Overview - Recent and emerging initiatives relevant to the garment sector

Bangladesh Accord on Fire and Building Safety (2013-2018)
A five year agreement signed by two global trade unions (IndustriALL and UNI-Global) and over 180 buyers and 4 witness signatories (labour rights NGOs) focussed on improving factory safety in Bangladesh. Key elements include a factory inspection programme for the suppliers of signatory companies (currently about 1800) which results in a remediation plan on structural integrity, fire safety and wiring safety. The Accord is funded by fees from signatory companies. The main bulk of initial inspections is now complete and the focus of the initiative is currently on ensuring effective remediation and building in-factory capacity for effective OSH committees, including the necessary social dialogue. A substantial training effort is envisaged to support this in the period ahead. The ILO is the neutral chair of the Accord Steering Committee. The ILO Better Work Programme liaises with the Accord in Bangladesh in planning factory level interventions to ensure there are no duplication of efforts, consistency of training materials and a proper approach to supporting compliance with the labour law.

Alliance for Bangladesh Work Safety (2013-2018)
A five year agreement signed by 26 companies in North America with the aim of improving factory safety in key risk areas – structural integrity, fire and wiring safety. The technical standards implemented by the Alliance are almost identical to that of the Accord by design, and the two initiatives have recently developed a protocol to share inspection reports to reduce duplication. The Alliance has a footprint of about 700 suppliers of which about 250 overlap with the Accord. The Alliance is funded by fees from its signatory companies. The programme also includes substantial training and capacity building measures to establish OSH committees and just like for the Accord, the ILO Better Work Programme liaises to ensure effective and consistent approach to this work.

Action Collaboration and Transformation (ACT - emerging initiative established 2014).
13 global buyers have recently come together to agree on “enabling principles” for a common approach to the living wage issue. The principles make reference to the importance of a collaborative and scalable approach that recognises collective bargaining. The initial business motivation was to establish a collaborative space to develop stronger business ownership and a more solid approach to the low wages issue, whilst at the same time recognising that limited progress on the issue was not satisfying stakeholders. ACT companies intend to look for the right partnerships to test and operationalise their principles and have been discussing this with potential collaborators. All details are not yet public but it’s pretty clear that a significant new partnership will develop to progress the wages agenda.

Garment Industries Transparency Initiative (announced in 2013, planning pilots in 2015)
Transparency International (TI) floated the idea of a “Garment Industries Transparency Initiative (GITI)” in 2013, drawing on their experience with the extractives sector (EITI). The proposal has been discussed at conferences and expert meetings. The ILO was engaged in initial discussions but declined an invitation to join an advisory board at global level. In late 2014 TI’s Director for Bangladesh announced plans to pilot “a tripartite panel” approach in Bangladesh and Myanmar in 2015. A panel comprised of government, industry, trade union and NGOs will establish benchmarks to monitor “relevant business practices” of garment manufacturers, brands and other stakeholders. The plans announced referenced labour law within the benchmarks and included the intent to
certify factories participating in the scheme. TI stated that it intends to roll the scheme out to other countries if the pilot is successful. As little detail has been seen following the announcements it is difficult to evaluate this development as of yet.

**European Commission ("Flagship Programme" for the Garment Sector to be established in 2015)**

In January 2015 the EC held an open consultation on a proposal to launch a Flagship Programme and it is anticipated that the initiative will be further developed and announced for April 2015. The proposal is led by DEVCO but would bring together 6 DG policy portfolios. Very broad draft objectives have been presented, including the promotion of Europe’s efforts to improve sustainability in the garment sector and the implementation of existing international instruments in garment producing countries. The ILO is engaging with this initiative as it develops.

**OECD (Developing due diligence guidelines for MNEs in the garment sector in 2015)**

The OECD is developing a *Responsible Supply Chains in the Textile and Garment Sector* project which aims to support multinational enterprises in the textile and garment sector in the application of the OECD Guidelines for Multinational Enterprises. The project will specifically seek to help enterprises conduct due diligence—identify, prevent, mitigate and account how they address their actual and potential adverse impacts related to matters covered by the guidelines—as an integral part of business decision-making and risk management systems. The proposed approach is intended to complement existing efforts, including those of the ILO, UN, EU and other stakeholders. An advisory group has been established to provide advice and input for the draft due diligence guidelines. This project and working group were established following the ILO-OECD Roundtable on Responsible Supply Chains in the Textile and Garment Sector held in Paris at the end of September 2014.

Trade Unions (TUAC) and member states have also worked through the OECD to mobilise greater industry support for compensation for the victims of Rana Plaza. In June 2014 France, Italy, Denmark, UK, Spain, Germany and The Netherlands issued a joint statement calling on international buyers and industry stakeholders in Bangladesh to contribute sufficient funds to implement the Rana Plaza Arrangement.

**Germany is set to propose new initiatives during its G7 presidency in 2015**

On 10 and 11 March Germany hosted a conference in Berlin *Promoting decent work worldwide through global supply chains*. In preparation for its G7 presidency, six action oriented themes were presented for possible uptake by member states. Three of these are of direct relevance to the garment supply chain which could be included in the scope including prevention of accidents, building capacity at a producer country level for better governance of labour markets, and developing complaint mechanisms. The ILO is providing technical advice in a number of these areas.

The German electorate’s concern about labour rights and worker safety in the garment industry was a feature of the 2013 Federal election and resulted in commitments in the new government’s Co-operation Agreement. The German Minister for Co-operation and Development, Gerd Müller, has championed a number of initiatives including a broad national alliance of business, trade union and civil society groups to work together to promote common approaches to promoting labour standards.

**United States, Myanmar in joint initiative to promote labour rights by November 2015**

In August 2015 both governments committed to co-design a programme to promote Fundamental Principles and Rights in the context of existing reforms. The ILO has supported this dialogue which has much broader relevance than the garment industry but could have an important influence upon its development. The intended main outcomes are: to develop a strategy for labour law reform and capacity building, to implement fundamental labour rights and decent working conditions, and to
foster stronger social dialogue. The intent is to develop a “blueprint” to build upon Myanmar’s existing labour market reform efforts and establish priorities as Myanmar increases its economic engagement with the world. Other governments, business and stakeholders are invited to participate in the process.

“Race to the top” (an initiative to co-design more effective incentives and greater leverage in Vietnam in 2015)
Sponsored by the Danish Ministry of Foreign Affairs, Global Green Growth Fund (3GF) brings together partnerships in order to scale the impact of promising ideas. The partnership, which includes global buyers, the government of Denmark and Netherlands, the Sustainable Apparel Coalition and the IDH (the Sustainable Trade Initiative) and the Government of Vietnam, is now planning research in Vietnam and intensive engagement with constituents to map out the key actors, obstacles and drivers for positive change in the industry. A key point in the research will be a meeting of stakeholders to co-design better ways of collaborating and explore the potential of more effective incentives.