

## Case study: Responding to the immediate needs of Bangladesh's ready-made garments sector

Deployment value: £23,177.64 Duration: One deployment (5 days)



Department for  
Business, Energy  
& Industrial Strategy



Regulatory Delivery

### Context

Bangladesh's ready-made garments (RMG) sector accounts for 80% of the country's exports and employs over 4 million people. One major RMG factory was located in the Rana Plaza building in Dhaka which also contained a bank and several other retail outlets. Annual revenue generated from this complex was approximately US\$1.85 million.

On the 24th April 2013 the eight storey building collapsed tragically killing 1,134 people and severely injuring 2,500 more.

The Rana Plaza collapse was a major development and diplomatic issue that had a worldwide impact and led to international brands considering pulling out of Bangladesh. To mitigate this risk, which would have resulted in withdrawal of existing businesses and pose a threat to Bangladesh's economy, the DFID Bangladesh office turned to IFUSE to seek help in identifying and funding UK expertise and technical assistance.



### Deployment

IFUSE deployed experts from the UK Regulatory Delivery (RD) and the Royal Institution of Chartered Surveyors (RICS) to work with Rajdhani Unnayan Karttripakkha, (RAJUK) – the Capital Development Authority of the Government of Bangladesh, to assess the policies and regulations for building standards and capabilities of RAJUK to enforce these. They advised RAJUK on future requirements and best practice in factory and building inspection. It was identified that the key issue in Bangladesh was not the lack of regulations, but the ineffective implementation and enforcement of those regulations and lack of compliance. Businesses were aware that certification received could not necessarily be trusted and going forward, investors needed to be sure of the structural integrity of their investments (buildings, together with other issues such as health, safety and labour conditions). Within three months of the initial application from DFID Bangladesh, RD and RICS experts were on the ground, providing immediate support to develop and establish a credible regulatory environment.

### Impact

IFUSE enabled UK experts "to open the door" for further intervention by providing a thorough understanding of the issues, and identifying priority actions. Interviewees highlighted that the deployment was "well-received by government departments including the Ministry of Housing and Public Work and RAJUK, and resulted in clear and practicable recommendations". The IFUSE deployment has led to two DFID funded programmes. A £4.8 million three-year programme to support the National Action Plan on Fire Safety and Structural Integrity and another worth £1.8 million to the Trade and Global Value Chains Initiative to support partnerships between buyers, factory owners, civil society and others, in order to improve garment factory conditions in Bangladesh.

Without the deployment "the risk of exit by existing international brands would have been higher and the detrimental effects of reputational risk would not have been as well managed" (e.g. through collaboration with existing garment manufacturers) in the short-term. Specifically "IFUSE input helped to focus resource on key areas to maximise the impact of future investment" and "helped DFID decide where UK investment should go to ensure the best use of UK Aid." RAJUK now has an on-going programme to improve regulation within the RMG industry in Bangladesh.