

Advisory Board Report

23 August Meeting (11:00 am – 12:30 pm)

The Accord on Fire and Building Safety in Bangladesh (Accord) held its twelfth Advisory Board (AB) meeting on 23 August 2017 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, 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 representatives were informed that the Article 21 escalation protocol was amended at the May 2017 Steering Committee (SC). The amendments were finalized to integrate recommendations of legal counsel who were contracted by the SC to review the protocol. The AB representatives were informed that the Accord SC has re-confirmed the commitment to defend the Accord against legal actions related to application of Article 21.
- The AB representatives were updated on the ongoing efforts of the Accord to coordinate follow up inspections (FUIs) and remediation monitoring at supplier factories listed with the Accord and Alliance. These efforts include: advance notice of scheduled inspections, FUI report sharing, coordination on remediation design review and acceptance, and technical meetings to ensure consistent application of the fire, electric, and structural inspections standards.
- The AB organizations were informed of the launch of the Inactive Factories Remediation Support Fund (IRF). The IRF provides direct support to qualified, covered supplier factories who no longer have Accord signatories as their active customers. The IRF provides direct, matching funding to allay the cost of completion of remediation. The IRF commenced in April 2017 and has been formally announced to inactive supplier factories, the BGMEA, and Accord signatories. The AB was informed the response to the IRF from inactive factories has been very moderate.

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 engineers' follow up inspections (FUI)(19,957), escalation cases (669), de-escalation cases (196), completed remediation cases (56), termination cases (81), statistics on design reviews and approvals (fire alarm: 1322, fire suppression: 1056, electric: 1177, structural DEAs: 684), and cases handed over to the National Effort (356 - terminations, relocations, closures, vacated buildings). Of the 87,548 safety hazards identified from initial inspections, 69,310 (79.2%) have been reported and/or verified as corrected.

Currently, 561 factories have completed 90% or more of the remediation from initial inspections. 330 have completed all initial structural. 742 have completed all initial electrical. 141 have completed all initial fire. 111 additional factories have reported all remediation from initial inspections is completed. The next scheduled Accord FUIs for these factories will be to verify all remediation is correctly, completed.

Notwithstanding the significant progress in remediation completion provided above, the Accord expressed our concerns with the slowing pace in the percentage of remediation being completed over the past 2 months.

The Accord informed the AB of operational measures introduced over the past several months to improve internal efficiencies in: inspections scheduling, updating public corrective action plans, escalation and de-escalation management, and review and comment on structural DEAs.



The AB received a briefing on the results of an external quality assurance assessment (QAA) the Accord contracted an international engineering firm to conduct in May-June 2017. The QAA engineers checked on the quality and accuracy of Accord verification of corrected safety hazards.

The Accord Head of Training (HoT) informed AB organizations of progress on implementation of the **Safety Committee and Safety Training Programs (SCST)**. 494 factories are now participating in the SCST. 1,364,404 employees have participated in essential safety informational sessions (all-employee meetings) delivered by Accord trainers at covered factories where all production and managerial employees of the factory attend. The SCST program has stalled or been suspended at 45 factories due to: information received that the safety committee was not formed in accordance with BLA rules; unresolved disputes or lawsuits between the management and union; unresolved OSH complaints; and/or advanced escalation and related escalation issues regarding remediation.

The AB was updated on the OSH complaints processed under the Accord OSH complaints mechanism. The Accord informed the AB of the increasing utilization of the OSH complaints mechanism and in receipt of OSH complaints through the mobile helpline during late 2016 and 2017. The Accord attributes the uptick in OSH complaints submitted to the trainings and AEMs being conducted at an increasing number of factories, the distribution and posting of information on the OSH complaints mechanism at SCST participating factories, and the outreach and training programs on the OSH complaints mechanism conducted by the Accord with IndustriAll Bangladesh Council (IBC) affiliated RMG union federations.

Support for the NPoA: the AB was updated on the Accord's support for the NPoA and Remediation Coordination Cell (RCC) as the mechanism supported by the national social partners, ILO, and donors to build a functioning and adequate national industrial safety regulatory body. The Accord served as a resource at a 2-day program organized by the MoLE-IG and the ILO in early August 2017. The Accord Executive Director, Lead Structural Engineer, and Manager of Remediation provided detailed information on the Accord operations, staffing, data management, public reporting, logistics, vehicle pool, costs, and related practical details in implementing the Accord. These details and advice were shared as the MoLE with the support of the ILO set out to contract various professional and technical services to operationalize the recently launched RCC. The Accord committed to assisting the RCC in the development of their data management systems which was identified as a key element in meeting remediation management, escalation management, scheduling, and public reporting obligations of the NPoA and the Sustainability Compact. The Accord committed to present on remediation funding at a program to be organized by the NPoA and ILO in September 2017 as part of our continued advisory and experience sharing commitment.

The ILO Country Director updated the AB organizations on the current status and overarching goals of the RCC highlighting the RCC is in its early stages and has the commitment of the social partners as the national regulatory body to institute building, fire, and electrical safety and labour inspections. The ILO Director also updated the AB on the National Remediation Strategy that is in its final stages of approval by the GoB and social partners (employers and unions).

Discussion, comments, and questions with AB organizations:

The MoLE-IG provided information on the efforts of the MoLE to implement safety remediation with the 480 NPoA covered RMG suppliers who own the buildings which the NPoA inspected. The IG has met with these owners personally to help move remediation forward. The IG informed the AB that the NPoA has 1549 covered RMG factories. The IG inquired to the Accord on how we evaluate the work of the safety committees we work with, train, and support. The Accord Head of Training (HoT) provided details on the data we currently gather on the work of the safety committee and on the feedback we receive from the informational sessions and safety committee trainings we do at the factories.

One of the RMG union federation participants commented on the importance of Accord follow up on safety committee (SC) training to monitor termination of SC members and/or other reprisals against SC members or workers who try to utilize the SC to address safety matters. The Accord HoT



commented on how we obtain information on these types of situations through our active follow up via the SCST program, through interventions of factory SC members with Accord trainers, and through the OSH complaints mechanism. The Accord requested the RMG federations to contact the Accord should they obtain information on such violations of safety and safety committee protections at Accord covered factories.

The H&M representative asked if 100% remediation will be achieved by end of May 2018 at factories inspected under the 2013 Accord. The Accord ED-ACSI replied that for the factories inspected in the first 3 batches (beginning in Jan 2014, Dec 2014, April 2015) we expect a very high percentage to have completed remediation by May 2018. For the 4th batch of inspected factories (beginning in Nov. 2015) we expect a significant portion will not be fully remediated though most will be at a high percentage of remediation completed. For the factories inspected from April 216 to date, we expect varying levels of remediation completion by May 2018. In short and in totality, though many factories will have completed remediation by end of May 2018, there will be significant numbers that will not be fully remediated.

2018 Accord: The Accord ED-ACSI informed the AB organizations that several global apparel brands and apparel retailers and the global union federations IndustriAll and UNI-Global announced the 2018 Accord on 29 June 2017. The ED-ACSI highlighted key elements of the 2018 Accord including:

- Likely 3-year duration with potential 4th year;
- Steering Committee assessment in Dec. 2019 to determine capacity and readiness for hand-over of national safety regulatory body;
- Potential expansion to “other related industries” of signatories on a voluntary basis;
- Protections for wage and severance payments in event of relocations and closures;
- Freedom of association protections related to advancement of safety rights and safety committee work;
- Elimination of tiering from 2013 Accord
- Release of responsibility article (for inactive factories)

The MoLE, Additional IG and a representative of one of the AB CSO organizations inquired on the FoA language in the 2018 and what it means in practice. The ED-ACSI replies that the FoA language in the 2018 is specific to advancing safety rights and the work of the safety committee. In practice, FoA to protect these rights will be integrated into the Accord Safety Committee and Safety Training (SCST) program and the Accord Steering Committee is tasked to develop a complaints protocol to process complaints related to these protections.

With no other business, the meeting was adjourned. The next AB meeting is to be held in November/December 2017.