

**STATEMENT FROM THE PROJECT ADVISORY COMMITTEE OF BETTER FACTORIES CAMBODIA ON THE  
RELEASE OF THE 35<sup>TH</sup> ANNUAL SYNTHESIS REPORT ON WORKING  
CONDITIONS IN THE CAMBODIAN GARMENT SECTOR**

1. On November 30<sup>th</sup> 2018, the Project Advisory Committee (PAC) of the ILO Better Factories Cambodia programme met in Phnom Penh to review the 35<sup>th</sup> Compliance Synthesis Report on Working Conditions in Cambodia's Garment Industry. The PAC comprises of representatives from the Royal Government of Cambodia (the Ministry of Labour and Vocational Training and the Ministry of Commerce), employers (Garment Manufacturers Association in Cambodia – GMAC) and workers (representatives from different confederations and federations).
2. We, members of the PAC, welcome the release of this annual report which presents compliance information based on the findings of 464 factory assessments conducted by Better Factories Cambodia between 1 May 2017 and 30 June 2018.
3. We are encouraged by the fact that the data in this report, as in the previous year, continues to show important improvements on public reporting issues, as is demonstrated by the increased proportion of factories in compliance with all 21 critical issues as well as the overall reduction of number of violations with the 21 critical issues and a reduction on the low compliance factories in the sector. In that sense, we are proud to note that the transparent reporting initiative was first approved and re-introduced in Cambodia and that other countries with a Better Work programme followed three years later, in 2017.
4. We also note that the incidence of underage workers in the garment sector has shown a sharp decline from 74 cases in 2014 to 10 cases in the current report. This is the result of close collaboration on a child labour protocol between BFC, the Ministry of Labour and Vocational Training, the Ministry of Commerce and GMAC. We are pleased to note that the effectiveness of this collaboration has also been recognized by ILO's Committee of Experts on the Application of Conventions and Recommendations in its 2018 report.
5. While we note the considerable improvements made in working conditions in the last decade in Cambodia, we recognise that continued efforts are necessary in support of a culture of compliance in the Cambodian garment sector. Partnerships between the tripartite constituents, the ILO as well as buyers and manufacturers that focus on sustainable solutions are essential to ensure long lasting improvements.
6. We would like to emphasise the leading role that Cambodia has played in improving working conditions in the garment sector. It was the first country that implemented the ILO Better Factories Cambodia programme. The programme was set up in 2001 and is governed by the 2001 PRAKAS and the 2005 Circular signed by the Prime Minister Hun Sen, giving BFC the mandate to assess and report on all garment exporting factories on its compliance with international core labour standards and the labour law. The success of the partnership with the Cambodian tripartite constituents and the ILO around the implementation of the BFC programme has led to development of Better Work programmes in several other countries.
7. Cambodia was also the first country to start the transparent reporting initiative and factory level data on 21 critical issues, as well as more detailed data on individual low compliance factories is publicly available on a dedicated website. We, as PAC members, are committed to ensuring that transparent reporting continues to drive positive change in the industry. Joint visits between the Ministry of Labour and Vocational Training, the Ministry of Commerce and BFC to low compliance factories take place on a regular basis and we are also exploring how to further expand the transparent reporting initiative so that together we can continue to drive positive change in the industry. In this respect further collaboration should include a combination of Better Factories Cambodia's assessment reporting and factory support role with the responsibilities of the tripartite constituents, including:
  - a. The enforcement role of the Royal Government of Cambodia;
  - b. The responsibility of GMAC in informing and training their members on labour laws and encouraging them to continuously improve the level of compliance in their factories;
  - c. The role of the unions in informing members about their rights and responsibilities and supporting them in finding peaceful solutions with management to workplace issues.
8. Our collaboration with the ILO BFC programme has been essential for improving the lives of at least half a million Cambodian workers of factories in the BFC programme and many more of their family members. The garment sector remains at the heart of the Cambodian economy with over 70 per cent of export earnings generated by the sector and more than 650,000 Cambodians formally employed in the sector, the majority

of them women. Ensuring a strong and competitive sector, with strong systems of social dialogue and where workers feel safe, healthy and respected, is vital for productive workplaces and for the overall social and economic development of Cambodia.

9. In that sense, we would like to call on the international community and international brands to recognize the leading role that the Royal Government of Cambodia has played in pioneering and then sustaining its partnership with the ILO which has led to improved levels of compliance across the industry. In recognition of the positive development and contribution made by the Government, GMAC, the unions and BFC, we strongly appeal to the international community to continue its support to Cambodia, particularly in terms of market access and trade preferences in particular the maintaining of EBA for Cambodia. This support is crucial for ensuring the continuous improvement of the working conditions and as a result important socio and economic development for Cambodian workers, their families and the country as a whole.
10. We look forward to continue playing our leading role in the global garment industry and re-affirm our full support for the Better Factories Cambodia programme and its factory services. We will continue and further strengthen our collaboration amongst partners in support of the next strategic phase of the programme and call upon all stakeholders to re-double their efforts to further improve working conditions in the Cambodian garment industry.

Phnom Penh, 30 November 2018