



CPD Dialogue
Rana Plaza Tragedy: Two Years After

FOURTH MONITORING REPORT

**Moving Beyond the Shadow of the Rana Plaza Tragedy:
*In Search of a Closure and Restructuring Strategy***

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Major Highlighted Issues

1. Number Debate
2. Support for the Victims of Rana Plaza Tragedy
3. Restructuring and Reform in the Garment Sector
4. Initiatives of Accord, Alliance and NTPA
5. Initiatives undertaken by the Development Partners
6. Recent Trends in the Global Apparel Markets

Background of the Fourth Monitoring Report

- Two years have elapsed since the Rana Plaza Tragedy
 - various measures taken over the last two years, there still remain lots of unresolved issues
- CPD and 13 civil society think-tanks undertook an independent monitoring initiative during the first year
 - It had tracked the progress of various initiatives
- With the end of the second year, CPD considers it pertinent to revisit the level of progress in those initiatives
- It was expected that the stakeholders would try to fulfill their commitments by the end of the second year,
 - But at present a number of concerns surrounds the commitment of the stakeholders.
 - This poses the critical question- How is Bangladesh going to end the adversities of the Rana Plaza Tragedy?

Framework of the Report

- After two years of targeted programs, it appears that the Bangladesh RMG sector is at the 'midst' of the reform process.
 - This presents an opportunity to evaluate the effectiveness of the initiatives in terms of their impact on the objectives.
 - There is a growing need to designate a timeline for the end of the measures and to conclude the restructuring process.
- The framework of the study focuses on how Bangladesh's RMG sector is going to conclude the Rana Plaza tragedy through various measures
 - Present report intends to examine different changes from that framework.

Issue 1

Number Debate

- The debate over total number of victims of Rana Plaza tragedy is still not over
- Out of the 365 workers who were initially not traced, a total of 206 workers have so far been identified through DNA test
 - Another 85 workers are not yet been identified
- Overall, 159 workers have been claimed to be missing which is currently being verified.
- During the second year, no additional missing workers have been identified
 - Either through use of DNA test or through verification of documents submitted by victims' family members.
- MoLE's efforts to verify missing workers need to be realized immediately

Current Status of Missing Workers

Source	Date	Total Missing Reported	Identified so far	Still missing
The Daily Star	March 8, 2015	322	200	122
Ministry of labor and Employment	February 1, 2015	365	206	159 (Identification under way)
BGMEA		Not Reported	206	Not Reported
Dhaka Tribune	March 15, 2015		98 of 166	166

Source: Prepared by Authors

Snapshot on Current State of Selected Victims and Their Families

- CPD has conducted a telephone interview during April, 2015 with a selected number of victims and their family members
 - Injured (6), deceased (4), Identified (1) and unidentified (1)
- Despite various initiatives, victims and their family members are not at the same level compared to their condition prior to the collapse of Rana Plaza
- Among the injured workers, few are employed locally in off-farm jobs
 - After receiving training under various initiatives founded by different organizations.
- In most cases their income is below what they received earlier.
 - Those who are unemployed are due to their inability to engage in daily work

Snapshot on Current State of Selected Victims and Their Families

- All the respondent victims are still suffering from various kinds of physical and mental problems
 - Spent a significant amount of money for the treatment
 - Many of them were constrained by inadequate financial capacities
- The amount of support is varied widely between as low as Tk.75,000 to as high as Tk.12 lakh
 - Mainly due to extent of deviation of claimed amount between the number of claimants and to the amount of money received (in two installments)
- Considerable progress has been made regarding the financial support for families of missing workers who have been identified through DNA test
- The amount of financial support received by victims and their families so far is insufficient to meet their needs,

Issue 2

Support for the Victims of Rana Plaza Tragedy

Long term Financial Support: How the issue is being settled?

- Long term financial support for the victims and their families is the most important component to monitor during the second year
- There were two specific initiatives under which long term financial needs have been assessed
 - Under the directives of the High Court, a national the committee has estimated the needs of the victims and their families
 - Under private sector initiative: *Rana Plaza Trust Fund* made another assessment
- The National Committee has submitted its report to the High Court in February, 2014: no progress has been made since then
- A portion of the victims have received support from Prime Minister's Relief Fund in the first year
 - During second year support provided to families of 67 deceased workers and 164 victims who have been identified through DNA test
 - There is unspent donation at the Prime Ministers' Fund which could be utilised

Issue 2

Support for the Victims of Rana Plaza Tragedy

Long term Financial Support: How the issue is being settled?

- Considerable progress has been made with regard to the commitment of the brands/retailers' towards providing long term support to the victims
- Initial estimate for requirement of fund was US\$40 million but the revised estimate reduced it to US\$30 million
 - Includes all authorized payments, income replacement payments and allied care costs
- A total of 5139 victims of 2835 families have received financial support from the Rana Plaza Trust Fund
 - Tk.50000+ 30%+40%=70% of total claim
- Primark has separately disbursed among the victims of two factories located in the Rana Plaza (US\$5 million)
- There is a shortfall of US\$9 mil.: it is still not clear how quickly the remaining amount is to be collected and distributed among the victims

Issue 2

Support for the Victims of Rana Plaza Tragedy

Treatment for Victims: Could They Continue Afford Their Treatment?

- During the first year most of the injured workers received immediate treatment from different local hospitals
 - Funding support and medical supplies from various public and private organizations and individual members
 - Made significant contribution to ensure at least a minimum level of treatment for injured workers
- During the second year, different organisations have provided long term support for medical treatment
 - BILS Support Center: From April 2014 to March 2015, a total of 792 workers received follow-up treatment facility which included doctor's checkup, medicine, diagnosis, pathological test, physiotherapy and psychotherapy
 - RPCC, GK: Medical assessment was provided to 1999 victims which was supported by ILO and CRP
 - Upazila Health Complex provided long term support to 236 victims
 - BGMEA: Support for treatment of 180 victims at NITOR and DMCH for which spent a total of Tk.1.33 lakh taka. An amputee patient received financial support of Tk. 0.91 lakh for the treatment of cancer at Mohakhali Cancer Hospital

Issue 2

Support for the Victims of Rana Plaza Tragedy

Treatment for Victims: Could They Continue Afford Their Treatment?

- Establishment of a prosthetics and orthotics (P&O) school at CRP, Savar with the support of German Ministry of Economic Cooperation and Development under GLZ's project of PSES
 - Paved the way to promote employment of persons with disabilities in the RMG factories
- Due to number of reasons the treatment facility provided by different organisations or the financial support provided for treatment would not be beneficial to all victims.
 - It is difficult for remotely located victims to access treatment services
 - Injured workers suffering from physical and mental problems have to bear their own expenses for getting the treatment facility at a local level
 - Discontinuation of support services would make problem to chronically ill/injured patients who requires to undergo treatment on a regular basis for a long period of time.
 - It's not clear whether amputees take proper treatment during this period.
 - Artificial limbs have limited use and could not be used for day-to-day activity

Issue 2

Support for the Victims of Rana Plaza Tragedy

Reemployment of Workers: Could They Continue New Businesses?

- The initiatives towards the reemployment of the affected workers made progress during the second year.
 - A total 2122 workers have been re-employed up to second year
 - A total of 1239 workers have received training on small business/ entrepreneurship development and have started their businesses (RPCCC, CRP, Action Aid, COEL, Adesh, EMCH, GIZ, Aparazeo, Handicap Int'l)
- Despite that a number of workers who started their business have found different kinds of difficulty in operating their businesses
 - Lack of adequate working capital, lack of demand for such services
- A number of victims are still unemployed as is reported in CPD's interview as well
- Reemployment is a step forward but would make limited contribution to their long term living if sufficient income is not ensured

Issue 2

Support for the Victims of Rana Plaza Tragedy

Support to Victims Children: Is the Support Adequate?

- 700 children of Rana Plaza victims have been affected by the incident
 - During first year, a total of 513 children has been supported by different organizations
- During the second year, most of the organisations have continued their support for the children
- Number of children who received treatment has increased to 621 where an additional 215 children were included in the second year
 - BGMEA: Provided support to 45 orphans amongst which 15 boys have been supported at ORCA Homes, Chittagong, 10 Boys at ORCA Homes, Gaibandha and 20 girls were handed over to Anjuman Orphanage, Savar respectively
 - Prothom Alo: Made a fixed deposit of Tk.50 lakh and interest earned on this deposit will be spent on educational expenses of 20 orphans till they reached the age of 18.
 - BILS: Supports 25 orphan children through 'BILS Support Center'

Issue 2

Support for the Victims of Rana Plaza Tragedy

Support to Rescuers: Did they get adequate support?

- During the first year, 150 rescuers received some financial support from different organisations including Bangladesh Bank.
 - Naripokkho with the help of its supporting partners has also conducted experience sharing sessions with 55 and 3 psycho-social counseling to 75 rescue workers.
- During the second year there has no substantial progress regarding support to rescuers
 - Awarding of Tk. 20,000 each as financial support to 11 rescuers through the Labour Welfare Foundation.
- It is urgent to provide the financial and medical support to the rescuers
 - To provide them with the incentive to join future rescue mission in the case of national need

Issue 2

Support for the Victims of Rana Plaza Tragedy

Legal issues

- During the first year, a total of 14 cases were filed against different accused including owner of the building under different acts and by different organizations.
- During the second year, progress of those cases were rather limited.
- All those cases are now under trail and the case filed by Rajuk is under investigation.
- CID Police asked for five more weeks from High Court to submit the report in May 21, 2015 for two cases that was filed at early period of Rana Plaza Collapse (April 15, bdnews24.com).
- Two cases against the parents of Sohel Rana are approved by Anti-corruption Commission due to illegal acquirement of property estimated to be Tk.17 crore.

Issue 3

Restructuring and Reform in the Garment Sector: How we are proceeding?

USTR Plan of Action

- Undertaking a 16-point plan of action to reinstate the GSP status in the US market
 - Among those, substantial progress has been made with regard to 12 activities
- The areas where further progress is required include
 - Modification of rules as per the amended labour law, development and implementation of training programs for the labour inspectors and worker related initiatives in the shrimp sector and public reporting on anti-union discrimination.
- There are concerns as regards number of activities which have been carried out so far.
 - Delaying cabinet approval on rules of amended labour law
 - Slowdown of approval of newly registered trade unions & harassment of trade union leaders
- Bangladesh's performance till date has been quite impressive.
 - The USTR should take the recent developments positively and should consider the reinstatement of the GSP facility for Bangladeshi products in the US market in the near future.

Issue 3

Restructuring and Reform in the Garment Sector: How we are proceeding?

EU Sustainability Compact

- A total of thirty (30) different kinds of activities are listed on the EU Sustainability compact
 - Out of the thirty, 13 activities can be categorized as either 'fully' or 'substantially' completed
- 17 of the activities can be evaluated as 'partly completed/progressed'
 - Monitoring of the enforcement of labour law through reports prepared by Bangladesh government to ILO, implementation of all rules required by law, ILO's technical assistance concerning freedom of association, development and adoption of additional legislative proposals to address ILO convention No. 87 and implementation and follow-up regarding union related issues
- The list of activities which have yet to take form is sizeable. Concerned stakeholders should take appropriate measures to speed up the process to complete the remaining activities

Issue 3

Restructuring and Reform in the Garment Sector: How we are proceeding?

NTPA

- The NAP enlists 25 commitments that are divided into three categories - a) legislation and policy, b) administrative and c) practical activities
- As of now, 15 commitments have been implemented or have been substantially completed.
- Ten activities has been 'partly' completed
 - Review of relevant laws, rules, and regulations with regard to fire, building chemical safety, review and adjustment of factory licensing and certification procedures, development and implementation of a factory fire safety improvement programme, assessment of structural integrity of all active RMG factories, development of transparent sub-contracting system, development and delivery of specific training and fire safety, development of mass worker education tools, development and delivery of specific training on fire safety for factory inspectors

Progress of Various Activities under Different Initiatives

	Partially	Substantially/Fully
USTR	04	12
EU Compact	17	13
NAP	10	15

Issue 4

Initiatives of Accord, Alliance and NTPA: Where will we stand at the end of the timeline?

ACCORD Initiative

- More than 1250 factories out of 1400 have now been inspected by the ACCORD.
- ACCORD has identified 52605 different kinds of problems in these factories
 - Related to unsafe means of egress, unsafe electrical installations and weak structures.
- Most accord inspected factories face the problem of common safety hazards
 - Lack of fire doors in stairwells, inadequate automatic fire alarm systems, inadequate fire separations and protected exits, lack of lateral stability in structure, lack of accurate structural drawings, inadequate space for electrical installations such as substations
- Till March 2015, 900 CAPs have been received by Accord and handed over to the respective factories: Accord has been publishing the CAPs on their website (683)
- Out of the 52605 different kinds of problems, only 782 (1.5 per cent) have so far been corrected, another 10248 (19.5 per cent) have been pending for verification and the remaining 80 per cent problems are still in present

Issue 4

Initiatives of Accord, Alliance and NTPA: Where will we stand at the end of the timeline?

ALLIANCE Initiative

- Alliance has already inspected all of its 648 factories. Alliance has finalized 300 CAPs till date
- In order to support factory owners to promptly undertake remediation plan as CAPs, Alliance has arranged low cost financing for factory owners
- Both Alliance and Accord have provided training among the workers on basic fire safety issues.

NTPA Initiative

- NTPA with the support of ILO has targeted to inspect about 1500 factories
- BUET has inspected 500 factories while the rest of the factories are to be inspected by two private sector companies
- NTPA initiative is currently facing a number of difficulties in conducting the inspection
 - Out of 600 factories that have received UD certification for export, 450 factories have wrong addresses listed with the BGMEA/BKMEA. Another 500 factories are non-existent
 - An updated and verified list is necessary to complete survey of these categories of factories

Issue 4

Initiatives of Accord, Alliance and NTPA: Where will we stand at the end of the timeline?

- About 800 firms exist which are not members of any organizations such as BGMEA and BKMEA
 - These factories need to be internalized in the formalization process and need to be inspected properly
- A total of 32 factories have been closed because of safety concerns and several thousand workers being affected.
 - In most cases workers received necessary financial benefits from the factory owners and other sources
 - A number of cases where workers have not yet received their proper dues.
- A major concern in this regard is to ensure there is reemployment in the RMG sector.

Table 12: Payment of Workers' Dues in Closed Factories

Organizations	Submission to Review Panel	Factories remain closed	Workers' dues settled in factories	Discussions on going regarding workers' dues
Accord	35	12	07	05
Alliance	19	05	-	-

Source: Prepared by authors

Issue 5

Initiatives undertaken by the Development Partners

ILO Initiatives

- ILO is currently carrying out 20 different programmes related to the RMG sector of Bangladesh with the support of development partners and other international development agencies.
 - Conducting a series of fresher's training courses for 110 newly recruited labour inspectors organized jointly with GIZ in collaboration with Establishments (DIFE)
 - Extended support to develop a road map of labour inspection Plan for 2015 for the DIFE
 - In collaboration with its Bureau for Workers Activities (ACTRAV) is carrying out a series of capacity building activities
 - Currently undertaking the initiative to build health and safety skills in the RMG sector with the support of Canada, the Netherlands and UK
 - Recently established a workers' helpline at Ashulia funded by Royal Norwegian Government
 - Better Work Bangladesh (BWB) is advancing steadily: Till date, a total of 30 factories are working under BWB

Issue 5

Initiatives undertaken by the Development Partners

Other Initiatives by Development Partners

- The major projects currently active in Bangladesh are directed at improving working conditions in the Ready-made Garments Sector funded by ILO, UK, Netherlands, Canada (2013-2016), Better work and Standards (BEST) funded by European Union, Germany, Norway and UNIDO (2008-2015), Technical and Vocational Education and Training (TVET) programmes funded by European Union (2007-2015), Centre for Disability in Development (CDD) funded by European Union (2010-2014), European Commission's Humanitarian aid and Civil Protection Directorate General-Disaster Preparedness (DIPECHO) V and VI projects funded by European Union, Building safety by Denmark, CSR child Labour project Phase II by Denmark, Promotion of Social and Environmental Standard in Industries (PSES) funded by Germany and European Union, Compliance in factories supplying for LIDL and C&A funded by Germany Private funding, Capacity building labour NGOs funded by Netherlands (2012-2015), Bangladesh Water PaCT (Partnership for Cleaner Textile) funded by Netherlands, Health Enables Returns (HER) project funded by Sweden, Centre of Excellence for the RMG Sector funded by Sweden UK support to Bangladesh funded by UK, New phase of the rights and Governance Challenge Fund called Creating Opportunities for the Poor and Excluded in Bangladesh (COPE) funded by UK, Strengthening the Capacity of Independent Workers' Organizations in Bangladesh's Readymade Garment Sectors and Export Processing Zones funded US, Empowering workers to negotiate building and fire safety funded by US, Fire & Building Safety Project funded by US, Improving Fire & Building Safety for Bangladesh's RMG Workers Project funded by US, Fundamental Principles & Rights at Work Project (FPRW) funded by US, Combating Labor Trafficking Program funded by US (2013-2015), Global Labour Program funded by US (2011-2016), Fire and Building Safety Project funded by US, Better Work Bangladesh (BWB) funded by US, Mediation and Conciliation funded by US and EHS+ Centre – Centre of Excellence for the RMG sector funded by US and Sweden.

Issue 6

Recent Trends in the Global Apparel Markets

- A market-wise analysis has been carried out for Bangladesh and its major competing countries
 - India, Vietnam, Cambodia, Indonesia, Pakistan and Sri Lanka for the export of knit (HS code 61) and woven (HS code 62) products for pre- and post-Rana Plaza collapse periods.
 - No strong association is found in major markets: USA, EU and Canada
- A product wise analysis reveals that growth of Bangladesh's top 10 exports to respective markets of USA, EU and Canada are not vastly different from that of its competitor for the same set of products
 - Very high growth rate of export of competing countries for products which are also Bangladesh's top exportable products during post-Rana plaza period may have some association with the tragedy.
 - There might have marginal implications for export of few specific products but not for all kinds of products

Concluding Remarks: Moving beyond the Shadow of the Rana Plaza Tragedy

- This monitoring report focuses on how Bangladesh will recuperate from the tragic past and rebuild its image as one of the 'most compliant' apparel sources in the world

Victims of the Rana Plaza Tragedy

- **Missing Workers:** Based on the available information, it needs to identify families of missing workers whose information meet the sufficient requirements.
- For those whose information does not comply with those requirements, MoLE may request for additional information in support of their claim.
- **Long term Financial Support for Victims and their Family Members:** Given the urgency of the financial support, the shortfall of fund for compensation must be met immediately. In this case, the remaining amount could be provided from the Prime Minister's Relief Fund.
 - There should have a sufficient provision of funds for the remaining missing workers (159) in the Rana Plaza Trust Fund

Concluding Remarks: Moving beyond the Shadow of the Rana Plaza Tragedy

Treatment for Injured Workers

- It is important to prepare a list of victims who are remotely located
- There should have necessary treatment arrangement for them in the nearby public or reputed private hospital/clinic to get the required medical support free of cost and reimbursement of expenses on medicine and commute to and from the hospitals.
- Government may consider allocating additional funds to the specialized medical institutes, to provide free of cost services not only for the main treatment but also for the accompanying treatments and medications.
- Government should also allocate fund for these specialized medical institutes to ensure the provision of those facilities in the future to ensure appropriate rehabilitation of the victims.
- Given the usability of artificial limbs provided to the victims, better artificial instruments need to be provided which would enable them to engage in normal economic activity.

Concluding Remarks: Moving beyond the Shadow of the Rana Plaza Tragedy

Reemployment

- Although, it is admirable that the workers are taking necessary entrepreneurial steps to earn a modest but volatile living, it is difficult to maneuver the challenges they face to ensure sustained development of their standard of living.
- Small entrepreneurs need greater access to low cost credit for properly operating their businesses

Restructuring the RMG Sector

Reinstatement of GSP Facility in the US Market:

- The USTR should take note of the recent developments and consider the reinstatement of the GSP facility for Bangladeshi products in the US market in the near future
 - If Bangladesh outdoes the present rate of achievements in terms of implementation of reforms.

Implementation of the EU Sustainability Compact:

- Government should ensure that all relevant stakeholders complete the remaining activities within the scheduled timeline.

Concluding Remarks: Moving beyond the Shadow of the Rana Plaza Tragedy

Timely Implementation of CAPs by the Owners of RMG Factories

- It appears that remediation of various problems could not be within the directed timeline in the CAPs
 - There are cases where entrepreneurs are not cooperating for the successful implementation of the CAPs.

Inspection of NTPA supported Firms

- BGMEA/BKMEA should use their expertise to identify proper addresses of unidentified firms as soon as possible.
- Remediation of these firms seems to be more challenging given their poor compliance standard as they are indirectly involved with major buyers.
- Allocation of funds for implementing CAPs is crucial
- Government should initiate a discussion with development partners with regard to the necessary fund for remediation work.

Concluding Remarks: Moving beyond the Shadow of the Rana Plaza Tragedy

Initiate Process of Identifying Non-member Firms for Inspection

- Identification of these firms by the DIFE should be completed immediately
- DIFE needs to ensure that they obtain membership under any of the authorized organization.
 - Subsequently, these firms need to be inspected and remediated

Development of the Local Inspection and Monitoring Process

- Regular upgrades of capacity and skill of local authorities become essential to sustain the improvement of compliance standard
 - MoLE has already initiated a number of programmes for capacity development.
- Better result could be accrued through transfer of technology from the international experts and technicians who are currently engaged under the initiatives of Accord and Alliance.
- Government in cooperation with ILO should develop a programme for skill development of the local authorities mainly that of field level staffs for efficient monitoring and proper implementation of the remediation measures

Concluding Remarks: Moving beyond the Shadow of the Rana Plaza Tragedy

Further Research will be Needed

- The sector has transformed significantly due to domestic and external factors.
- The restructuring of the sector would provide it improved competitiveness which would be beneficial for the sector.
 - New competitors are emerging in the global market which would change the global sourcing dynamics.
- Bangladesh itself is progressing towards the upper level of development trajectory where current level of comparative advantages would not be sufficient.
- Further research will be needed
 - To evaluate the changing dynamics of competitiveness, physical and social compliances, sourcing pattern, market and product diversification among a wide variety of factors.

Concluding Remarks: Moving beyond the Shadow of the Rana Plaza Tragedy

- There is already a sign of positive changes in all areas- ranging from improved support to the victims to the development of the sector.
 - The changes are at the 'midst' stage and need to continue to ensure a successful implementation of the reforms.
- It is necessary for all stakeholders to monitor and extensively assist in the proper completion of the remaining initiatives
 - To move beyond the shadow of the Rana Plaza Tragedy and to rebuild the image of the RMG sector at the global scale.

Thank you.
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