# One Year after the Rana Plaza Tragedy: Where Do We Stand? the Victims, the Sector and the Value Chain

Prepared by Centre for Policy Dialogue (CPD)

in Partnership with

Institute of Architect, Bangladesh (IAB), Ain o Salish Kendra (ASK), Dhaka Ahsania Mission, ActionAid Bangladesh, Gono Shakkhorota Abhijan, Transparency International Bangladesh (TIB), The Daily Star, Naripokkho, Nijera Kori, Prothom Alo, Bangladesh Environmental Lawyers Association (BELA), Bangladesh Legal Aid and Services Trust (BLAST), Manusher Jonno Foundation and SHUJAN

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# PART A One Year of the Independent Monitoring Initiatives

### 1. One Year of the Independent Monitoring Initiatives

- The memory of the Rana Plaza collapse is still as vivid and distressing even after one year.
  - No one can forget the worst disaster in the industrial history of the world
- Despite various initiatives from national and international levels, the victims and their families are still remain in vulnerable state
  - Various commitments have been partially fulfilled
- With the passing of the first year since the incident, the need to fulfill those commitments has become urgent
- CPD in association with 14 civil society think-tanks has been tracking the progress of various initiatives related to the Rana Plaza Tragedy
- As part of this initiative, two monitoring report has been published so far
  - First report was released after 100 days of Rana Plaza Tragedy and the
  - Second report was released after nine months of the incidence
- Present report is the third on the Rana Plaza tragedy

### 1. One Year of the Independent Monitoring Initiatives

- Independent monitoring of such an incidence is a unique initiative
  - Monitoring such an incidence related to the international value chain is relatively new
- It has attracted global attention for its independent reporting on the activities of both local and international stakeholders
  - Assessing the follow-up activities undertaken by national and international stakeholders
  - Published reports have been widely circulated in hard copies as well as in soft copies from the website (Download as of 21 April, 2014: first report (1662) & second report (602)
  - Third monitoring report will be available in CPD website soon
- Partner organizations have been involved in various activities in support of the victims
  - Through their own organizations as well as through other networks.

### 1. Independent Monitoring of the Civil Society Organisations

#### **Objectives of Monitoring**

- The Independent Monitoring Initiative focuses on assessing the progress of various commitments
  - Related to financial and other forms of interventions for the injured workers and affected families of the disaster at Rana Plaza
- This monitoring initiative also addresses progress of initiatives related to
  - Identification of faulty physical infrastructures
  - Implementation of required activities and monitors the engagement of retailers towards the improvement of compliance standards at the factory level as committed after the incident
- The outcome of this independent monitoring programme
  - Development of a vibrant export-oriented RMG sector in Bangladesh that maintains the highest level of physical and social standards
  - Recognized as a significant step towards ensuring project 'Brand Bangladesh' as a globally-recognised model for a compliant sourcing hub

# 1. Independent Monitoring of the Civil Society Organisations Framework of the Third Monitoring Report

- Monitoring a big event over a period of one year requires a dynamic perspective.
  - Over the course of time, the nature and the importance of various issues related to an event changes.
- Three phases for monitoring: First (immediate); second (short term) and third (long term)
  - After one year, it seems that activities in the second phase are still pending past their expected deadlines.
- Focus of the third monitoring report is still on assessing the progress at the second phase.
   Phase-wise Distribution of Issues to be Addressed

	Focus	Social	Legal	Structural
Phase one	Addressing immediate concerns	Rescue operations, burial of deceased workers, immediate treatment for injured workers, listing of workers, immediate financial support for families of deceased and injured workers	Take initiatives for legal actions	Discussion on addressing the structural weaknesses of the sector with regards to work place safety and security
Phase two	Addressing short to medium term concerns	Initiatives for compensating victims and their families, long term treatment and support to the affected children	Progress regarding legal issues	Measures to be taken towards the improvement of structural, fire and electrical deficiencies
Phase three	Addressing medium to long term concerns	Ensure long term financial support for victims and their families	Further progress (visibleactions)	Implementation of renovation and restructuring activities in the RMG sector as per recommendation 9

# PART B Victims of the Rana Plaza Tragedy after the End of the First Year

### 2. Debates over the Number of Victims

- There is no full-fledged comprehensive list of victims despite the fact that a number of lists are available to different organisations
  - Some of whom have gone to great lengths to authenticate the information on each of the victims
- The victims can be categorized into four a) Deceased who were identified; b)
   Deceased who were unidentified; c) Injured; d) Not injured and e) Missing.

**Number of Victims of Rana Plaza Tragedy** 

				u i iuzu iiu	81		
	MoLE	BGMEA	CPD	ActionAid	BILS	Rana Plaza	Primark
			Report	Report	Report	Coordination	
						Cell	
Deceased <sup>1</sup>	1134	1134	1134 <sup>2</sup>	1134	1131	1134	
Buried with identification	843	843	900	836		841	
Buried without	207	207	207	207	207	200	
identification but							
identification retrieved							
Buried without	127	127	27	137		136	
identification and							
identification missing							
Rescued	2438	2438	2436	2438	2438	2515	
With minor injury		850	1468				
With major injury <sup>3</sup>			332		500		
Without injury			636				
Missing			98		379	1464	
Total Affected	3572	3572	3668	3572	3948	3838	3621

### 3. Financial /Treatment Support Received from Different Sources

- Victims received different kinds of support helped meeting their short term needs
  - Few are legally entitled and few were donations from different organizations.
- Local organisations have mainly supported the immediate treatment
- Long term treatment support has been partly extended by local and international organizations
  - Government's commitments with regards to this remain unfulfilled.

#### **Number of Workers/families Supported**

	Number of Workers/families Supported:				
	Governme BGME Primar Ot				
	nt	A	k	S	
Salary and Allowances	n/a	3109	3639		
Burial (Tk. 20,000)	843				
Short Term Allowance	1000+1	122		313	
One-Time Support	909			1004	
(Tk. 1-5 lakh)					
Long Term Support	41			15	
Tk. 10-15 lakh)					

Number of Workers Received Treatment Support

	HIDEI OI WOIR	icis nece.	ivcu iica	uncne	apport		
		Number of Workers Supported					
	Government	BGMEA	EMCH	CRP	BILS	Others	
Immediate Treatment	1	850	1000+			2590¹	
<b>Total Patients Registered</b>			676	418	900	3542	
Surgery			50	18		103	
Artificial Limbs Support	4			10		264	
Neo-natal care					29	375	
Physiotherapy							
Psychotherapy						12 146 <sup>6</sup>	

### 4. Re-employment/Training of Victims

- There has been slow progress in the initiatives undertaken by the government and local and international organizations
  - Towards the reemployment of the affected workers and their able bodied family members.
- Over 1000 workers have not yet able to join any work due to various kinds of physical difficulties.
- Lack of proactive role of Government and BGMEA to ensure the employment of the victims.
- 700 children of Rana Plaza victims have been affected by the incident
  - Only a few have received long-term support

#### Re-employment/Training of Workers

Number of workers	Re-employment in RMG	Training	Employment in other activities
2438 <sup>1</sup>	7772	193 <sup>3</sup>	794

#### Support to Victim's Children

Number of	One time support	Long term support	
children			
700	4- AAB	29-	
	14-Office of Social	BGMEA/ORCA/Anjuma-e-	
	Services/UNICEF	Mofidul Islam	
	81- The Optimists	4- Naripokkho	
	Total- 99 10- IAB		
		138- Sreepur Village	
		8- JUTA	
		10-YMCA	
		19-Sneha Foundation	
	176- VERC/ Save		
	Children		
	20- Merrill Prothom Alo		
		Total- 406	

### 5. Legal Issues

- RAJUK had filed a case against the owner of the building with the Savar police station
  - An executive engineer and assistant engineer of Savar Municipality were arrested
- DIFE had filed 11 cases, amongst which one was against the building owner and two cases against each of the factory owners
  - Seven inspector level officers at the DIFE were suspended for negligence of duty since they issued licenses to four of the factories at Rana Plaza without performing the on-site visits (CBC, 2013) and a new chief inspector has been appointed for the department
  - Departmental proceedings against the suspended has started
- On March 23, 2014, the High Court granted 6 months bail to Sohel Rana in a case filed by Savar Pouroshava for violation of the building code during the construction
  - Not be released from jail as other cases filed by the Savar police remain pending.
- The bench has so far refused to hear the bail petition filed by the defendant's lawyers for the loss of lives in the collapse
  - Deputy Attorney General, Md Selim, has mentioned that an appeal against the recent bail will be presented before the Supreme Court. (The Daily Star, 2014)
- As part of the High court order to seize the property of Mr Sohel Rana, the Distrcit Commissioner has seized his assets
  - Include 18 decimal land of Rana Plaza area, 10 decimal land of Rana Tower, 1.47 acre of land located in Dhamrai, Savar
- CID has not yet completed its investigation and has yet to file the case.

#### **Local Initiatives under the Directives of the High Court**

- A committee headed by the GOC, Ninth Infantry Division has been formed with the verdict of the high court to determine compensation for the RMG workers.
  - Based on the ILO convention, the committee has estimated compensation for workers of different kinds of casualties – deceased, injured of different states
- According to the revised estimates, the committee suggested
  - Tk.1.45 million for the family of each of the deceased
  - Tk.0.75 million for each of the workers who lost one limb
  - Tk.0.45 million as treatment cost for each injured workers and
  - Tk.0.15 million for the mentally distressed (Financial Express, 24 January, 2014).
- The recommendation did not specify who will take the responsibility of paying the compensation
  - But suggested that factory owners, BGMEA and international buyers and retailers share the burden.
- Given the urgency of compensation for victim's families, the High Court should immediately provide a directive
  - Compensation for different categories of victims; sources of fund for this compensation; operational mode to provide the compensation to the victims and their families

- The initiative has been a joint effort of a number of European and Bangladeshi organizations which include IndustriALL, the Clean Clothes Campaign, a number of brands and retailers, the Bangladeshi government, BGMEA, Bangladesh Employers Federation (BEF) and the main Bangladesh labour union coalitions.
- A Local office has been set up at Savar which is operating through a coordination committee
- A total of US\$17 million has been collected under the Trust Fund against the targeted amount of uS\$40 million
  - As of April 4, 2014, the official Rana Plaza Trust Fund website claims a total balance of \$15 million amongst which \$6,827,326 is currently in the Trust Fund, \$1.3 million remain in pledges and \$7 million are being provided by Primark.
     More recent news update indicates that the total has risen to \$17 million which also includes a donation from H&M of \$0.1 million.
- An initial estimate indicated that paying workers as per ILO convention would require about US\$73 million
  - The Targeted amount was about half of the initial estimate- seems a downward revision has been made taking into account the limited response from the buyers/retilaers/brands

- Primark is the main contributor till date which will provide in total about US\$12 million.
  - Primark's contribution is to be considered under the single scheme.
  - In addition to Primark's \$9 million support towards NWB workers, it will also contribute \$1 million to the main Trust Fund.
- A total of 14 retailers have been publicly listed as donors to this Trust Fund.
  - Bonmarche, C&A Foundation, Camaieu, El Corte Ingles, Inditex, Kik, Mango,
     Mascot, Loblaw, Premier Clothing, LPP S. A., N Brown Group, Premier
     Clothing and Primark
  - BRAC USA has also contributed \$ 2, 205, 000 to this fund with the support of Walmart, Asda, Walmart, Walmart Foundation, Children's Place, VF Foundation, and the Gap Foundation.
- A major part of North American retailers/buyers did not express their willingness to participate accordingly.

- A major challenge of paying the compensation is identification of relatives of the deceased and missing workers.
- The Trust Fund follows a specific definition based on the amended Labour Act2013.
  - Relatives of a worker eligible for getting compensation benefit include direct dependent such as wife of deceased worker, children less than 18 years old/physically challenged, unmarried daughter and widow mother.
  - Indirect dependents include another ten categories of relatives.
- A 'generous' definition/method may need to follow in order to accommodate all kinds of victims for the financial support
  - Injured workers; family members of missing workers;
- In case of defining the injury, a generous criteria need to be set in terms of extent of vulnerability in maintaining 'normal' life.
- The families of missing workers who have not yet identified need to be accommodated generously for financial support.
  - Given the poor public documentation system, it is wise to use circumstantial evidence to meet the criteria

- A coordination committee has been set under the directives of the ILO which operate under an advisory board.
  - The office examines each of the case and check the physical condition with the support of the CRP to understand the extent of vulnerability of the victims.
- A total of 248 persons have so far submitted their claim for getting compensation.
  - The Trust Fund will publish the first list of claimant in May, 2014 and will provide financial support as per the estimated amount.

- A large part of these pledges were made immediately after the incidence
  - Addressing the immediate challenges and needs.
  - Pledges were also made with regard to legal actions against those who are responsible for the occurrence of the accident.
- Retailers and international organisations made their commitments
  - Medium-term issues, such as improvement of fire safety and security at the workplace.
- A large number of activities were undertaken by different organisations without any commitments and pledges.
- Major pledges from government side include Tk.1 lakh for each family of the dead victims, two year plan for physiological treatment for the injured workers including treatment abroad for seriously wounded workers, and rehabilitating the family members of the injured workers.
  - Savar Cantonment authority prepared three lists which include a list of 1,000 garment workers who need to be given jobs, a list of amputated workers who need to be rehabilitated and employed, and a list of severely injured workers.
- BGMEA made commitments with regard to raising fund for affected workers
  - A mere Tk.25,000 by each of the factory and providing employment for able family members of disabled workers.

- A number of development partners, international organisations and retailers have made commitments both for immediate needs, as well as for medium-term measures to improve the physical and social compliances.
  - The Unite States (US) government has offered victim workers artificial limbs,
     DNA testing kits and transplantation of organs.
  - German government has pledged to support the disabled workers to job integration.
  - ILO assured to provide support to the victims of Rana Plaza.
- Retailers who were in contractual terms with the factories at Rana Plaza such as H&M, Inditex, Primark, C&A announced to spend USD 5 million for the victims.
  - Besides, Loblaw and Primark pledged to compensate families and children of victims

- After the end of one year of the Rana Plaza tragedy, progress in fulfillment of various commitments made by the stakeholders seems to be less than what is required
  - The immediate and short term needs of the victims and their families have been met to some extent.
- Considering the long term challenges for maintaining a decent living, the fulfillment of some critically important pledges is very important.
  - This includes planning and implementation of long term treatment for the injured works, financial support for those not yet received, re-employment for those severely traumatised and not ready to work in the factory buildings.
  - The legal support for the victims has not yet been provided as promised which deprived the workers to get the entitled benefit.
- Both the government and the association, BGMEA are found to be fall behind in meeting their commitment.
- A limited number of pledges made by the development partners particularly focusing on short-term support for the victims are found to be fulfilled.

- A number of issues have been raised afterwards which were not followed through but are critically important
  - The compensation for the workers is one the critical issues which has not yet been resolved
- There is dearth of inclusiveness of various initiatives covering victims and their families located in different areas
  - Nearly all the supporting initiatives are concentrated in the Dhaka and Savar regions, making accessibility difficult for those who stay further away from these locations
    - While there has been numerous short term support provided, much of it has been exhausted in immediate daily necessities rather than contributing towards long term subsistence
    - Even some of the victims have been suffering due to wrong treatment

	Initial Commitments	Progress on Commitments	Remaining Activities to Complete
			Commitments
Gove	rnment		
Fina	- Prime Minister Sheikh Hasina	- So far 909 families of the deceased have	- 225 (out of 1134 deceased) are pending
ncial	promised to provide Tk. 1 lakh to	received direct support of Tk. 1-5 lakhs	payments from PM.
Supp	each family of the deceased victims	from the PM	
ort	- Measures would be taken to ensure at	-Tk.10-15 lakh in the form of savings	
	least Tk. 10,000-12,000 per month for	certificates have been provided to 41	
	those who lost their limbs	critically injured and amputated victims	
		(which would ensure a monthly return	
		of about Tk.12000); a total of Tk. 4 crore	
		was spent for this purpose	
Treat	- Promise to bear the cost of treatment,	-In recognition of the immediate support	-No long term scheme noted for victims
ment	food and transportation of the	provided at the time of crisis, Tk. 2 crore	treatment
	victims	was distributed from the PM's Fund	- Details on the Health Minister's pledge
	- Government to take a 2-year plan to	amongst 22 clinics and hospitals who	towards a two-year support program for
	ensure psychological treatment for	provided substantial support to the	the injured and the Ministry of Home
	the survivors in the collapse	victims; EMCH alone received Tk. 1	Affairs State Minister's pledge to sell the
	- Treatment to be provided to all	crore from this total for its exemplary	Rana Plaza land to pay for the long term
	victims until fully recovered	service	rehabilitation of victims' families are yet
	- Seriously wounded workers to be sent	- Tk. 35 lakh from the PM's fund was	to be realized
	abroad to Thailand or Singapore for	utilized for the treatment of a critically	- Only one critically injured patent
	better treatment	injured rescue worker who was taken to	has been sent abroad.
		Singapore for better support but later	
		succumbed to his injuries	94

	Initial Commitments	Progress on Commitments	Remaining Activities to Complete
			Commitments
Gove	rnment		
Reha	- Take necessary steps for the	- As per recent news report, a total of 777	- A significant number of families,
bilita	rehabilitation of the families of the	injured persons have been provided jobs	particularly those of unidentified and
tion	workers, who were killed and injured	at various organizations upon the PM's	missing workers, remain outside the
	in the incident	directive	numerous rehabilitation schemes.
	- Bangladesh Army has prepared a list	- Government has seized a part of the	- Rana Plaza site has been left neglected
	of 1000 workers who need to be given	land of the Rana plaza owned by	in the same state and no plans have been
	jobs, a list of amputated workers who	Sohel Rana.	realized for its use to support victims'
	need to be rehabilitated and employed,		families. No updates available on plans to
	and a list of severely injured workers		sell the land as previously pledged. Dhaka
	- Government to acquire Rana Plaza		District Deputy Commissioner has
	land and take up a long-term plan to		mentioned that a committee is currently
	rehabilitate the victims' family		in process of confiscating the site (Dhaka
	members there (State Minister for		Tribune, February 28, 2014).
	Local Govt)		
	- Investigation Committee was in		
	favour of selling the land of Rana Plaza		
	and directing the money from the sale		
	to help the victims of Rana Plaza		
	(Ministry of Home Affairs)		

	Initial Commitments	Progress on Commitments	Remaining Activities to Complete Commitments
Gove	rnment		
_	- Create fund for workers to file cases through	- Commerce Minister Tofail	- No fund created for workers to file cases
Steps	Government Legal Aid Programme; workers	Ahmed had recently declared to	- No Workers' Assistance Cell created to
	can file cases with free legal assistance through	form an Alternative Dispute	ensure legal rights
	this programme	Resolution Council for the RMG	- Cases on those accused for Rana Plaza
	- Form a Minimum Wage Board to be effective	sector by the end of April, 2014.	collapse still pending; Sohel Rana has
	as of 1 May, 2013	- Minimum wage Board has been	received 6 months' bail on the case filed
	- Government to constitute a Workers'	formed. But the revised wage has	against by the Savar Pouroshova for
	Assistance Cell to ensure legal rights	been implemented as of 1	violation of the building code; however,
	- Pledge to punish those responsible for the	December, 2013	he has not been released from jail.
	collapse	- State Minister-led committee	- ACC has been unable to serve notice to
	- Constitute a State Minister-led committee to	has been formed who are also	Sohel Rana and his father for their wealth
	look into the safety standards at garment	overseeing the implementation	statements since it is not legally
	factories	of the National Tripartite Plan of	permissible to do so to people in jail. No
	- Anti-Corruption Committee (ACC) to take	Action	further legal actions by the ACC have
	legal steps against Rana Plaza's owner and the	- Labor law has been amended	been noted in this regard (Dhaka
	officials concerned at local administration and	last year in July, 2013, however,	Tribune, February 11, 2014).
	Rajdhani Unnayan Katripakkha (RAJUK- the	corresponding rules for	- No initiatives have been taken to
	capital development authority of Bangladesh)	implementation are yet to be	develop labor courts at the district level
	- Amend labor law/form committee to improve	disclosed.	- Corresponding rules for
	working conditions at the garment factories		implementation of labour law are
	- Set up Labor Courts at district level		yet to be approved and disclosed.
Reha	- German Government pledged support for job	- as mentioned above with the	
bilita	reintegration measure for those who lost limbs	GIZ-PSES program	
tion	or sustained permanent physical disabilities		

	Initial Commitments	Progress on Commitments	Remaining Activities to Complete Commitments
<b>BGMEA</b>			Complete Commitments
Financial	- Provide financial support to	- Provided Tk. 14.408 crore for: treatment (Tk. 3.8	- While BGMEA notes to have
support	families of the	crore), salaries to all Rana Plaza workers (Tk. 7.6 crore),	received funds from members,
	injured/deceased workers	donation to PM's fund (Tk. 2 crore) and others.	buyers/retailers and other
	- Pay salaries to workers; in the		associations, the total amount
	five factories		collected has not been disclosed
	- Raise funds for affected		in any publicly available sources
	people- every BGMEA and		
	BKMEA member must pay at		
	least Tk. 25,000 to this fund		
Treatmen		- BGMEA reports to have supported approximately 850	
t		of the injured workers and assigned three medical	
		teams to look after them at the different hospitals right	
		after the collapse.	
Rehabilit	- Measures would be taken for	- Has offered jobs at member factories to any interested	- BGMEA did not take initiative
ation	rehabilitation and	victims. BGMEA has also coordinated the vocational	to arrange alternate jobs for
	arrangement of jobs for the	training of 272 injured workers at CRP, out of which the	them.
	injured workers, and special	123 workers who have completed the course has	
	arrangements for those who	received provisions to establish shops, poultry farms	
	lost their limbs	and rickshaws. Latest update from BGMEA also	
	- Rehabilitate disabled workers	mentions an upcoming project along with Porticus Asia	
	with employment	Ltd. and Caritas Luxembourg to provide support to 175	
	opportunities for their able	of the closest relatives of the un-identified deceased	
	family members	workers	27

	Initial Commitments	Progress on Commitments	Remaining Activities to
			Complete Commitments
<b>BGME</b> A			
Compli	- BGMEA requested its members	- Since this was declared following the collapse,	- No further update available on
ance	to submit soil test reports and	according a BGMEA circular, 1819 factories (out of	whether the soil test reports
Issues	approved building design within	2000) has submitted the structural and soil test	have been completed for the
	a month in order to take	reports; the remaining that have failed to do so has	remaining member factories
	measures for improving the	been noted to be excluded from BGMEA's	and if any follow ups have
	building structure of the	services.(New Age, July 28, 2013)	occurred based on the reports.
	factories		
Rehabil	- German Government pledged	- as mentioned above with the GIZ-PSES program	
itation	support for job reintegration		
	measure for those who lost limbs		
	or sustained permanent physical		
	disabilities		

	Initial Commitments	Progress on Commitments	Remaining Activities
			to Complete
			Commitments
Brand	s/Buyers		
Comp	- H&M, Inditex, Primark, C&A will	- So far Primark has provided almost \$12	
ensati	spend USD 5 million for the victims	million in support towards the victims;	
on	- Primark, Loblaw and Bonmarche	C&A Foundation has provided \$500,000	
	have pledged to compensate families	towards the Rana Plaza Donor Trust	
	and children of victims	Fund, which also includes contributions	
		(not specified) from Loblaw, Bonmarche	
		and Inditex.	
Develo	opment Partners		
Comp	- During the discussion in	- Primark will provide \$9 million	- The disbursed and
ensati	September, four brands-	support towards NWB workers; it	revised
on	Primark,Loblaw, Bonmarche and	will also contribute \$1 million to the	commitments of
	El Corte Ingles, have committed	main Trust Fund.	the brands are
	to provide US\$40 million in		much lower
	support to the victims.		compared to the
			initially stated
			commitment.

	Initial Commitments		Progress on Commitments	emaining Activities to	
				Con	nplete Commitments
Brands	/Buyers				
Treatm	- USA offered to help Savar victims	- CDD (R	Rana Plaza Coordination Cell) has received fundin	g	- No updates available
ent	by providing artificial limbs	support f	from International USA for 6 of the artificial limbs	S	on whether organ
	- US Federal Bureau of Intelligence	- FBI has	provided the necessary kit for DNA testing		transplants were
	(FBI) to provide Bangladesh with	- GIZ has	s incorporated an Inclusive Skills Development an	d	required for any of the
	the Combined DNA Index System	Reintegra	ation of Persons with Disabilities component in th	neir	victims
	- Government of India to provide	PSES pro	ject with Rana Plaza victims as a new target group	);	
	assistance in the transplantation of	the Gern	nan government has pledged €2.5 million (approx.	Tk.	
	organs for the victims	25.6 cror	e) for this project, which is currently in progress		
	- German Government has pledged	- Indian	and Thai experts have visited on July 27, 2013 to		
	2.5 million Euro for the victims	provide a	artificial limb		
	- Indian and Thai expert teams will	- The Ne	therlands Embassy has donated Tk. 23 to CRP for		
	arrive in Dhaka soon to provide	Rana Pla	za victims, and the Netherlands government has a	lso	
	artificial limbs to the maimed	donated	£9.6m towards the ILO Improving Working		
	- Netherlands has promised	Conditio	ns in the RMG Sector in Bangladesh project, a		
	financial support for the victims	compone	ent of which includes rehabilitation and livelihood	ł	
		improver	ments of the disaster victims		
Rehabil	- German Government pledged	- as ment	tioned above with the GIZ-PSES program		
	support for job reintegration				
	measure for those who lost limbs or				
	sustained permanent physical				
_	disabilities				

### **PART B**

### Progress of Activities undertaken for Workplace Safety and Security at the End of One Year

- The first phase in all three initiatives require preliminary safety inspections of 3967 factories
  - NAP- 1500, Accord-1577, Alliance-890
  - It still leaves out over an approximate 1000 factories beyond these monitoring mechanisms.
- Inspection will be completed by 2014
  - Progress till date: Accord (Mid-March): 224 fire/electrical and 180 structural;
     Alliance: 222; BUET (February): 200

#### **Comments on the Inspection Reports Published**

- The factory inspection reports prepared under different initiatives have not been publicly disclosed
  - Except for the 10 reports that have been published on the Accord's website.
- Each report contains four parts which include inspection reports on fire, electrical and structural integrity and recommendations.
  - CPD has analysed those reports
- Most of the factories have violations in all three areas
  - According to the associated risks each of these have been prioritized as critical, major and minor issues, which also define the timeframes for remediation

- Majority of the noted violations are related to fire and electrical safety issues.
  - Most of these issues ought to have been under the existing knowledge base of the factory management as they have are based on the local BNBC guidelines and are relatively inexpensive to implement.
- The timeline set for remediation three to six months, which can also be further extended based on the factories' level of commitment is achievable in most cases
  - In fact, several factories which have been inspected and received the recommendations have undertaken remediation activities.
- Regarding implementation, so far 10 factories have been temporarily closed down due to structural concerns
- This has resulted in uncertainties towards ensuring timely remediation due to the lack funding and the payment and reemployment of the estimated 10,600 workers who are being affected by these incidents
- One of the frequently noted challenges is in the case of shared buildings
  - Some owners are unwilling or unable to implement the prescribed changes due to the conflicting interests of the tenants or landlords

- Salary payments to workers during the closure period has also been a concern amongst factory owners and workers
  - As some owners' claim to be struggling to finance both the remediation as well as salary payments in such short notice.
- While owners and the retailer groups spend time to negotiate whose responsibility it is to make salary payments
  - Workers on the other hand are left in a state of dire uncertainty about their day to day sustenance.
- The Alliance and the BGMEA has decided to share the financial burden of paying workers' wages for two months.
- In cases where a factory may need more than two months for renovation, it is not clear whether the financial burden will then be shared by both the Alliance and the suppliers.

	actory		Total workers (all buildings )	Buyers		•		Improvement s	Timeline for Completi on (dependi ng on priority/ rating)	Ů	Expected Costs
		297,Khairt	5747	PVH,	Priority 1: 1	Critical: 31	Critical:16	Detailed	4-9	Progress:	
L	td. (Unit 1,	ul, Tongi,		Marks	Priority 2: 2	Major: 15	Major: 14	engineering	months	Structural	
Į		Gazipur,		and	Priority 3: 7	Inadequate	Inadequate	assessment,		Done- 0	
ŀ	Chitting,	Banglades h.		Spencer,	Total issues: 10	exits, inspect/	working space in	design		In Process- 10	
[	Dyeing			Hugo	Concrete strength in Unit-1	test/ maintain	front of panels,	review,		Fire	
	Sections)			Boss	column	fire alarm	inadequate	occupancy		Done- 18	
					Verify concrete strengths in	systems and		and storage		In Process- 28	
					internal columns	retain written		loading plan		Electrical	
					of ground floor in Unit-2	records, fire		as per floor		Done- 7	
						rated		capacity		In Process- 23	
						construction		Replace			
						separations		sliding doors			
						between exits		with side			
						and stairs,		swinging			
						remove door		doors, fire			
						locking features		separation			
						from exits		with fire			
						(Note: Sprinklers		bricks			
						noted as major,		Etc.			
						not critical with					
						6 months time					
						for rectification)					

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# PART C Commitment at the International Level

### 9. EU Sustainability Compact

- The Compact has been signed on 8 July, 2013
  - With a view to address sustainability issues, labour rights particularly freedom of association and right to collective bargaining, structural integrity of the building, occupational safety and health and responsible business conduct by all stakeholders engaged in the RMG sector of Bangladesh.
- There are a total of 24 specific actions identified in the Compact to be undertaken by the stakeholders.
  - Till date (latest report on 25 February, 2014) the progress of various activities at the midst- considerable progress has been made on 12 issues and limited progress has been made on rest of the 12 issues.
- Considerable progress is observed in number of commitments which include amendments in the Labour Law (2013), development of comprehensive working conditions program, achieving eligibility for the Better Work Programme, upgradation of Chief Inspector of Factories and Establishments to a Directorate, launching skills and training programme for workers especially for the victims of the Rana Plaza, initiation of the implementation of the National Tripartite Action Plan and initiation of the assessment of structural building safety and fire safety of RMG factories.

### 9. EU Sustainability Compact

- Limited progress was observed in number of commitments of the Compact include freedom of association, collective bargaining and the application of the national Labour Law in EPZs, education and training programmes on fundamental principles, rights at work and on occupational safety and health, creating publicly accessible databases, rehabilitation and reemployment of affected workers of Rana Plaza and Tazreen Garments, diagnostic study of the Labour Inspection System, alignment of actions from the ILO Programme Outline 2013-2016 'Improving Working Conditions in the RMG Sector in Bangladesh' with the Better Work Programme.
- There are limited information about the progress of exploring further funding possibilities within upcoming programming period 2014-2020 including through the Thematic Programme "Global Public Goods and Challenges".

#### 10. Reinstatement of GSP in the US Market

- USTR in June, 2013 has requested Bangladesh government to undertake a 16-point plan of action during the one year period
  - The action plan also endorsed the implementation of the EU sustainability
     Compact particularly trade union related activities.
- Government has recently sent a progress report to the USTR.
  - A considerable progress has been made in ten out of sixteen points.
  - The activities under the rest of the six points have been made considerable progress although those have not been completed in due course of time.
  - Government put maximum effort to implement the stipulated activities within the set timeline.
- While such efforts are positive developments towards improving the factory level safety and security, consistent long term maintenance and monitoring of such standards is more important
- Government should put pressure to all relevant stakeholders to complete the remaining activities in the new timeline mentioned in the progress report (June-October, 2014)
  - Establish local institutions or frameworks to maintain the standard of the completed works

#### 10. Reinstatement of GSP in the US Market

- MoLE has been coordinating different activities.
  - Noticeable performance shown by the Ministry given its limited capacity
  - The ministry of labour is usually not profiled as the core ministry
  - However, the progress is not up to the mark because of various limitations which need to be handled properly in the future.
- The Fire Service and Civil Defense (FSCD) Authority needs to be upgraded
- A major challenge for the ministry will be effectively upgrade different departments/divisions of MoLE/FSCD in next few years
  - So that it could take over the responsibility of monitoring and inspection activities once the global initiatives will be over
  - MoLE/FSCD needs resources for recruitment of required number of inspectors, logistic supports, training of the inspectors and database development etc.
  - It is important to capacitate the local authority at a adequate level within this time.

# PART D Export Competitiveness of the RMG Sector after One of the Rana Plaza Tragedy

# 11. Performance of the RMG Sector during Pre- and Post-Rana Plaza Tragedy

- There was a strong apprehension that RMG sector would confront a challenging time
- The sector has performed better vis-à-vis other competing countries in post-RPT period despite a number of adverse incidences
- Long term competitiveness will depend on adjustment with rising operational cost towards maintaining compliance

Growth of Bangladesh Export to the World

Growth of Bangladesh Export to the World							
			Post				
		Pre RPT	RPT				
	Jul-Mar	Jul-Mar	Jul-Mar				
Category	2011-12	2012-13	2013-14				
RMG	12.2	11.1	15.2				
Knit	5.9	8.4	16.4				
Woven	19.2	13.8	14.0				
Non RMG	3.9	6.5	-0.3				
Raw Jute	-25.9	-12.9	-47.0				
Leather	12.6	15.0	39.9				
Home Textiles	16.4	-10.1	-1.3				
Frozen Food	0.6	-16.2	25.0				
TOTAL	10.4	10.2	12.0				

#### **Export Growth of Apparel Products in the EU Market**

Growth o	f knit		Camb			Indo	Viet
products		BD	odia	China	India	nesia	nam
	Jan-Jun 2012	0.8	25.6	-7.2	-19.5	1.6	9.4
	Jul-Dec 2012	1.8	17.4	-8.8	-7.7	-3.2	-3.4
Pre RPT	Jan-Jun 2013	10.1	39.6	-5.5	5.9	-1.9	-4.2
Post							
RPT	Jul-Dec 2013	14.7	29.9	2.6	10.9	-0.7	5.2
Growth o	f woven		Camb			Indon	Viet
products		BD	odia	China	India	esia	nam
	Jan-Jun 2012	30.3	135.8	-10.1	-17.4	-3.1	4.0
	Jul-Dec 2012	28.3	97.2	-9.0	-5.9	-5.9	4.3
Pre RPT	Jan-Jun 2013	22.6	69.5	-9.2	-2.1	-5.0	3.4
Post							
RPT	Jul-Dec 2013	16.2	30.1	-1.5	-1.8	-3.7	5.7

#### **Export Growth of Apparel Products in the US Market**

			Cambo			Indo	Viet
Growth o	of knit products	BD	dia	China	India	nesia	nam
	Jul-Feb 2011-12	-8.7	15.8	4.4	-6.1	12.3	8.4
Pre RPT	Jul-Feb 2012-13	3.1	-6.4	-0.6	-10.3	-0.9	11.5
Post							
RPT	Jul-Feb 2013-14	13.9	5.0	4.2	14.2	-6.4	15.6
Growth o	of woven		Cambo			Indon	Viet
products	S	BD	dia	China	India	esia	nam
	Jul-Feb 2011-12	11.6	3.1	-1.5	7.6	6.8	9.5
Pre RPT	Jul-Feb 2012-13	-0.2	-8.1	1.1	-3.8	0.6	7.3
Post							
RPT	Jul-Feb 2013-14	7.4	-8.6	-1.3	6.2	-0.6	15.0

# PART D Concluding Remarks

- After one year of the Rana Plaza tragedy, the world of the victims and their families remain gloomy and full of uncertainty.
- The enthusiasm, devotion, hard work and combined efforts that was observed from all corners of the society for rescuing the workers, providing treatment and financial support to the victims and their families and for taking care of orphans etc., have gradually slowed down.
- Over the last one year, various initiatives have been undertaken for the victims but the combined sum of those initiatives did not equate to adequate outcomes
- Wide gap persists between commitment and delivery of some commitments.
  - Those which have been initiated without commitment have not been made significant progress.
- It appears that the focus of key stakeholders appears shifted from the core areas (such as victims and sector) towards other areas (cost, price, politics etc.)

# Quick Initiatives required for Narrowing Down the Gap between Commitment and Delivery

- Various commitments made by different stakeholders in terms of providing long term financial support, providing long term treatment for injured workers, making arrangement of employment and taking responsibility of the orphans etc.
- All key stakeholders are found to fail to meet their commitment in full although they have taken various initiatives which partly meet the required need of the victims and their families.
- The government should fulfill its pledge regarding financial support, treatment facilities and legal measures etc.
- BGMEA should fulfill its pledge to provide salaries and dues of missing workers, compensation for the victims and their families, reemployment of the victims as per their capacity and requirement, provide long term treatment support to injured workers, take responsibility of all the orphans till they become adult etc.
- Buyers/retailers/brands should meet their pledge for providing long term financial support under the ILO convention by ensuring their participation with significant financial involvement which will meet the requirement of the victims and their families.

#### Ensuring Long-term Planning and Activities for the Victims and Their Families

- The disaster of the Rana Plaza is a new experience of the industrial history of Bangladesh as well as of the world.
  - Every day new issues have been emerging which have not been experienced earlier.
- The extent of disaster is so huge and robust that a 'business as usual' initiative would not fulfill the need of the victims.
- This is true not only in case of ensuring long term financial requirement of victims' families but also in case of long term physical and mental treatment, special employment arrangement according to their physical condition, long term support for the orphans until they are able to take their responsibilities etc.
- Often various support initiatives appear to be sporadic in nature which lack 'inclusivity' and 'robustness' in terms of victims' requirement.
- A long term programme focusing on sustainable livelihood needs to be formulated for the victims and their families and thereby undertake appropriate support measures.
- Taking the experience of the Rana Plaza tragedy and Tazreen Fashions Fire tragedy a framework of actions need to be formulated to support the victims of large-scale disasters.

# Delaying in Paying the Compensation/Financial Support in Other way Indicate Denying the Entitlement

- The victims immediately need long-term financial support for meeting their dayto-day expenses.
- The support received by these families could ensure their immediate and short term need which is not sufficient for long term needs.
- The first initiative that needs to be fulfilled is to provide compensation as per the national law. In this context, the High Court should immediately provide the directives to provide the compensation as per the suggestion made by the committee formed for this purpose.
- It is expected that the High Court should provide a guideline regarding who will take how much responsibility regarding the payment of compensation.
- Despite various other ongoing initiatives for providing financial support, there is no scope to consider it as less important or as 'additional' along with those initiatives.

# Delaying in Paying the Compensation/Financial Support in Other way Indicate Denying the Entitlement

- The 'Rana Plaza Trust Fund' despite lots of 'high' initial commitments has yet to come out manage fund at an 'acceptable' amount.
- The targeted amount has been scale down almost half from the initial projection perhaps because of lack of adequate interest shown by the buyers/retailers/brands.
- A number of buyers have taken initiative outside the Trust Fund initiative which needs to be aligned with the trust fund to ensure better coordination among various initiatives.
- However, legally entitled measures under national rules should not be aligned with any other national and international voluntary initiatives.

#### Special Employment Scheme is Needed for the Victims

- Given the special kinds of causalities, most of the victims seem to be unable to maintain a working life similar to that of 'normal' human being.
- This refers to deficiency in efficiency and productivity, lack of ability to pursue job for long term, unable to work in factory building because of trauma problem, lack of ability to pursue jobs without special arrangement of jobs due to loss of limbs and flexible working hours for jobs etc.
  - Some even have lost their ability to pursue any kinds of jobs.
  - A 'business as usual' initiative would not comply for the needs of the victims.
- Government and BGMEA, BKMEA and Employers' Federation should play a proactive role with regard to make necessary arrangement for ensuring employment for the victims as per their physical and mental capability.

#### Legal Measures against the Alleged Persons Need to be Speeded Up

 The CID should immediately complete its investigation and take measures to frame cases against the alleged persons without delay

# Equal Standard should be Maintained in Factory Inspection by the Inspecting Companies and Similar Remediation Measures to be Provided

- The ongoing inspection process of garment factories should maintain the similar standard in terms of identification of problems and challenges, the suggested measures, and the remediation plan.
  - In this context, a common reporting format should be maintained in the inspection process.
  - It is important to disclose the information of inspected factories if they fail to comply once the stipulated time for each of the activity is over
- It should not be forgotten that any casualties in the future if it is found to be related with faulty inspection either of the initiative would seriously raise question of 'branding' image which these initiatives are expected to develop in this process

# Temporary Closure of Factories due to Faulty Structure should not be Synonymous to Worker Lay-Offs

- A number of factories have closed down due to faulty structure which is suggested to do necessary remediation and restructuring within a stipulated time.
- As per understanding workers are to be compensated during the time of closure of the factories.
  - While few factory owners paid the basic wages and other dues with the understanding that workers will continue their job once it will be opened.
- Given the limited financial ability of some of those factory owners, it is important to share the financial burden by the buyers/retailers of those factories till the factory return back in operation.
  - Recently Alliance has indicated to provide half of the basic wage for two months which need to be extended till the factory resumes its operation according to the set timeline.
  - It is expected that buyers/retailers involved with Accord should come forward to take similar kinds of responsibility.
  - Similar measure needs to be ensured by the factories inspected by the ILO.
  - However, workers also need predictability regarding period of waiting for resumption of the factory as they loss more than half of their take home payment due to lack of job.

#### Temporary Closure of Factories should not Meant for Laying Off Workers

- In case a factory needs to be shut down permanently, workers should pay all the dues as per law.
- Given the shortages of workers in the sector as claimed by the associations (30% of workers means about 1.2 million), there should not be any problem in getting job in 'complaint' factories where workers are needed
- In this context, BGMEA/BKMEA should publicly disclose factory related information about shortages of workers which could be helpful for the prospective job seekers.
- Since labour migration in urban areas usually take place under chain migration where location plays a vital role, labour leaders of different areas should come forward to help settled down in case workers need to shift to new places.

# Refurbishment of Factories should be Completed as per the Suggested Timeline

- The measures suggested for reconstruction and refurbishment are mostly related with fire and electrical safety which are considered to be vulnerable for workers' life.
- Most of these measures are not so costly and difficult to implement; hence those measures could be taken in a time-bound manner.
  - However, some of the suggested measures would be costly.
- Overall, most of these measures are found to be implementable in the set timeline.
- In case factories need resources for remediation, accord and alliance should take necessary measures for making available of those resources as per their agreement and commitment.

# Appropriate Measures Need to be Found Out to Make 'Sub-contracting' Factories 'Compliant' but also 'Viable', 'Profitable' for Business

- The small and 'sub-contracting' factories which are often found to be 'non-compliant' need to be 'complaint' for the workers.
- However, without making changes in the business-practice(by taking sheer profit by local large factories acted as 'buyers') it would be difficult for these factories to bear the additional cost for maintaining compliance.
- Hence local factory owners as well as international buyers should come forward to ensure sufficient 'CM' charges for sub-contracting operation.
- In this context, finalization of the framework for sub-contracting activities by ensuring responsibility of local 'buyers' as well as 'foreign 'buyers' in the operation need to be ensured.

#### Improvement in Compliance Standard in the Factory is a Continuous Process

- It is important to realize by the stakeholders that improvement of compliance standard need to be maintained in the future.
- In this context, key stakeholders such as government, associations should be proactive in maintaining that standard in the future.

# Upgrading the Capacity of the Ministry of Labour and Fire Service and Civil Defense Authority

- Government should take a principal stand to consider the 'Ministry of Labour and Employment' as one of its top priority ministry.
- In that context, necessary resources should be allocated both under revenue and development budget with a view to improve its operational skills by making arrangement for training and providing logistic support to the staff.
- Similar support is needed for fire service and civil defense authority for improving their human and technical skills.

#### Building the Local Ownership of Reform and Restructuring Activities

- The ongoing monitoring, inspection and reform and restructuring activities are being carried out largely outside the purview of the local monitoring and inspection authorities (MoLE and FSCD).
  - It is important to take proper measures in the coming years to train the local authorities about the new standard, inspection and monitoring process, reporting mechanism, follow-up monitoring and enforcement etc.
  - The ultimate objective is to ensure local ownership in the monitoring process.
- A framework needs to be developed in the transitional phase regarding preparation of the local authorities for ably taking the responsibility and able to maintain the standard once the phase is over.

# Thank you!