

## *Advisory Board Report*

*17 November 2016 Meeting (11:00 am – 12:30 pm)*

The Accord on Fire and Building Safety in Bangladesh (Accord) held its tenth Advisory Board (AB) meeting on 17 November 2016 in Dhaka. Representatives from supplier factories, sourcing agents, the Ministry of Labour (DIFE), IndustriAll RMG trade union federations (IBC-RMG), Accord signatory brands, and Bangladesh NGOs/CSOs participated in the discussions. The ILO RMG Project Manager served as the neutral Chair of the meeting of the Accord Advisory Board.

The Chair welcomed the participants, made introductions, and offered the floor to the Accord Executive Director and Acting Chief Safety Inspector (ED-ACSI) to comment on **follow up items from the previous AB meeting:**

- The Accord ED-ACSI informed the AB he met with the VP of BKMEA in October 2016 to discuss more regular engagement with and input from BKMEA in support of the work of the Accord. The VP agreed to help organize a meeting of the Accord with the Directors level leadership of the BKMEA for these purposes.
- The Steering Committee was informed of the AB request that Accord address the payment of workers' wages and termination benefits of workers affected by factory closure cases. The ED-ACSI distinguished between factory closures based on decisions of the owners versus closures in the aftermath of a supplier being terminated under Article 21 of the Accord. When factories relocate or close after Accord inspections, the Accord works with the owner, brands, and IBC unions to facilitate relocation of the employees and to gather information on workers being paid their due amounts. The Accord agreement, however does not cover the issue of payments to workers in factory closure situations. In cases of factories terminated under Article 21, the Accord requires (under Article 14) for the Secretariat and relevant brands to assist affected workers in finding jobs at other covered factories. The Accord has a functioning protocol in place for these situations where we work closely with the IBC federations. The AB was informed that the SC is open to ideas AB organizations may have on what additionally the Accord can do on issues of payment of wages and severance in closure cases which are not an element of the Accord agreement. Roy Ramesh of IBC stated it is a moral obligation of the Accord and the brands to do more on these issues. He furthered these cases (can) generate bad news coverage of the Accord<sup>1</sup>.

A brand representative asked for clarification on closures related to a Review Panel submission. The ED-ACSI responded that if it is a temporary closure situation for remediation to take place, Article 13 of the Accord requires that affected workers be paid their normal monthly wages each month and remain in employment status for a period of up to 6 months while remediation is performed. If a Review Panel results in a permanent closure, the Accord and signatories are addressing this on a case-by-case basis including through engagement with the supplier factories.

Amirul Haque Amin of IBC stated the Accord should require payment of wages for up to 6 months for all closure cases not limited to cases where the closure is for remediation to take place.

- The ED-ACSI informed the AB that after additional discussion at SC in October 2016, the Accord will continue to apply Article 21 termination to all RMG factories of the owner(s) or group which owns the terminated RMG factory.

The ED-ACSI then provided an **update on Accord implementation:**

**Remediation, Escalation, New Inspections:** the AB was provided the most up-to-date information and statistics on: inspections of newly listed factories, remediation progress, Accord

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<sup>1</sup> The ED-ACSI informed the AB that the information the Accord has on terminated factories is they have not closed after the Accord termination and almost without exception remain in operation.

engineers' follow up inspections (4881), escalation cases (496), de-escalation cases (121), completed remediation cases (35), termination cases (54), statistics on design reviews and approvals (fire, electric, DEAs), and cases handed over to the National Effort (159- terminations, relocations, closures, vacated buildings). Of the 84,567 safety hazards from initial inspections, 60,976 (72.1%) have been reported and/or verified as corrected.

The AB was updated on the Accord efforts to complete remediation at inspected factories both through the additional staff and technical support and consistent use of the notice and warning provisions of Accord Article 21. The Accord presented on the Stage 2 escalation mandatory meetings with factory owners and brands as part of the effort to identify and overcome reasons for remediation delay and to minimize the number of termination cases. The AB was updated on the Accord coordination with BGMEA to obtain their support in contacting their members who are in Accord escalation to help move remediation forward.

One of the brand representatives asked if there was a limit to how many follow up inspections the Accord will perform. The Accord will continue to scheduled follow up visits (approximately every 3 months) until all current remediation items are corrected. Thereafter Accord engineers will continue to support factories and safety committees in maintaining and advancing safety.

A CSO representative inquired on how many workers are employed at factories terminated under Article 21 to which the Accord stated they did not have this figure at the moment but will provide after the meeting.

The Accord Head of Training (HoT) presented on the **Safety Committee and Safety Training Programs** providing information on: the purpose and philosophy of the program; the specific elements of the training curriculum for the management and labour members of the factory safety committee; the general safety informational sessions for all employees at the factories; and progress to date with implementation at the first 220 participating factories. The HoT highlighted the program's message on the human and business benefits of safety at RMG factories and the effective role safety committees play in securing safety. The Accord safety committee and workplace safety sessions have reached approximately 585,000 employees to date. The HoT explained the Accord's conscious decision to invest heavily in building the abilities of the factory level safety committees citing the critical role these have in monitoring and maintaining safety on a day-to-day basis and in addressing safety issues which emerge in an RMG factory.

Roy Ramesh of IBC commented that informational sessions are not the same as trainings and also inquired on how many covered factories the Accord will conduct the program at by June 2018. The Accord HoT and ED-ACSI recognized the general information sessions for all employees are not training sessions. The informational sessions are designed to get essential, basic safety information and safety awareness to every person working in Accord covered factories. After long deliberations of the brand-labour-Accord Secretariat group that developed the Accord training approach, it was agreed this is the most effective way to reach a very large numbers of workers in a large number of factories. The Accord experience to date with the informational sessions is that they are very effective, efficient, cause minimal disruptions to production and operations of the factory, and meet the objective in getting essential information<sup>2</sup> to people working at covered factories.

The Accord ED-ACSI stated it is unlikely that we commence and complete the safety committee and workplace safety programs at all covered factories by June 2018. We receive nominee factories from signatories<sup>3</sup> on a rolling basis and are committed to delivering this program to as many factories as possible in the remaining period of the Accord agreement.

<sup>2</sup> These informational sessions are a 30-45 minute presentation at the factory, during work hours delivered by the Accord assigned trainer. An informational booklet with the content of the safety presentation is provided to every employee in attendance by the factory safety committee members as part of the informational session.

<sup>3</sup> The Accord, through its monthly bi-lateral monthly meetings with BGMEA, has offered that BGMEA also nominate factories for this program.



The ILO Chair informed the AB of the Buyers' Forum request for coordination among the safety initiatives on safety committee programs. He also informed the AB of the ILO RMG project's work with the DIFE Safety Unit to develop guidelines on how to establish safety committees. These guidelines are to be made available to industries to accelerate compliance with this Labour Law requirement. Establishment of safety & health management systems will be an important part of the ILO's work with the MoLE and social partners. The ILO recognized the Accord's support for this work and the value of the Accord's experience and involvement in this work. The MoLE re-iterated their interest and appreciation for Accord's programs where DIFE staff have been directly exposed to the Accord's work and day-to-day operations and systems. The ILO Chair briefed the AB organizations on the status of the Remediation Coordination Cell (RCC) and the importance of the Accord's support for the NPoA in building national industrial safety governance structures and institutions.

**Support for the NPoA:** the Accord discussed the engagement with the NPoA related to recent Review Panel cases; working with the national effort on follow up at terminated factories handed over to the NPoA; and on SC discussions to support the in-country work of the NPoA to develop a fire safety engineering undergraduate degree curriculum within BUET. The Accord will participate in a November 2016 program organized by ILO, MoLE, CDFS on further advancing fire safety in the Bangladesh RMG sector.

**Accord through June 2018 and post 2018:** the AB discussed the priority work of the Accord through the remainder of the agreement. The focus of the Accord's work through June 2018 will be: completing remediation at all inspected factories; inspecting and remediating newly listed factories; delivering the safety committee and workplace safety programs at covered factories; continuing support for the NPoA to best prepare the national actors to meet safety mandates and regulate safety in the RMG; and to expand the Accord's data and public disclosure on the safety committee and workplace safety programs.

The Accord ED-ACSI informed the AB organizations that several of the current signatory companies and retailers are engaged in a process and discussions with the 2 global union signatories on the work of the Accord post-June 2018. These discussions are ongoing.

**AOB:** The AB was informed that the Accord is conducting a search for a CSI.

The Accord ED-ACSI informed the AB that 33 of the 35 of the loans proffered to date by the 4 partner banks of the IFC Remediation Loan Program have been to Accord covered factories. The Accord has provided active support, via assigned Accord staff, to covered factories to assist in obtaining these loans.

With no other business, the meeting was adjourned. The next meeting is to be held in Jan. 2017.