

The MFA Forum



Summary of the visit by Alan Roberts and Maggie Burns to Dhaka on behalf of the MFA Forum from July 28th to August 1st inc.

Meeting with BKMEA.

At the outset, the BKMEA President clarified that the reason for their non-attendance at the second day of the June conference was due to a misunderstanding and not an indication of their lack of support for the initiative. They remain fully committed and are adamant that they are prepared to work collaboratively with BGMEA and all Stakeholders.

The key points from the meeting were:

- Since June, they have already met with the Ministry of Commerce and also attended a round table with GTZ to discuss issues of compliance.
- We agreed that it would be better use of resources and would save duplication if all activities around compliance were coordinated and Alan therefore agreed to liaise with both GTZ and the retailers involved therein to try to engage them in one process.
- BKMEA confirmed that the first meeting of the National Forum had been called for 1st August and they had proposed that the buyers be represented at the Forum by BSCI.
- Alan made the point strongly that BSCI only represented a small number of buyers and that they would not necessarily be regarded as credible by the majority of the corporate members of the MFA forum.
- BKMEA also confirmed that they had jointly proposed along with BGMEA that BIGUF be invited to the National Forum meeting to represent the Trade Unions, although no consideration had been given to inviting an NGO.
- BKMEA also confirmed that they had set up a compliance cell within their organisation and had already started a joint venture with an NGO to look at compliance with 100 members over the next 6 months.
- We then discussed at length the issue that the industry in Bangladesh believes it is being unfairly treated by buyers in comparison to other markets such as India and China with regard to compliance. They cited the example of the attention that the disaster at Spectrum received in comparison to the recent sackings of over 500 workers at Ringshine (a Taiwanese knitter in the EPZ) following a labour dispute. Their challenge to us was why international attention was not focused as much on this issue? Alan undertook to research how many, if any, of the MFA Forum members actually sourced from Ringshine and to feedback this information.
- With regard to the issue of unfair treatment, Alan again reiterated that both the ETI and MFA Forum members were not singling out Bangladesh for excessive attention but were actually being proactive in their attempts to sustain the market.

The meeting concluded very amicably and with general agreement to working collaboratively with all Stakeholders to meet the objectives of the June conference.

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Meeting with the NGO's present at the June conference.

There was a productive meeting with the NGO caucus where Maggie updated them on both the BKMEA meeting and the work that has gone on since the conference. The following key points emerged;

- The NGO's were clear that they should elect their own representative to the National Forum and that this person should not be nominated by Government.
- Their proposal is to set up an NGO caucus of all the NGO's active in the RMG sector with the support of Oxfam.
- The major questions that the NGOs need to ask of the National Forum are;
 1. What is the plan and the timescale envisaged by the Government?
 2. How will the Forum implement the plan?
 3. And how will the plan be monitored?

It was also very clear that the NGOs were deeply concerned that the Government had arranged the meeting on 1st August for the National Forum without even considering inviting any NGOs, and this was despite the undertakings given by the Secretary to the Commerce Ministry at the conference in June to extend the TORs for the Forum to include all Stakeholders.

Meeting with Shaila Khan at UNDP.

This was a very positive meeting and Shaila confirmed that the UNDP has incorporated the recommendations from the June conference into the project proposal that they will be submitting to Government in early August.

The key points of the meeting were;

- The composition of the National Forum and specifically the representation of both Trade Unions and NGOs remains a serious issue that will need resolving if the Forum is to be seen as credible.
- The representation on the Forum of the donor community should be via the LCG which is currently chaired by DFID.
- It was clear that the MFAF approach and that of UNDP to the post quota world in Bangladesh are complementary.
- UNDP agreed that local coordination of the MFA Forum could and should be within the auspices of UNDP as it not only fits with a key element of their own project proposal, but that they also occupy neutral space, which is a huge advantage for the credibility of the project.
- UNDP also confirmed that they could include a budget proposal to support a proportion of the international costs of the MFAF, and we agreed to provide an indication as to the amount that this might represent over the next few weeks.
- We provided copies of outline job specs for the role of a local coordinator and it was agreed that further discussion between UNDP and the MFAF needs to take place to cover to whom this person will report and who will actually appoint.

Finally, Shaila confirmed that the only agenda item for the first meeting of the National Forum on 31st July was to consider the recommendations of the MFAF conference in June and we all agreed that under the circumstances it would make sense for both Alan and Maggie to attend. Shaila undertook to seek clearance from the Ministry for both to attend.

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Meeting with the Trade Unions.

Alan and Maggie were joined by Neil Kearney for the meeting with the Trade Unions and the key points arising were;

- Although it was intimated by BKMEA that BIGUF had been invited to the first meeting of the National Forum, no such invitation had been received.
- The Unions were adamant that they should be able to nominate their own representative to the Forum. They also agreed that this would in itself be a serious challenge as they recognised that they would have to elect an individual from one organisation who would have to represent the interests of all of the various organisations. This dilemma was no different to that expressed by the NGO caucus.
- The Unions also made it clear that they felt that they should have more than one seat at the table as both employer organisations were already represented.
- They also felt it would be critical for the National Forum to have local coordination and facilitation by an individual who was acceptable to all stakeholders and that there should be a transparent process in the recruitment of such an individual.
- The Unions also stressed that the work of the National Forum should be reported on a regular basis and communicated publicly.
- We made it clear that we hoped to attend the National Forum meeting on 31st July and stressed that we would express the views of the Trade Unions along with those of the NGO's to the meeting.
- With regard to the invitation to the National Forum not having been received, it was agreed that the Trade Unions would formally write to the Minister of Commerce on the morning of 31st July requesting attendance that day. (We are not aware that this letter was written as no reference has been made to it since.)

This was a very positive meeting in which the Trade Unions accepted that they would have to consider different ways of engaging with industry and government in the future but also accepting that with representation at the National Forum table that they would be able to contribute constructively to the multi stakeholder process.

Meeting with GTZ.

GTZ appraised us of their six part program that they are undertaking with the garment industry in Bangladesh of which social compliance was an integral component although very little is proposed on this part until later this year.

We all agreed that we needed to work closely together to ensure that we do not duplicate efforts that the MFA forum and the National Forum may well be already undertaking and it was agreed that Alan would try to coordinate the various buyers of both the MFA Forum and those who attended the GTZ round table.

Later that afternoon, GTZ also advised that they had discussed the MFA Forum with the local coordinating group of the international donors and they had agreed categorically that we all needed to work together collaboratively to maximise the potential impact but also to avoid duplication and parallel working.

Meeting with BGMEA.

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This was a very positive meeting with the President of BGMEA and several of his co directors at which Alan, Maggie and Neil attended. The key points of the meeting were;

- They have played an active role since the conference in June with the Government in setting up the National Forum.
- They accepted the criticism that the composition of the attendees at the National Forum did not represent all stakeholders as the Trade Union had been effectively nominated by BGMEA and that the NGO's were not even invited. They did express their view however that due to the number and complexity of the Unions and NGO's that they had no idea how to choose.
- The point was made strongly that for the process to be credible, the Unions and NGO's had to elect their own representatives to the National Forum and that this would be the only acceptable basis for the international members of the MFA Forum.
- This point was reluctantly accepted although there was a degree of scepticism as to whether the Unions and NGO's would be able to elect one individual for each caucus with the mandate to represent all parties.
- BGMEA also provided draft copies of a poster that they will be distributing to all members to be displayed in all factories covering key elements of workers rights and health and safety.

This again was a very positive meeting and BGMEA made it absolutely clear that they would work proactively with the MFA Forum to meet the objectives from the June conference.

Meeting at the Ministry of Commerce Forum on Social Compliance.

The Ministry had called the first meeting of the National Forum within 4 weeks of the June conference, a very positive sign of the commitment on the part of the government and industry to take forward the agreed actions from the conference. In fact, the only agenda item for this inaugural meeting was the MFA Forum action plan from the conference.

Both Alan and Maggie were eventually invited to attend following lobbying by both UNDP and the BGMEA and were encouraged to actively participate.

The meeting was attended by a wide range of government ministries, the industry through both BGMEA and BKMEA, ILO, UNDP and a representative of the local consultative group (LCG is a group within the donor community who actively support the private sector and who are chaired by Frank Matsaert of DFID) and Karstadt Quelle representing the BSCI. There were no representatives from either Trade Unions or NGO's.

The following are the key points arising from the meeting;

- The industry through the President of BGMEA, called strongly for a level playing field in terms of compliance with their competitors globally.
- They committed to meeting the requirements of the various buyers with regard to compliance but asked for clarity and consistency with regard to which standards and also implementation criteria that they would be required to achieve.
- The industry also stressed that if the buyers were demanding that they comply to the highest standards that they should be given both time and support to

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achieve this and that it may be more realistic to set a lower standard in the first instance.

- They also sighted the example of the local labour laws where significant confusion exists with many aspects being either vague or even obsolete leading to misinterpretation amongst buyers and therefore inconsistency in application.
- Alan responded on behalf of the MFA Forum by reiterating that the buyers in the forum had clearly demonstrated their commitment to the Bangladeshi industry by agreeing the actions from the June conference, and that our attendance at this meeting only 4 weeks later was a further indication of that support.
- With regard to the standards that were to be achieved, Alan made it clear that the Forum would expect to set the highest possible standard but also accepted that this was an evolutionary process that would take time and that this timescale needed to be negotiated and agreed by all Stakeholders around the table.
- Alan also undertook to get all of the buyers from both the MFA Forum and the GTZ roundtable together to agree a common approach to engagement with the National Forum. It was also suggested that the actions agreed at the June conference with regard to a common code and implementation process together with a fundamental review of corporate buying practices, was also essential to support the success of the National Forum.
- There was some discussion as to how to choose both NGO's and Trade Union representatives on the Forum and Alan stressed the need for these organisations to be able and allowed to elect their own members. The whole meeting was sceptical as to whether this was realistic but accepted the principle completely.

The meeting concluded that;

1. There needed to be a plan prioritising tasks in both the short, medium and long term.
2. The work will need support from all parties and that the process was only just beginning.
3. The next meeting must include all Stakeholders including Trade Unions, NGOs and buyers, and it was proposed that for continuity purposes, that this meeting should coincide with the next MFA Forum visit to Bangladesh.
4. All parties welcomed the opportunity to work with the MFA Forum to take this work forward in the future.

Subsequent to the meeting, it was agreed that the MFA Forum would coordinate the process by which the NGO's would select and mandate a representative. It had also previously been agreed that the Trade Unions would write independently to the Minister of Commerce with regard to their equal representation at the Forum.

Meeting with the Minister of Commerce.

The Minister welcomed the input of the MFA Forum, stressing the need for a clear timeframe for the industry to meet the buyers' compliance requirements. Alan reiterated that this is evolution and not revolution and would be a negotiated process by all stakeholders around the table.

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Alan informed the Minister that he would be calling together all buyers to start the negotiations around a single code and implementation process and that he would hope to be able to report back positively to the next National Forum meeting in September. Alan also stressed the importance of the Trade Unions and NGO's being allowed to elect their own representatives to the National Forum, and this point was accepted.

The Minister invited Alan, Maggie and the President of the BGMEA to drinks at his house that evening.

Meeting with Frank Matsaert and Sarah Barlow of DFID.

The LCG had a meeting following the June conference, and took on board the comments made by Alan of the need to have one integrated process going forward, and how the donor community needed to coordinate their efforts towards this. The view from that meeting was that the BEI (Bangladesh Enterprise Initiative) should be the vehicle to engage on compliance issues although both Maggie and Alan expressed some reservation on this approach.

Alan updated Frank on the outcome of the various meetings on the trip and after discussion it was agreed that Frank would recommend to the LCG that they should hold off on any further action on compliance issues until the action plan from the National Forum was agreed and published.

The LCG will concentrate in the short term on the review of the World Bank study on post MFA action, for which there will be a workshop in August.

It was also agreed that Frank would establish an email group for the entire donor community to enable effective communication between the MFA Forum and themselves.

Finally, we discussed the funding of the MFA Forum both locally and internationally and it was firmly Frank's view that the MFA Forums work could and should be included in the UNDP project proposal.

Actions required by the MFA Forum Bangladesh group.

1. Facilitate the election and mandating of a representative of the NGO's to the National Forum.
2. Arrange a meeting of all buyers urgently (September 15th?) to start the process of agreeing a common code and implementation process together with setting a timetable to continue the review of buying practices.
3. The group needs to agree on a follow up visit to coincide with the next National Forum meeting (probably in late September).
4. A brief report of the visit should be sent to all parties with whom we met during the visit.

Alan Roberts.

Maggie Burns.

4th August 2005.