

Letter from 2018 Transition Accord Signatory Brands to the Government of Bangladesh on Accord Continuation and Transition

20 November 2018

Honourable Afroza Khan, Secretary
Ministry of Labour and Employment (MoLE)
Government of the People's Republic of Bangladesh (GoB)

Honourable Shuvashish Bose, Secretary
Ministry of Commerce (MoC)
Government of the People's Republic of Bangladesh (GoB)

Md. Shahidul Haque, Secretary
Ministry of Foreign Affairs (MoFA)
Government of the People's Republic of Bangladesh (GoB)

Subject: Preparedness of the Remediation Coordination Cell (RCC) and permission of Accord office in Bangladesh.

Dear Honourable Secretary Khan, Honourable Secretary Bose, Honourable Secretary Haque:

The undersigned 2018 Transition Accord brand signatories are committed to making the RMG sector in Bangladesh safe and sustainable. We write to express our grave and collective concern over a potential premature closure of the 2018 Transition Accord office operations in Bangladesh that will occur on 30 November 2018 absent a lifting of the Bangladesh High Court Suo Moto order (originally issued on 17 October 2017 and modified on 31 May 2018).

We acknowledge the significant achievements of the Government of Bangladesh and the Bangladeshi RMG industry towards making RMG factories in Bangladesh safe. The creation of a Remediation Coordination Cell (RCC) within the Department of Inspection for Factories and Establishments (DIFE) to regulate safety in the RMG sector marks an important step towards building a national body that can effectively regulate safety, and it is welcomed by the Brands.

At the same time, the undersigned apparel brands and retailers acknowledge that the work of the 2018 Transition Accord to complete safety remediation and capacitate safety committees at factories producing for Accord brands is not yet accomplished. Less than half of all Accord covered factories have completed the installation of adequate fire alarm and fire detection systems and less than 60% have completed structural retrofitting based on approved detailed engineering assessments (DEAs). It is necessary that the Accord supports the RCC to have the capacity and knowledge to be able to complete these tasks. Until then the Accord will continue to close the gap.

Further capacity building is necessary to ensure that the work of the 2018 Transition Accord can be adequately and fully absorbed by the RCC without leaving a regulatory gap in RMG factory safety. It is widely acknowledged that the RCC is not yet ready to regulate safety at National Initiative (NI) covered factories or to take over the functions of the 2018 Transition Accord. The 2018 Transition

Accord signatories are fully committed to actively support the RCC to become fully functioning and ready in accordance with the criteria developed by the Government of Bangladesh and the ILO in August 2018.

At a meeting with Accord signatories on 18 September 2018, the Accord presented its Transition Plan to Honourable Secretary Khan. This plan encompasses a progress phased and gradual handover of Accord covered factories and Accord functions as the RCC becomes ready. Implementation of the Transition Plan has started with the recent handover of fully remediated factories with no current business with Accord brands with further handovers to come, the creation of an Accord liaison team with the RCC, and further gradual handover of Accord functions based on RCC preparedness.

Honourable Secretaries, in order for the 2018 Transition Accord to implement its Transition Plan and provide full support in helping the RCC become ready based on the aligned criteria of the MoLE - ILO, the Accord office in Bangladesh needs to be permitted by BIDA until the Accord has formally handed over all of its functions to the RCC.

We are deeply concerned that the 2018 Transition Accord Bangladesh office may not be permitted beyond 30 November 2018. The opportunity for the RCC to obtain valuable knowledge sharing and transition support from the 2018 Transition Accord would be impossible with a shutdown of the Accord Bangladesh office. We sincerely believe such Accord support is necessary to enable a fully functioning RCC to provide safety regulation of the Bangladesh RMG industry.

The consequences of an Accord Bangladesh office close down on 30 November 2018 will be negative for all parties. As brands keep being committed to safeguard the goal of a safe and sustainable Bangladeshi RMG industry they continuously regard themselves being responsible to successfully finalize the fire and safety program in Bangladesh started 5 years ago. We do not see the RCC as being in the state yet to take over the Accord's role, but we are committed to support the professional development of the RCC to take this role as a trustable authority when ready. This can only be done if the Accord can further operate in Bangladesh.

We, as undersigned 2018 Transition Accord signatory apparel brands and apparel retailers, respectfully urge your Government to take all appropriate action which will convince the Appellate Division of the High Court that the modified Suo Moto order currently in place should be lifted; that the RCC be provided the opportunity and time to adequately develop; and that the 2018 Transition Accord Bangladesh office be permitted to continue to remediate factories and support the RCC in achieving its full preparedness to do the same.

We feel it important as business partners in the sustainability of the RMG industry in Bangladesh to communicate our concerns. We remain hopeful that the necessary measures can be taken to ensure the RCC obtains the support it needs to become fully operational, a successful safety remediation system is guaranteed at all national RMG factories, and the likely negative consequences of a close down of the 2018 Transition Accord in November 2018 can be averted.

Sincerely,

2018 Transition Accord Company Signatories