

Accord Remediation Fund provides financial support to five RMG factories

Safety remediation at five Ready-Made Garment factories in Bangladesh will be completed with financial support made available through the Accord Inactive Factory Remediation Fund

15th May, 2018

The Accord on Fire and Building Safety today approved two additional applications from Accord-covered factories to receive financial support for remediation through the Accord Inactive Factory Remediation Fund, adding up to a total of five factories.

The Inactive Factory Remediation Fund was launched to support Accord covered RMG factories that no longer have any Accord company signatories as customers. Remediation progress is slower at these factories than at factories with continued business with Accord signatory companies.

The factories receiving financial support are Hypoid Lingerie Ltd, Ritzy Apparels, Everbright Sweater Ltd., Ayesha Enterprise Ltd. and Meek Knit Ltd. The amount of support provided thus far totals more than 4 crore BDT (\$ 514,000).

The Accord will contribute to the outstanding remediation costs of these factories and will distribute the funds in four instalments: the first is provided when signing the funding agreement and the remaining three will be provided based on Accord verified completion of the remediation commensurate with the preceding instalment.

To be deemed eligible, factories that submit a funding application must demonstrate they have made legitimate efforts to complete the safety remediation. All immediate safety items (e.g. removal of locking features from the egress doors/gates, load management to relieve column stress) and low cost maintenance remediation items must have been completed.

Tawfiq Quadir, Chairman Everbright Sweater Ltd. says:

“Everbright Sweater Ltd. signed the remediation financial support agreement with the Accord in December 2017. Two months later we have completed the outstanding retrofitting work and the installation of the fire hydrant system.”

Nazmus Sakib Khan, Director Ayesha Enterprise Ltd., says:

“When we applied for the Accord Inactive Factories Remediation Fund, Ayesha Enterprise Ltd had already completed 86% of the safety remediation. After receiving the first instalment, we have completed most of the requirements of the Engineering Assessment (e.g. install permanent RCC water tank, install light weight wall partition panel) and we started the procurement of the fire standpipe system.”

Faruque Khan, Managing Director Meek Knit Ltd., says:

“After receiving the financial support through the Accord Inactive Factories Remediation Fund, we were able to open the Letter of Credit to import the fire detection and hydrant systems. Now we can move forward with the installation.”

The Accord will monitor the factories’ expenditure of funds and will recognize the remediated factories on its website.

Joris Oldenziel, Accord Deputy Director for Implementation, says:

“The funding provided by the Accord through the Inactive Factories Remediation Fund does not require repayment by recipient factories. The Accord will closely monitor the expenditure to ensure that the financial support is spent exclusively on safety remediation work.”

Accord covered factories with no more business with Accord signatory companies for more than six months are encouraged to apply for financial support to complete remediation. The Accord is currently reviewing an additional five applications received from inactive factories.

—

This press release is accompanied by a **set of pictures**.

For more information, please contact:
media@bangladeshaccord.com

Joris Oldenziel, Deputy Director for Implementation
joris.oldenziel@bangladeshaccord.com
Office Amsterdam: +31 (0)20 520 7431
Mobile: +31 614954430