangladesh and does not necessarily reflect the views of the OECD.

Objectives of the session

- Present the newly established brand-labour-industry RMG Sustainability Council (RSC) in Bangladesh, that will carry forward the work of the Accord on workplace safety.
- Discuss how brands, manufacturers, trade unions are seeking to carry out due diligence in the Bangladeshi garment supply chain through the Accord and the RSC.
- Discuss how the model and approach of the Accord (including its effective grievance mechanism) can be emulated in other countries, as a credible and effective means to implement human rights due diligence in global RMG supply chains.

Background

What is the context?

Bangladesh is the second largest readymade garment (RMG) exporter with a 6.5% market share in the global marketplace, 84% of the country's exports come from the RMG sector¹. The RMG industry is now the most dominant economic driver in the country's industrial sector making up almost 12.36 % of the nation's total GDP, and employing as many as 4 million workers². Bangladesh also remains one of the largest cotton fabric markets in Asia. There are more than 4500 garments factories in Bangladesh exporting apparel products in the global market³.

The Accord on Fire and Building Safety in Bangladesh (hereafter the Accord) is a legally binding agreement between 200 brands and retailers, global trade union federations and their local Bangladeshi affiliates. It was created in response to the Rana Plaza building collapse in April 2013, one of the world's worst industrial disasters, which further exposed a severe risk for workers' lives in global garment supply chains.

The Accord seeks to implement due diligence in the garment and footwear sector through sector collaboration, resulting in pooling of resources, increasing leverage and increasing sector transparency. Through the Accord, safety risks at factories producing for Accord brands are identified and prevention measures are pursued through corrective action plans. Signatory brands take their responsibility to ensure remediation is financially feasible or terminate their business relationship with factories that fail to

¹ Textile Today, *Reimagining the future game-plan of Bangladesh's RMG industry*, December 2019, Accessed at <https://www.textiletoday.com.bd/reimagining-future-game-plan-bangladeshs-rmq-industry/>

² Textile Today, *Bangladesh RMG sector: Cultivating competitive advantage through a holistic sustainability approach*, January 2020, accessed at <https://www.textiletoday.com.bd/bangladesh-rmq-sector-cultivating-competitive-advantage-through-a-holistic-sustainability-approach/>

³ Textile Today, *Bangladesh apparel export trend of 2018*, January 2019, Accessed at <https://www.textiletoday.com.bd/bangladeshs-apparel-export-trend-2018/>

remediate (responsible disengagement). The Accord has also established a safety and health complaints mechanism for workers which has received over a thousand complaints by workers and their representatives and out of the approximately 700 OSH complaints, including complaints on sexual harassment and workplace violence, more than 550 have been resolved.

To ensure that the safety progress made by ready-made garment (RMG) factories in the last 6 years will be maintained and potentially expanded, the Accord Steering Committee entered into negotiations with the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) in early 2019. The parties reached agreement on 8th May 2019 to establish a permanent brand-labour-industry RMG Sustainability Council (RSC) by May 2020, which will inherit the Dhaka based Accord infrastructure and staff, and continue with factory inspections, remediation monitoring, worker training, and the independent grievance mechanism. The signing of a Transition Agreement between the Accord and the BGMEA on 14 January 2020 marks an important milestone for the establishment of the RSC and provides the basis for carrying forward the work, key principles and all policies of the Accord in the RSC.

To strengthen the global brands' active participation in the RSC and to ensure their supply chain responsibility for workplace safety is met, the Accord trade union and brand signatories will be negotiating a new legally binding agreement that supersedes the current 2018 Accord.

The session will look at the prospects and efforts to ensure the sustainability of the Accord's work in Bangladesh and to consider how the experience and model of the Accord might be applied in other countries' RMG industries.

What are the various perspectives?

Parties to the Accord

Brands and trade unions within the Accord along with the BGMEA have expressed the view that the RSC as a national initiative will help establish a sustainable solution to maintain the achievements and carry forward the actions under the Accord.

Government of Bangladesh

The MoU of May 2019 in which the establishment of the RSC was agreed, was endorsed by the Government of Bangladesh.⁴ The RSC will operate within the regulatory framework of the laws of Bangladesh, closely cooperating with and supporting the regulatory functions of the Government of Bangladesh.

NGOs

Non-Governmental Organisations like Clean Clothes Campaign, Worker Rights Consortium and Human Rights Watch are not part of the governing body of the RSC and have raised questions regarding the addition of a new stakeholder (manufacturers) to the programme and how the independence of the inspection and remediation program and safety complaints mechanism will be assured.

Looking forward

The Bangladesh garment industry and global apparel brands and retailers have invested millions of dollars to make necessary safety upgrades which have made garment factories safer. For example, the Accord has inspected more than 2000 factories for fire, electrical and structural safety and identified more than 150,000 safety hazards. More than 90% of these safety hazards have now been remediated resulting in a

⁴ Reference to this effect was made in the court submission by the Government of Bangladesh to the High Court of Bangladesh.

significant decrease in factory fires and other industrial accidents. The Accord is conducting an extensive training program for the labour-management Safety Committees in more than 1200 Accord covered, and has informed more than 1,8 million workers through All Employee Meetings about their rights to a safe workplace and how to raise safety concerns.

However, further efforts are still necessary. In the immediate term, efforts need to be taken to respond to identified risks. For example, about half of the factories have not yet fully remediated all safety items related to safe egress, which ensures that workers can safely exit a factory in case of a fire. More than a thousand factories still need their fire detection and protection system verified as fully functional and installed to standard. In the longer-term the RSC will need to establish a sustainable financing model and further develop its work in the areas of industrial relations, skill development and environmental standards.

Discussion questions

- How will brands, manufacturers and trade unions work together in the RSC to advance sustainability in the Bangladeshi garment supply chain?
- What is the relationship between the Government of Bangladesh (GoB) on the RSC and how will alignment with the regulatory functions of the GoB be ensured?
- How will brands continue to exercise their due diligence responsibilities for workplace safety in the Bangladeshi garment industry?
- What have been the implications of a legally-binding agreement?
- What are the key learnings of the Accord's safety complaints mechanism, and how will these learnings be integrated into the approach moving forward?
- What is the view of the stakeholders on expanding the work of the Accord and using the model for other countries or other standards?

For more information

- Joint Accord-BGMEA Statement on signing of Transition Agreement – 14 January 2020: <https://bangladeshaccord.org/updates/2020/01/15/joint-statement-accord-bgmea>
- Transition Agreement between Accord on Fire and Building Safety in Bangladesh and BGMEA/BKMEA: <https://admin.bangladeshaccord.org/wp-content/uploads/2020/01/Accord-BGMEA-Transition-Agreement-Final-14Jan2020.pdf>
- Accord Quarterly Aggregate Report – January 2020
- Accord Statement on resolution on continuation of its work in Bangladesh: <https://bangladeshaccord.org/updates/2019/05/19/accord-reaches-resolution-on-continuation-of-its-work-in-bangladesh>

About the Accord on Fire and Building Safety in Bangladesh (Accord)

The Accord is a legally-binding agreement between global brands & retailers and IndustriALL Global Union & UNI Global Union and eight of their Bangladeshi affiliated unions to work towards a safe and healthy garment and textile industry in Bangladesh. In May 2020, the work of the Accord in Bangladesh will be transitioning to a newly established permanent national safety monitoring initiative called the RMG Sustainability Council (RSC), governed by brands & retailers, manufacturers and global and local trade unions.