



The BMZ's response to Rana Plaza

German development cooperation activities in the textile sector

In April 2013, the Rana Plaza factory building collapsed in Bangladesh. The disaster, which killed more than 1,100 people, was a stark reminder to policymakers, the business community, civil society and consumers everywhere, including in Germany, of the problems prevailing in parts of the global textile and apparel industry. Right after the collapse, the Federal Ministry for Economic Cooperation and Development (BMZ) provided support to the victims in many ways. Simultaneously, the BMZ has been pursuing varied efforts to bring about systemic change in the textile and garment industry. The Ministry considers itself a mediator between workers, the private sector, civil society, and partner governments. In that context, industry champions play an important role, showing that good labor conditions, a safe working environment and environmental protection are possible even in the complex supply chains in the textile and garment sector. Consumers are the other important group of stakeholders. They need to send a strong signal for sustainability through the choices they make.

Activities in the textile industry in Bangladesh and Asia

In many Asian countries, the textile and garment sector is the backbone of the national economy and, thus, the main driver of development. Improved working conditions have a positive impact on exports and help create new jobs and higher incomes, thus helping to reduce poverty. This is why the BMZ is providing targeted support to projects in producer countries that help to enhance safety, social equity and environmental sustainability in the textile and garment sector.

» Promotion of social and environmental standards in the industrial sector in Bangladesh

Through its "Promotion of Social and Environmental Standards in Industry" (PSES) program, the BMZ is supporting sustainable, socially sound textile and apparel production in Bangladesh. The program works with the Government of Bangladesh, local business federations, the private sector, NGOs, labor unions, and international organizations. So far, the program has

- trained 316 labor inspectors;
- trained more than 406 middle management staff on how to implement social standards;
- trained more than 1,000 workers to be social standards counselors;
- trained some 100,000 workers on labor law;
- improved compliance with national labor law and international standards in more than 780 companies and helped 230 factories to get a recognized certificate; and
- developed software for Rana Plaza victims to register for support and compensation.

And in 2015, the German government was a driving force in the effort to close the financing gap in the Rana Plaza Trust Fund, which provides compensation payments for survivors and the families of those killed in the disaster of April 2013.

In April 2015, the successor project, PSES II, began to operate. In view of the 2013 Rana Plaza accident, the inclusion of persons with disabilities was made an additional focus of the program. The program has a volume of 6 million euros and will run for three years.

So far, PSES has provided rehabilitation and training for 550 Rana Plaza victims. 2.5 million euros in emergency aid was made available separately for this purpose.

» Regional program on labor and social standards in the textile and garment sector in Bangladesh, Cambodia and Pakistan

The BMZ has launched a new regional program to support private and governmental players in the textile and garment sector in applying certain formats of information, dialogue and cooperation at the factory, national and regional levels with a view to improving compliance with labor and social standards. The program has a volume of 5.3 million euros and will run for three years.

» Introduction of an emergency and service hotline in Bangladesh

In cooperation with the International Labour Organization (ILO), the BMZ is supporting the introduction of a new emergency and service hotline ("Labor Line") at the Bangladesh Ministry of Labor. Workers can call the hotline to report problems at factories and labor conflicts.





» ILO regional program on social standards

The BMZ is providing 2 million euros in support of a regional program run by the International Labour Organization (ILO) to improve social standards in the textile and garment industry in Indonesia, Cambodia and Bangladesh. The program focuses on fostering multi-stakeholder dialogue between the private sector, civil society and policymakers in the three countries, and on the introduction of transparent mechanisms for determining wages.

Efforts for sustainability in global textile supply chains

Health and safety, living wages, environmental protection – the BMZ is working to make the textile sector safer, more equitable, and more environmentally sound. To that end, it is pushing for higher standards, not only in Asia but worldwide.

» Industry response: Partnership for Sustainable Textiles

The Partnership for Sustainable Textiles was launched in Germany on 16 October 2014. As many as 180 organizations from the private sector, civil society and the labor union community have joined this multi-stakeholder initiative so far. 19 months after its foundation, the Textiles Partnership now represents more than 55 per cent of the German textile retail market. The purpose of the Partnership is to pool forces and expertise with a view to achieving social, environmental and economic improvements along the entire textile supply chain.

» Transparency and traceability in the textile and garment supply chain

The BMZ has been supporting the development of new traceability mechanisms (chain of custody) in order to enhance transparency along the textile and garment supply chain, thus facilitating improved compliance with environmental and social standards.

» Consumer portal "siegelklarheit.de"

The BMZ has launched an online portal where consumers can get a clearer idea of what certain certificates stand for ("siegelklarheit.de"). The portal and the related app provide assessments of environmental and social labels that are common in Germany. The labels cover various product categories and are assessed on the basis of about

400 criteria. This provides easy and understandable guidance to consumers who wish to buy sustainably made products.

» Vision Paper: Good Work Worldwide

The BMZ has also put supply chain standards on the global development agenda as part of Germany's G7 presidency. Together with German Labor Minister Andrea Nahles, Development Minister Gerd Müller put forward the Vision Paper *Good Work Worldwide* to provide input to the G7 consultations.

» developp.de – cooperation with the private sector

Since 1999, the BMZ has been supporting development partnerships with the private sector through its "developp.de" program. In the textile sector, there have now been many as 87 such public-private partnerships worldwide, accounting for a total volume of over 40 million euros. Seven projects are currently being implemented. They range from innovative SMEs such as the Stuttgart-based company Blutsgeschwister ("blood siblings") all the way to large industry players such as PUMA that are trying to enhance transparency and sustainability along their supply chains, particularly in Asia.

» Support for civil society activities

The BMZ supports numerous civil society projects that are related to the textile sector, particularly under the following programs: FEB (development education program), bengo (advice center for development NGOs), ASA (work and study trips) etc., all the way to SES (Senior Expert Service).

I think we all agree: We do not want to wear clothes that have been produced amidst blatant human rights abuses, exploitation, and exposure to toxic substances. We need decent work worldwide!

Dr. Gerd Müller, German Development Minister
As at: April 2016

