

## *Advisory Board Report*

*23 January 2018 Meeting (11:30 am – 1:00 pm)*

The Accord on Fire and Building Safety in Bangladesh (Accord) held its thirteenth Advisory Board (AB) meeting on 23 January 2018 in Dhaka. Representatives from supplier factories, sourcing agents, the Ministry of Labour (DIFE), IndustriAll RMG trade union federations (IBC-RMG), BKMEA, Accord signatory brands, and Bangladesh NGOs/CSOs participated in the discussions. The ILO Skills 21 Project Chief Technical Advisor served as the neutral Chair of the meeting of the Accord Advisory Board.

The Chair welcomed the participants, made introductions, confirmed the agenda, 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 AB organizations were informed that the first 3 grants from the Inactive Factories Remediation Support Fund (IRF) were disbursed in December 2017. 11 additional applications are under review. The IRF provides direct support to qualified, covered supplier factories who no longer have Accord signatories as their active customers.

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

**Inspections, remediation, and escalation:** the AB was provided the most up-to-date information and statistics on Accord covered supplier factories' inspections and remediation. Of the 1619 currently covered Accord factories, 1518 have published corrective action plans (CAPs). 72,852 of the 86,789 safety hazards identified through Accord initial safety inspections have been reported as and/or verified as corrected. This represents 83.9% of the total initial findings. 92.9% of identified electrical safety hazards, 82.4% of identified electrical fire hazards, and 70.8% of identified structural items have been remediated.

130 supplier factories have completed 100% of the required remediation from their initial inspections. An additional 443 supplier factories have completed 90% or more of the initial inspections remediation. 450 supplier factories have completed all initial structural remediation, 804 all initial electrical remediation, and 168 all initial fire remediation.

For their failure to achieve adequate remediation or because of inadequate cooperation in implementing remediation, 608 supplier factories have been escalated (served notice and warning) under Article 21 of the Accord. 220 supplier factories are currently in Stage 1 escalation. 80 are currently in Stage 2 escalation. 206 factories which were previously in escalation have been de-escalated because of completing required remediation. 102 supplier factories have been terminated (Stage 3 escalation) and face ineligibility to supply Accord signatory brands. The Accord termination period is 18 months and the supplier must also complete all remediation to re-qualify.

Notwithstanding the significant progress in remediation completion provided above, the Accord expressed our concerns with the continued slow pace of remediation with the large majority of inspected supplier factories which are substantially behind schedule in completing required remediation.

The AB received a briefing on a fire safety systems testing & commissioning verification inspections (T&CVIs) training program conducted for the Accord fire safety engineers in October 2017. This 3.5

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week training program was developed and delivered with the fire safety engineering firm, Jensen-Hughes (USA). The training featured a heavy concentration of practical training on-site at Accord covered factories. This is a first of its kind type training of fire safety engineers in Bangladesh. The T&CVI training is of critical importance because virtually every Accord covered factory requires a T&CVI to verify the functionality and compliance of the fire detection and the fire protection systems.

The AB was informed of an ongoing exercise with structural engineering firm, WSP (UK), to review and provide comment of a sampling of structural detailed engineering analyses (DEAs). This collaboration is part of the Accord's effort to accelerate the pace of acceptable DEA submissions by engineers working with covered factories. A DEA is required for a significant majority of Accord covered factories. The DEAs are necessary to determine the specific structural remediation that is required to bring the buildings to standard.

The Accord Deputy Director for Workplace Programs and BGD Stakeholder Engagement (DD-WPBSE) informed AB organizations of progress on implementation of the **Safety Committee and Safety Training Programs (SCST)**.

The Accord SCST has started at 846 Accord covered factories. 152 of these have completed the 7 training sessions of the safety committee members and the 2 general safety information sessions with all employees at the factory. 4843 safety committee members have received training through the SCST (2502 worker reps, 2341 management reps). 916 general safety information sessions have been conducted at covered factories. 1,991,021 employees of covered factories have participated in these safety information sessions. All of these near 2 million employees received accompanying informational booklets at these sessions. Accord trainers have facilitated 66 safety committee meetings of newly trained safety committee members.

The AB was updated on the OSH complaints processed under the Accord OSH complaints mechanism. The Accord has received 497 complaints since Sept. 2014. 364 were related to OSH issues and were processed. 131 were not OSH related, were not processed by Accord, with the information gathered forwarded to the relevant signatory brands and unions and factory management in accordance with Accord protocols. Of the OSH complaints processed by Accord, 183 have been resolved. 96 remain in process. Of the complaints submitted to the Accord, 45 have included subsequent allegations of reprisal towards the complainants. The Accord protects covered factory employees' access to the OSH complaint mechanism and accordingly has processed the cases involving allegations of reprisal. The AB was informed of the recent update to the public report on OSH complaints submitted to the Accord. This report is posted on the Accord website.

**Accord Support for the NPoA and ILO-DIFE Update on RCC:** the AB was informed of the Accord commitment to provide several of our engineering, case management, and data and logistics staff specialists to a 3-day program being organized by the MoLE-DIFE and the ILO related to the development of the Remediation Coordination Cell (RCC) of the National Plan of Action (NPoA). The Accord's support for this program of the RCC is part of our continuous knowledge transfer and experience sharing commitment to the development of the RCC which is modelled on the Accord's operations and approaches.

The representative of the ILO RMG project spoke on developments and challenges related to the RCC. The RCC strategy document has been agreed to by the NPoA members and has set remediation of NPoA factories as an immediate term goal; absorption of Alliance and Accord factories as a medium-term goal; and a functioning national industrial safety unit as a long-term goal. An implementation agreement with DIFE and ILO is in place since December 2017. The terms of reference for the RCC National Steering Committee are in final draft stage and expected to be agreed to in the near term. A Request for Proposal for the contract tender of the firm which will help build the RCC is currently being reviewed by ILO Geneva.

The ILO representative stated the RCC is established and beginning to function. The RCC currently has 24 DIFE engineers and 8 FSCD fire safety specialists. They will be used to follow-w up

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remediation progress of NPoA factories until the contracted firm is deployed. The DIFE-IG has held 19 meetings with factory owners who own the buildings in which their RMG factories are situated. These owners have committed to completing remediation of their factory buildings. A remediation toolkit has been developed for the DIFE to distribute to NPoA covered factories. Of the 1549 factories inspected by the NPoA, 745 remain covered. Of the 328 that required structural detailed engineering analysis (DEA), 70 have reported started the work on the DEA. 21 NPoA factories are reportedly completed with inspections remediation.

The ILO RMG representative recognized the Accord for the contributions and consistent support for the work with the NPoA and the development of the RCC.

**Engagement with BGMEA and BKMEA:** the AB was informed of the BGMEA commitment, via the monthly Accord SC Reps-BGMEA Leadership meeting of Dec. 2017, to organize a program with all BGMEA members affected by Accord Stage 2 escalation. The purpose of this program is to avert BGMEA members and Accord suppliers from being terminated over non-compliance with Accord signatory requirements. The program was held on 30 January 2018.

The AB was informed of the Jan. 2018 meeting of the Accord and recently elected BKMEA Board. The new BKMEA board members committed to continuing the regular meetings with the Accord to be able to provide feedback, raise questions, voice grievances, and work collaboratively regarding implementation of the Accord at BKMEA member factories. Technical fire safety issues, Accord support for the RCC, the Accord OSH complaints mechanism, remediation support and the Inactives Fund, follow up inspections, new safety findings, and Accord engineers' application of inspection standards were issues of discussion at the Jan. 2018 meeting.

**2018 Transition Accord:** the AB was reminded of the statement issued by the Accord on 26 October 2017 regarding discussions in Dhaka between 2018 Transition Accord brand and union signatories, the BGMEA, and the GoB (Min. of Labour, Min. of Commerce). AB members were provided the statement which presents the continuation of Accord operations, Accord support for the national regulatory body to which the Accord's work will ultimately be handed over to, and the readiness conditions to be achieved for such handover. A joint monitoring committee of Accord signatory, GoB, BGMEA, and ILO representatives will monitor the progress of the national regulatory body in meeting the readiness conditions.

**Discussion, comments, and questions with AB organizations:**

The CPD representative inquired on what follow up the Accord did to ensure eligible factories were aware of support through the Inactives Remediation Fund. The Accord informed the AB every eligible factory was contacted, in writing, on two occasions and each was also contacted by telephone to confirm they received the information on the IRF and how to access it. The CPD representative also inquired on the most common OSH complaints received. The Accord replied these include: fire safety violations (blocked passageways, blocked stairwells, blocked exits); structural violations (cracks in walls, beams, columns, floors, excessive loading); and allegations of bad language or slapping from managers towards workers.

CPD inquired about the cause for delays in completing remediation. The Accord stated the reasons vary. A large factor is many of the factories have delayed in doing the remediation. Other factors include time consumed in completing the DEA process; testing & commissioning requirements of the fire detection and protections systems after installation, engineering firms hired by factories not meeting timelines for delivering the work, and in some cases financial constraints of the supplier factories.

CPD questioned if the Accord after June 2018 would have a more administrative role to which the Accord responded our work will include: factory inspections, completion of remediation, safety training at the factory level, implementation of the complaints mechanism, and that Accord will continue to have a significant focus on supporting the NPoA and RCC so that a successful hand over takes place.

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The NGWF/Accord SC representative asked why so few (17) eligible suppliers have applied for support through the IRF (because it is frequently reported that factories need support for remediation). The Accord stated we are not certain why the response is low. Particularly, with the efforts we have made to make sure they are aware of the IRF.

The DIFE representative inquired on how many of the factories where the Accord has started the SCST have unions and how many have WPCs. The Accord informed the AB 33 of the SCST participating factories have a union. The remainder have WPCs. The DIFE also asked where does the Accord receive OSH complaints from to which the Accord replied: safety committee members, workers who have participated in the AEMs (and received the informational booklet), and union federation representatives are the most common sources. The DIFE asked if the Accord will forward complaints we receive to the DIFE to which the Accord replied that our OSH complaints mechanism does not preclude the complainants from also utilizing the MoLE mechanism. The Accord furthered we would take the request under advisement.

DIFE asked if safety committees trained by Accord are submitting minutes of their meetings to the MoLE. The Accord replied that this is not monitored by the Accord. The DIFE inquired on the number of factories covered by the Accord and on inspections of factories that were previously covered by the NPoA. The Accord stated we need to receive the full inspection reports from the NPoA inspections and that we then conduct follow up and verification inspections to ensure remediation is completed once the factory becomes Accord covered.

The BLAST representative asked about the factories which have been handed over to the NPoA from the Accord. The Accord explained that 399 factories have been handed over to the NPoA since 2014. These are factories which have closed, were relocated by their owners, or have been terminated under Article 21 of the Accord. BLAST asked for clarification on OSH complaints that are not resolved to which the Accord responded these mainly include complaints that are resolved separately by the parties, complaints that are withdrawn, and complaints where the complainant cuts off communication with the Accord or otherwise is not responsive to Accord efforts to contact.

The BKMEA representative asked on how many factories have been terminated because another RMG factory of the same owner(s) did not comply with Accord signatory requirements. 22 factories have been terminated due to the non-compliance of one of the owner's other Accord covered RMG factories. BKMEA also asked if Accord processes general labour complaints through our OSH complaints mechanism to which the Accord replied our mechanism is limited to complaints or elements of complaints which are related to health and safety. The Accord also covers cases where complainants allege they were retaliated against or faced reprisal for filing a complaint with the Accord.

The Next representative commented that excessive work hours, excessive overtime, and excessive workload allegations have been considered as OSH complaints which the Accord has processed. The Accord attested to this and that these types of complaints are considered to be occupational safety and health related.

The Next representative raised concerns regarding delays attributed to the Accord operations related to remediation and responding to associated queries. The H&M, Distra, and LC Waikiki representatives stated they have also faced similar delays including on Accord recognizing remediated factories. The Accord stated that we believe the Accord operations are quite efficient and responsive and also recognized we always strive to improve. We asked the signatories and covered factory representatives to escalate delayed responses or other problems they may face to the departmental managers and if necessary, to the Executive Director. The Accord recognized delays or non-responsiveness are not acceptable. The Accord also committed to following up with the brands on the particular cases they raised.

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H&M inquired on a technical issue related to negative suction of pumps in the fire protection systems and queried if this was an Accord initiated change to the standard. The Accord replied that we have several covered factories that have installed pumps with negative suction. NFPA does not allow for negative suction and the Accord standard also does not allow for this. This has been the Accord standard from the inception of our work and the Accord has communicated to covered factories that fire protection system pumps must be installed in accordance with NFPA.

The BILS representative asked how many workers are employed in the factories that have been terminated under Article 21 of the Accord. The Accord has information, provided at time of listing, on the number of workers for 72 of the 102 terminated factories. These 72 factories reportedly have a total of 54,593 workers.

The UFGW/Accord SC representative commented that the progress of the NPoA and the RCC has been slow and impacts the Accord. He stated that there has been negativity towards the Accord and its continued work but little progress with development of the RCC which is supposed to regulate safety and take over the work of the Accord. He furthered that the lack of progress puts the industry and country at risk if another tragedy happens. He requested that this observation be communicated to the NPoA and the ILO officials.

The ILO RMG Project representative acknowledged that RCC development progress is slow but also stated there is progress. In addition to the points ILO raised in their previous comments on the RCC and NPoA, they stated remediation guides and manuals are in their final stages towards approval and that RCC work is expected to accelerate in 2018 with the award of the RFP contract. The DIFE representative added that NPoA factories which do not complete remediation by May 2018 will be closed until they do.

**Other business:** the AB was informed of the appointments in Dec. 2017 of Mick Bride as Deputy Director for Workplace Programs and BGD Stakeholder Engagement and of Joris Oldenziel as Deputy Director for Implementation.

The AB received the recent statement of the Accord Global Union Federation (GUFs) signatories related to the voluntary settlement of a case filed by the GUFs under Article 5 of the Accord which was to be heard by the Permanent Court of Arbitration.

The Next representative spoke and inquired on work related to elevator safety and boiler safety and on the Accord's potential work in these areas. The Accord informed the AB organizations that we have been in discussions with the ILO, Chief Inspector of Boilers, and the DIFE on the issue of boiler safety. The AB was informed that boiler safety is an agenda item for the Feb. 2018 Accord Steering Committee meeting. The DIFE stated 4 companies: BV, Lift Service-Chittagong, EQS, and TUV-SUD are recognized by the DIFE-IG for elevator inspection and certification.

With **no other business**, the meeting was adjourned. The next AB meeting is to be held in April/May 2018.