



MFA Forum Executive Committee

30th of March 2007

Attendees; Lakshmi Bhatia (chair), Anna Walker (Levi Strauss & Co) Anita Househam (Secretariat), Signe Jensen (Secretariat), Lynda Yanz (MSN) Patterson Brown (USAID), Jean Paul Sajhau (ILO), Elise More (Walt Disney), Nicolai Rogovsky (ILO), Andy Salm (Com-Mark) Eileen Kaufman (SAI), Michael Kobori (Levi Strauss) Ayesha Khan (BSR)

Apologies;

Simon Zadek, Alan Roberts, Javier Chercoles, Neil Kearney, Susan Hayter, Joyce Kortlandt, and Maggie Burns

In the absence of the Chair, Simon Zadek, EXCO member Lakshmi Bhatia kindly agreed to chair this EXCO meeting. It was suggested to cut the Agenda, as there was no Trade Union representative and therefore no quorum. Item 6 (Next Convening) and 7 (Next EXCO meeting) was postponed to the EXCO meeting in Toronto.

1. Updates on working groups:

Bangladesh;

There has been a change in Presidency of the *Bangladesh Garment and Manufacturing enterprise association (BGMEA)*. BGMEA has been heavily involved in the work of the Steering Committee on the 3-year proposal. The change, however, can make the involvement with the association more stable, as the new President will sit for two years, and not the 8 months of the previous elected leaders.

The general elections that were suppose to take place in January 2007 have been postponed and are not likely to take place in another 7-8 months, while the Electoral Register is being revised.

It was confirmed that following participants from Bangladesh will attend the meetings in Toronto in April; Fazlul Hoque, President of BKMEA, Rafi Mallik, BKMEA, Ameena Chowdhury GTZ Bangladesh, Elora Ferdous, Oxfam Bangladesh and Masud Ali, INCIDEN. As of yet there has been no confirmation from BGMEA or the Trade Unions.

Lesotho

The general elections took place in February 2007. The same government is still in office, nevertheless, there has been some restructuring within the Ministries, which has meant that the Minister of Industry and Trade and the Minister of Employment and Labour have been replaced. Therefore there is a need to involve these stakeholders in the work of the Forum in order to drive the process on the ground, with a strong leadership of the government.

The upcoming meetings in Toronto are a good opportunity to facilitate this. The Minister of Employment and Labour has accepted the invitation and will be attending the meeting in

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Toronto, he will be accompanied by his private secretary, as the Minister is blind. The Minister of Industry and Trade sends his apologies. Lesotho National Development Cooperation (LNDC) will send a senior representative as the Chief Executive has other engagements during the week of the meetings. Both Trade Unions FAWU and LECAWU will be represented at the meetings as well as ALAFA, who will update the participants on the developments of the ADIS/HIV protection programme.

It has been proposed to have an Exhibition from Lesotho during the Reception following the Public event on the 17th. Andy Salm from Com-Mark Trust has facilitated this. The exhibition will feature a couple of dozen apparel samples, together with a looping PowerPoint with pictures. A request has been sent to the Lesotho High Commissioner of Canada and the Minister of Employment and Labour to open the Reception.

The ILO informed the group that the planned ILO mission to the country the end of this month has been postponed due to the instability in the country following the election. The trip is part of the process of finalizing the proposal for the ILO and IFC Better Work Programme to be piloted in Lesotho.

Actions:

- ✓ The Secretariat is to coordinate with Gap inc. in getting mannequins for clothes to be exhibited at the exhibition in Toronto.

Americas

The group is proceeding with arrangements for the Scoping visits, taking place from the 1st to the 9th of May 2007. The group is meeting in Toronto to discuss the strategic arrangements of the forthcoming visits to Honduras and Nicaragua.

The Mexico group convened in Mexico on March 8th. The group has drafted a meeting document, which is currently being circulated for comments and will hopefully be available for Toronto.

Morocco

The buyers group recently met in Casablanca to agree on objectives, methodology and next steps of the group. Representatives from M&S, NEXT and Levi Strauss were present at the meeting. Inditex had been involved in the preparations prior to the meeting. The overall purpose and objective of the buyers group is brand collaboration on compliance issues in the Morocco Garment Industry. The group will operate on an international level working with the ILO on the ground. Following was decided at the meeting:

- The group will meet via teleconferences and face to face meetings in the Morocco and Europe. Where appropriate the group will anticipate having the meetings in Morocco when the bipartite committee meets in order to participate in these.
- It has been agreed to carry out an impact assessment, measuring the impact of the AMITH code of conduct and buyers codes on working conditions in the industry.

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- The buyers group will review the terms of reference for its work after 1 year.

NEXT and Levi Strauss & Co. will attend the bipartite committee on April 12 where the focus of the discussion will be on the AMITH, Fibre Citoyenne. The group has in this regard requested the ILO for time on the agenda to present how the group will be functioning and working, how the work buyers group can compliment and strengthening the work of the bipartite committee.

It was emphasized that the MFA Forum initiative would run under umbrella of ILO Decent Work Programme. It was pointed out that there had been some initial problems, as a researcher had approached AMITH representing himself as researcher for the MFA Forum to conduct the impact assessments; however this had not been signed off. It was further emphasized that participation of NGO in the bipartite committee would have to go step by step, as it had been extremely challenging to build up the system in Morocco and it would be too risky to break the alliance by pushing for NGO participation. It was agreed that NGOs should be a part of the process, but through agreement with the alliance.

Actions:

Briefing INDITEX and NIKE post the meeting, and reach out to Gap who has production and possible other companies not part at this point.

Finally it was pointed out that Inditex had signed the AMITH code, but as a first step and had agreed to accept changes made along the way.

Responsible Closure

The group recently met in Toronto to agree on a draft set of guidelines on managing responsible transition for further consultation within the Forum. The result is a document for discussion in Toronto as the first step in the consultation process.. The guidelines will be circulated prior to the meetings in Toronto, in order for all the participants to review these and possible discuss them in the individual groups if appropriate. During the Strategy and Planning meeting on the Wednesday there will be time for discussion of the guidelines. This will be followed by a review process before sign off at the Executive Committee meeting in July.

It was emphasised by that the group needs to also look at preventive measures to closures e.g. how brands/retailers enter countries, to see if there could be a more global guideline.

The NIKE factory closure case of the BJ&B factory in Dominican Republic was brought to the Ex-Cos attention. NIKE is currently experiencing bad publicity regarding their recent factory closure in Dominican Republic in February. This is likely to come up during the meeting in Toronto and demonstrations may be expected.

Actions:

Following actions points were discussed and agreed:

- ✓ A call prior Toronto between NIKE and key players of the Forum to agree on a common position.
- ✓ Chairs of the groups to prepare in-country participant for possible demonstration, as they may not be used to this.



- ✓ To take this potential risk into consideration when discussion of media outreach

2. Update on election process for EXCO - nomination

The representatives for the MSIs, International Organisation and Trade Unions have been decided. The MSI's has agreed on a rotating system, thereby SAI will be represented on EXCO for the next term. The World Bank has accepted that ILO stays on EXCO and ITGLFW will continue to represent the Trade unions.

The NGO and Corporate caucus will decide on representatives during the meetings in Toronto. However nominations have been limited and it was therefore suggested to send out a reminder prior to Toronto meetings.

The Lesotho Chair updated the group that he accepted the position as Chair of the group on an interim basis and would like to step down, once a new chair for the International group was in place. It was agreed to take this to the agenda to Toronto.

Actions:

- ✓ The Secretariat to send a reminder out to the NGO and Corporate caucus asking for nominations.
- ✓ New Chair for the Lesotho group to be discussed at the meeting in Toronto

3. Toronto Strategy meeting 2007

Media strategy

The Secretariat met with the London based Media agency Glasshouse on the 29th of March to discuss media outreach for Toronto. It agreed to take the question of Media hook to the EXCO meeting today. The group discussed different possibilities and it was agreed that due to the lack of resources, in house skills and time the main media outreach should be to the Canadian media lead by MSN, but that the Secretariat should reach out to a targeted number of international business press, such as Financial Times, Guardian and Wall Street Journal. It was agreed that at this point the best angle would be to feature the Public event and the Reception and focus the Lesotho delegation.

Action points:

Secretariat set up a meeting between MSN, ITGLWF, Levi Strauss, and Gap to agree on media outreach on the final weeks before the meeting.

Strategy and Planning Meeting

The Ex-Co commented on the Proposed Agenda for the Strategy and Planning meeting and it was emphasized that more strategically forward looking points were missing from the agenda e.g. China safeguards. Furthermore the issues of the what it means to be a participant in the



Forum was raised with the stress that more clarity is needed on who are the participants and are we missing any important players at the table.

It was agreed to the table in Toronto the issue of external and internal communication. Several members felt that the report 'Voices of the Participants', which was prepared for the last convening in September laid out these issues and it was suggested that this document should be circulated prior to the meeting so participants could review it.

Finally, a concern was raised that the Purchasing Practice research undertaken by the Bangladesh Buyers Group was only to be presented at the their meeting in Toronto. It was emphasised that this would be brought to the discussion at the Strategy and Planning meeting during the Bangladesh update.

Update on financial situation.

The Secretariat confirmed that funding requirements for Toronto are mostly in place. With the decision of a less ambitious media strategy, money allocated for this task could be used to cover outstanding funds needed.

The Canadian Development Agency, CIDA, has agreed to sponsor participants from the developing countries. There are funds to cover the travel and expenses for 11 people. The money has already been allocated to people from Bangladesh, Morocco, Lesotho and Central America.

Finally, the Secretariat has received generous contributions from the Corporates to cover the dinners and the reception. The following companies have contributed: Marks and Spencer, Gap Inc. Levi Strauss & Co, Jones Apparel and Walt Disney.

4. Update on MFA Forum financials and fundraising;

Financials

The 2006/2007 budget will break even, with a slight deficit in the Lesotho budget, but this will be covered by core funds. NIKE has recently sponsored US\$20,000 for the Responsible Closure working group, these have not yet been incorporated in the budget. The majority of this money was allocated for the group's recent meeting in Toronto in March. The remaining will be used to cover ILO participants travelling to the Toronto meetings in April

The Budget for 2007/2008 is currently \$262,000. Taken into consideration the increase in-country engagement and upcoming Scoping Visits, this will allow the Forum to run for a further 9-10 months.

Fundraising

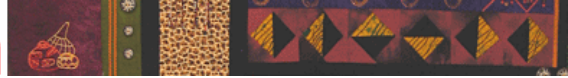
The Secretariat is currently reaching out to 8-9 international donors, one foundation and several corporate participants. Nevertheless, at this point nothing has been secured. It was

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suggested that the Secretariat draw up a Budget forecast for the next 10-12 months to get a sense of what is required. This would enable the members of EXCO to help with the fundraising going forward.

It was agreed to discuss the Budget and how to secure funding going forward in details during Toronto.

Actions

- ✓ The Secretariat to make a Budget for the next 10-12 months