



ExCo Minutes August 29th 2007

Attendees:

Fiona Sadler (M&S)
Anna Walker (Levi Strauss & Co)
Simon Zadek (Chair)
Joyce Kortlandt (Oxfam Novib)
Doug Miller on behalf of Neil Kearney (ITGLWF)
Judy Gearhart on behalf of Alice Tepper Marlin (SAI)
Maggie Burns (Secretariat)
Sasha Radovich (Secretariat)
Signe Jensen (Secretariat)
Anita Househam (Secretariat)
Susan Hayter (ILO) - on call for parts of the meeting

Apologies: Lynda Yanz (MSN), Lakshmi Bhatia (Gap Inc.), Caitlin Morris (NIKE)

Items

SUMMARY OF DECISION

1. Working Groups

a) Bangladesh

- It is not appropriate that a group under the umbrella of the MFA Forum retain knowledge. Commissioned work must be freely available to all participants
- The Secretariat will work with the Buyers group to address the following:
 - a. Identify a new chair for the group
 - b. Clarify with the group the protocols for sharing the Purchasing Practices research.
 - c. Address the issue of the new labour law vs. the JOIN Code
 - d. Address how we see future engagement in Bangladesh
- The Secretariat will write a half page Terms of Reference for international working groups

b) Lesotho

- MFA Forum Lesotho's role needs to be reviewed going forward over the next 6 months

c) Morocco

- There will be further collaboration between the ILO and the MFA Forum with clarification on the Forum's role moving forward
- Leverage company representation in the group through the union representative.
- The Secretariat/EXCo will ensure getting key people for the London event

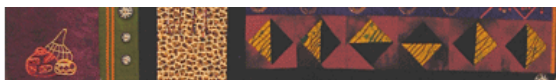
d) Americas

- Regional work will take place when there is a common cause, or a cross-cutting issue

2. Responsible Transition guidelines

1
MFA Forum c/o AccountAbility, 250-252 Goswell Road
London, UK
EC1V 7EB
T: +44 (0)207 549 0400
F: +44 (0)207 253 7440

The MFA Forum



- A document will be available for participants to comment on during the London event
- Secretariat to follow and support the process for finalizing the document.

3. Impact Assessment

- The Secretariat will incorporate comments from the ExCo and circulate an updated document for the September meeting.

4. Participation

- Participation remains open and constituencies included the Collaborative Framework may appeal to ExCo.
- All participants have voting power, but it is expected this power is based on a Good Faith effort toward consensus.

5. Complaints Mechanism

- The Forum will not have a complaints resolution mechanism, but will provide the right to exclude participants putting the reputation of the Forum at risk.
- This issue will be brought to the London event Strategy and Planning meeting for further discussion.

6. September 19th Strategy and Planning meeting

- At the coming London convening ExCo will propose to host the next meeting in September 2008 in New York in order to leverage capacity in the Secretariat to steer and support in-country work, including facilitating sub and in-country convenings
- The meeting must address the international trade environment post 2008 China safeguards, which could be dealt with a panel discussion
- Similarly, there will be a panel discussion on impact assessment
- Simon will present the recommendations from ExCo on participation and complaint
- The Secretariat will send out the press release to the ExCo members, and will require sign-off from M&S, ILO and Oxfam
- ExCo agrees to go ahead with the Public event
- A Bangladesh supplier will be flown in to participate on the panel
- The Secretariat will collaborate with the M&S press team

MINUTES

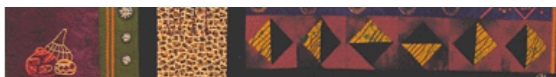
1. SECRETARIAT UPDATES

a) Review and Progress

There is a need to re-address what the Secretariat's role should focus on in the coming year. The priorities of the MFA Forum up towards the Toronto convening were; In country and thematic work, and institutional issues. During this last period since Toronto, the focus has been on the institution of the MFA Forum, and less on in-country work.

b) Fundraising

There has been good progress in fundraising. The Secretariat has strategically targeted 3 funders; CIDA, IDRC and DFID. According to the current financial status, the Forum has financial resources lasting until July 08, excluding an April convening. A funding proposal has been submitted to DFID in which a reply is expected within the next few weeks. It requests funding for increase of Secretariat capacity, in-country support, face-to-face meetings and learning. This support, if granted, will cover 1/3 of the MFA Forum's need over a 3 year period.



c) Three-Year Plan

What is the future of the Forum? ExCo along with the Forum will need to consider what direction the Forum should take, as international trade is facing further challenges ahead with the end of the China safeguards in 2008. In addition, ExCo may want to consider whether the working of the MFA Forum is relevant in other sectors, as there is an increasing appetite to learn from the Forum's work.

2. BRIEF UPDATES ON WORKING GROUPS

a) Bangladesh

The Chair of the Bangladesh group has resigned due to other commitments.

Suggestions: Despite initial discussion on having a neutral chair, it is suggested that the next chair should be a buyer.

The drafted 3-year proposal received positive feedback from Donors during the 18th June meeting in Dhaka, although more work is required. Areas of concern include:

1. The focus on compliance with Bangladeshi labour law instead of the JO-IN code
2. The target of 100 manufacturers for the three year period instead of the full 4200
3. Whether a minimum wage target would be reached within three years
4. The delivery of the gap analysis between international standard from GTZ

Purchasing Practices

A review on Buyer's Purchasing Practices sourcing from Bangladesh was commissioned by the Buyers group and funded by GTZ. An international and a local independent consultant were contracted to conduct the research. It has received some negative feedback from Oxfam, based on a meeting with GTZ. There had also been discussion within the group whether or not the results of the study could be shared with other participants.

Decision

- It is not appropriate that a group under the umbrella of the MFA Forum retain knowledge. Commissioned work must be freely available to all participants
- The Secretariat will work with the Buyers group to address the following:
 - e. Identify a new chair for the group
 - f. Clarify with the group the protocols for sharing the Purchasing Practices research.
 - g. Address the issue of the new labour law vs. the JOIN Code
 - h. Address how we see future engagement in Bangladesh
- The Secretariat will write a half page Terms of Reference for the international working group
- Possible of reengagement with ILO in Bangladesh
- ILO sent comment to the group regarding the connection between National Labor law and international Standards.

b) Lesotho

There has been limited activity in the Lesotho working group since Toronto. The planned country visit in July was cancelled due to unrest in the country. A country visit must take place soon in order to assess the status of the work.

There is a concern over the future of Lesotho and its capacity to access the international market, particularly the EU market. A proposal has been submitted to the EU for support, and the group is still waiting response. The ILO are engaged through the BW programme and the MFAF can add value by

The MFA Forum



offering support on the issue of trade facilitation and dealing with the rules of origin. The Forum will have to define its role in Lesotho, or disengage.

Suggestion

The role of the MFA Forum is supporting the local stakeholders in establishing a monitoring system and supporting them in the aid for trade policy

Decision

- MFAF Lesotho's role needs to be reviewed going forward over the next 6 months

c) Morocco

The overall objective of the work in Morocco is to create a constructive transformation of the textile industry in the country. Although faced with many challenges, the Morocco group is moving forward, and there will be a bipartite committee meeting in October with Inditex, M&S and Nike. There has been some positive feedback from Levi Strauss Foundation on sourcing the work, and Maggie Burns will follow up on this.

The ILO and MFAF collaboration needs to be decided and clarified. The ILO proposes that the Buyers group together and that they get a clearer outline of the working progress.

Suggestion

- The ongoing process is established
- The Forum must facilitate the inclusion of NGOs in the conversation with the bipartite committee

Decision

- There will be further collaboration between the ILO and the MFA Forum with clarification on the Forum's role moving forward
- Leverage company representation in the group through the union representative.
- The Secretariat/EXCo will ensure getting key people for the London event

d) Americas

The Americas group has engaged itself to some level with the Dominican Republic, Mexico and Nicaragua, with Anna Walker acting as the overall convener of the group. Additionally, each country engagement is lead by Jorge Perez Lopez (DR), Lynda Yanz (Mexico) and Miriam Rodriguez (Nicaragua).

This ExCo meeting will only be updated on current activities, and will not be a decision making meeting. The Forum faces the dilemma on which countries in the region we should support, and what our priorities are. Initially the concept was to begin to sow the seeds, but the group has to face the questions raised on criteria. Capacity will need to be measured in order to justify which country holds the capacity to deliver. This is an issue for the group to decide on, not ExCo.

Regional groups

Discussion has arisen on whether it would be more beneficial to focus regionally rather than country specific. In some cases regional focus can facilitate fundraising. Some organizations are only capable of working on a regional basis, and the Central American countries are closely linked with each other on a trading level. A question was raised on learning on regional levels.

Decision

- Regional work will take place when there is a common cause, or a cross-cutting issue

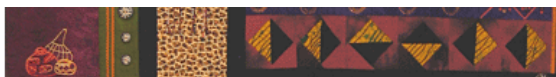
2. RESPONSIBLE TRANSITION GUIDELINES

4

MFA Forum c/o AccountAbility, 250-252 Goswell Road
London, UK
EC1V 7EB

T: +44 (0)207 549 0400
F: +44 (0)207 253 7440

The MFA Forum



Review of the draft guidelines document was discussed with a focus to agree on its practical uses and implementation. There are some critical challenges still facing the guidelines that need to be discussed with key members of the group. There is particularly pressure from the NGOs and TUs on reaching an agreement in time for the guidelines to be distributed for the London event.

Decision

- A document will be available for participants to comment on during the London event
- Secretariat to follow and support the process for finalizing the document.

3. IMPACT ASSESSMENT

The interim impact assessment group consists of Patterson Brown (USAID), Susan Hayter (ILO), Marie David (Wal Mart), Anna Walker (Levis), Michael Kobori (Levis) and Sasha Radovich (MFAF) and was set up as a result from the Toronto discussion on measuring success. The impact assessment document was presented to ExCo for comments. The third version consists of a new survey for peer questionnaire and the assessment will be arranged to fit each of the working groups.

The objective is to conduct in-country assessment, capture learning and as a communication tool.

The opinion from the NGOs is that the assessment needs to be more specific of outcomes, addressing labour issues on a national and international level.

The issues that emerged in Toronto, was:

1. how can we help the working groups to focus on what is important - clarify on what they should do
2. How can we help the communication on why they are doing that,
3. How can the Forum communicate to itself, potential part, partners in countries, and Donors. What does it take to have a more coherent way

We need to deliver a product in London that can guide and help working group Chairs in defining the above. From a fundraising perspective, we need to illustrate how our work impacts the labour. We need a more coherent ways of raising money.

Points raised at ExCo:

1. Measurement of the Working Group's capacity
2. Indicators need to directly influence responsible competitiveness
3. Ensure measurement of actions on the ground, and to clearly illustrate this
4. Annual self assessment of each working group, reporting on the 8 indicators listed in the draft document
5. Peer assessment during the (bi)annual convenings
6. Indicators leading directly to labour standards and workers rights
7. Communication tools within companies on the work of the MFA Forum

Decision

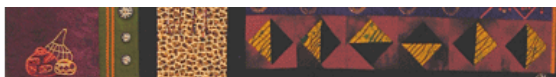
- The Secretariat will incorporate the above comments and circulate an updated document for the September meeting

4. PARTICPATION PROTOCOLS

Defining a participant has been an ongoing issue since the beginning of the Forum. Since Toronto, Neil Kearney (ITGLWF), Anna Walker (Levis) and Lynda Yanz (MSN) have each consulted their constituencies to find a further solution. The nature of the Forum is such that it facilitates participation from all stakeholders in the textile industry by for instance not having a sign-up process. This also creates some challenges, such as creating expectations on participants both on involvement and funding, and it is not always clear who has voting power. It has also been difficult to get companies to place the Collaborative Framework on their websites due to protocol restrictions.

The outcome from Toronto was an outline definition of who could or could not participate and the expectations from the participants.

The MFA Forum



The companies request that there is a protocol for funding request from the Secretariat, to avoid them being on an ad hoc and last minute basis.

Decision

- Participation remains open and constituencies included the Collaborative Framework may appeal to ExCo.
- All participants have voting power, but it is expected this power is based on a Good Faith effort toward consensus

5. COMPLAINTS

Following from the discussion on Toronto on the Forum's role in receiving complaints on its participants, an interim working group was formed with Oxfam Novib, ITGLWF and SAI to further discuss the requests coming from NGOs and Trade Unions in particular. The resolution in Toronto was that complaints would be treated on a one to one basis, and to make clear that the Forum was not a dispute resolution mechanism. However NGO and TUs have embraced a high risk approach in the Forum, with no guarantee of actions made to build in competitiveness issues in brands and retailers. The civil society is reaching a point where they will need to ensure their constituency that the Forum does have a policy on this issue in order to strengthen its legitimacy. The Forum can not act as a dispute resolution mechanism, but will meet the NGOs half way.

Joyce Kortlandt from Oxfam Novib has produced a first draft of a potential complaints procedure to be presented at the London meeting.

It is suggested that a meeting is arranged in London to address the complaints issue. The discussion should be focused on how to hold participants accountable to the Collaborative Framework.

Suggestion

If a complaint arises, it could be addressed using the following procedures;

1. Bring the complaint to the attention of the relevant participant
2. Post the complaint on the Forum website encouraging the relevant participant to respond, and facilitate an online discussion
3. Direct the complaint to other, already present complaints mechanisms.

A complaint will be dealt with on a case by case basis, and will be dealt with by ExCo.

The Forum will have to retain a level of tolerance and acceptance in order to include the needs of the stakeholders. However, there will be a hurdle set, which will be the point when the Forum does not want to be associated with the organization in question.

Rather than dealing with complaint, it is rather at what point the Forum will decide to exclude or consider excluding a participant

Decision

- The Forum will not have a complaints resolution mechanism, but will provide the right to exclude participants putting the reputation of the Forum at risk
- This issue will be brought to the London event Strategy and Planning meeting for further discussion

6. SEPTEMBER 19TH STRATEGY AND PLANNING MEETING

There is a general discussion on whether to continue convening biannually, or limit it to once a year. Although the convenings create visibility and energizes the participants, it also demands intensive human resources and high financial costs. If the meetings are held annually, more focus can be made on the individual working groups' work

Decision

6

MFA Forum c/o AccountAbility, 250-252 Goswell Road
London, UK
EC1V 7EB

T: +44 (0)207 549 0400

F: +44 (0)207 253 7440

The MFA Forum



- At the coming London convening ExCo will propose to host the next meeting in September 2008 in New York in order to leverage capacity in the Secretariat to steer and support in-country work, including facilitating sub and in-country convenings.

a) Strategy and Planning Agenda

Decision

- The meeting must address the international trade environment post 2008 China safeguards, which could be dealt with a panel discussion
- Similarly, there will be a panel discussion on impact assessment
- Simon will present the recommendations from ExCo on participation and complaint

b) Media Strategy

The Secretariat will need to know whether any of the ExCo members have specific sign-off protocol on the press release in regards to the public event. Key-stakeholders should be included in the press-release, with focus on Purchasing Practices. A media plan is presented to ExCo with a request for sign off.

Decision

- The Secretariat will send out the press release to the ExCo members, and will require sign-off from M&S, ILO and Oxfam

c) Public Event - Purchasing Practices

Does the Forum have the capacity to drive the Purchasing Practices debate? There is some discussion as to whether the Forum has created a liability with this topic, and there is concern from some of the companies that media coverage on Purchasing Practices may cause an unwanted media attention. It was agreed that in order to have a dynamic discussion to have a Bangladesh element in the event.

Decision

- ExCo agrees to go ahead with the Public event
- A Bangladesh supplier will be flown in to participate on the panel
- The Secretariat will collaborate with the M&S press team