



PAKISTAN BUYERS FORUM



Opportunities..



- **Producer of Cotton** **4th Largest**
- **Consumer of Cotton** **3rd Largest**
- **Cotton Yarn Exporter** **2nd Largest**
- **Cloth Manufacturer & Exporter** **3rd Largest**
- **International Trade** **15th Rank**

- Exports in textiles to the EU have grown with 18% since the grant of GSP+ status
- Estimated textile exports growth from **\$13B** to **\$26B** over the next 5 years
- GSP+: awarded to Pakistan by the EU by 2014



..and challenges





On the Buyers' Forum in Pakistan

The Buyers Forum is an initiative from the IFC, Government of the Netherlands, and ILO, created in alignment with the Government of Pakistan, with the objective of improving supplier productivity and sustainability, to uphold the GSP+ status of Pakistan

The meetings have brought together the local teams of the biggest buyers and brands sourcing from Pakistan, such as GAP, Target, Li & Fung, Levi Strauss, **H&M, adidas, Inditex, Primark, El Corte Ingles, PVH, Hema, and C&A**



A brief history

Pakistan Gov't
meeting in
Washington

Terms of
Engagement &
Voluntary
declaration

Inception

**First
meetings**

Formalizing

**Moving to
impact**

Big buyers' (e.g.
Disney)
dissatisfied with
sustainability

December 2014,
a first get
together

Launch of
Working Groups
and outreach



Working groups driving improvement

Advocacy & dialogue

- Strengthen policy and policy instruments that drive (push / pull) increased sustainability through dialogue with the government

Enterprise Improvement

- Expand the sustainable supply pool in the Pakistan textiles sector and addressing the largest supply chain risks

Strengthening Communication

- Promote sustainability in the Pakistan textile sector and foster public and private participation through increased communication



Successes

- 24 brands and growing
- First action plans and working groups in place
- First dialogue with Pakistan government



Next steps for the Buyers' Forum

- Formalize structure for dialogue and contact with the Pakistan government on sustainability and GSP+ retention
- Creating the Enterprise Improvement governance body, undertaking a follow up mapping study and gap analysis
- Launching website and news updates, mid 2016



Focus of next NL steps in Pakistan

- EU engagement with Pakistan Government for GSP+ progress
- Joining forces with EU and member states for aid programs in textile industry
- Strengthen public labour inspectorate (ILO project) and promoting collaboration with Buyers' Forum
- Strengthen multi-stakeholder engagement of Buyers' Forum



Thank you





Annex

GSP+ conventions
Handout

Appendix: overview of GSP+ conventions

- 1) Convention on the Prevention and Punishment of the Crime of Genocide (1948)
- 2) International Convention on the Elimination of All Forms of Racial Discrimination (1965)
- 3) International Convention on Civil and Political Rights (1966)
- 4) International Convention on Economic Social and Cultural Rights (1966)
- 5) Convention on the Elimination of All Forms of Discrimination Against Women (1979)
- 6) Convention Against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (1984)
- 7) Convention on the Rights of the Child (1989)
- 8) Convention concerning Forced or Compulsory Labor, No.29 (1930)*
- 9) Convention concerning Freedom of Association and Protection of the Right to Organize, No.87 (1948)*
- 10) Convention concerning the Application of the Principles of the Right to Organize and to Bargain Collectively, No.98 (1949)*
- 11) Convention concerning Equal Remuneration of Men and Women Workers for Work of Equal Value, No.100 (1951)*
- 12) Convention concerning the Abolition of Forced Labor, No.105 (1957)*
- 13) Convention concerning Discrimination in Respect of Employment and Occupation, No.111 (1958)*
- 14) Convention concerning Minimum Age for Admission to Employment, No.138 (1973)*
- 15) Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor, No.182 (1999)*
- 16) Convention on International Trade in Endangered Species of Wild Fauna and Flora (1973)
- 17) Montreal Protocol on Substances that Deplete the Ozone Layer (1987)
- 18) Basel Convention on the Control of Trans boundary Movements of Hazardous Wastes and their disposal (1989)
- 19) Convention on Biological Diversity (1992)
- 20) The United Nations Framework Convention on Climate Change (1992)
- 21) Cartagena Protocol on Bio-safety (2000)
- 22) Stockholm Convention on persistent Organic Pollutants (2001)
- 23) Kyoto Protocol to the United Nations Framework Convention on Climate Change (1998)
- 24) United Nations Single Convention on Narcotic Drugs (1961)
- 25) United Nations Convention on Psychotropic Substances (1971)
- 26) United Nations Convention against illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988)
- 27) United Nations Convention against Corruption (2004)

Where can the Buyers' Forum have impact

Labor standards

- **Ineffective labor inspection & weak enforcement of laws**
- Insufficient resources (human, financial) available to Labor Departments
- Limited formal mechanisms for workers rights
- Contract employees are not registered with workers welfare institutes
- Overtime is not paid at double hour rate (same or 1.5 times)
- Workers work for > 60 hours /week
- Workers get < minimum wage
- Late payments



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- **Fire and building safety measures are lacking or superficial; especially at local small and medium industries (like most challenges, the issues vary greatly per region)**
- No building fire safety codes in the country
- Workers are affected by high noise levels. No clause in Factories Act on occupational noise
- Workers are affected from cotton dust
- Weak enforcement of labor law (Factories Act) & ineffective labor inspection system are the major root causes

OHS standards

Productivity

- Inefficient operational processes
- Quick scan showed potential for 15-20% higher output for larger facilities
- High rework rates
- **Lack of awareness about saving potential based on improved productivity**
- Short lead times and inventory build up issues

- Hazardous waste disposal and treatment facility does not exist in the country for hazardous waste management
- No mechanism available in the country for monitoring and control of POPs
- Weak enforcement of environment law
- **Untreated wastewater is discharged**
- Treatment plants don't exist due to cost and energy intensive and requiring large land area
- Mostly industries don't have NOC from environmental departments

Environmental standards