

## **Understanding for a Practical Arrangement on Payments to the Victims of the Rana Plaza Accident and their Families and Dependents for their Losses**

### **Introduction**

On 24 April 2013, the Rana Plaza building (Savar, Dhaka) collapsed, resulting in the loss of life or injury to more than 3,000 victims.

### **Purpose**

The Parties,

1. Noting the commitment to workers' compensation in the National Action Plan, and affirming the goal to achieve it:
  - a. Aim to provide payments to the victims of the Rana Plaza accident and their families and dependents (RP victims) in a transparent and equitable manner according to their losses, as well as access to medical care for victims in need; and
  - b. Agree to cooperate to achieve this mutual aim under the guidelines below in verifying the validity and value of each loss presented, and providing for individual awards to be offset by payments already made;
2. Adopt the following Practical Guidelines for a special arrangement for payment of losses applicable exclusively to workers and their families affected by the Rana Plaza accident
3. Agree to establish a multi-stakeholder Coordination Committee to:
  - a. oversee the implementation of the Practical Guidelines,
  - b. set total levels of funding for payment to the RP victims, based on the requirement of ILO standards
  - c. set a total level of administrative costs for the necessary expert support, and for setting up and servicing a Trust Fund
  - d. adopt procedures for review and decisions on claims as are necessary and appropriate,
  - e. set up temporary expert support, if needed, for the purpose of assisting in the evaluation and determination of compensable losses,
  - f. establish appropriate mechanisms for payments to the victims,
  - g. authorize the payment of awards submitted to it, including from an independent Donors' Trust Fund voluntarily set up for that purpose
  - h. approve a budget for the above resources, review reports and audits of its operation, and authorize amounts to be paid, including from the Trust Fund
  - i. establish internal procedures for its functioning and decision-making.

4. The membership of the Coordination Committee is as follows: representative of the Ministry of Labour and Employment; Bangladesh Garment Manufacturers' Association (BGMEA); Bangladesh Employers Federation (BEF); National Coordination Committee for Workers' Education (NCCWE); IndustriALL Bangladesh Council; Bangladesh Institute of Labour Studies (BILS); IndustriALL Global Union; and nominated brands (El Corte Ingles, Loblaw, Primark) and Clean Clothes Campaign.

5. The ILO, as a non-party, is invited to serve as the Coordination Committee's neutral and independent chair, and may provide technical information when requested to do so by the Committee.

### **Practical Guidelines:**

The Parties undertake to:

1. **Losses to be covered:** Adopt a "single approach" to identifying the type of losses covered and how they are calculated and provided for that is i) consistent with standards of the International Labour Organization (ILO), and (ii) authorized by the Coordination Committee for the immediate purpose of assisting affected Rana Plaza workers and their families (RP victims);
2. **Assistance to RP victims:** Ensure necessary and appropriate assistance to affected workers and their families to effectively submit claims for their losses. This is done by means including:
  - a. providing a service for counselling, assistance and representation if needed to submit claims and provide informed consent to the exclusive and final nature of the process
  - b. providing an accessible process for interviewing the registered and, where necessary, medical assessments;
  - c. seeking to identify and assist those not yet registered, pending which the time for submitting information about their losses is tolled.
3. **Information Management:** Design and maintain a central database which will:
  - a. contain information on RP victims, incorporate the claim form to be submitted by each claimant, record various steps of the claims processing and payments to the victims for their losses;
  - b. receive from the parties and other sources the documented information available to them that is necessary and relevant to calculation of losses and of payments already made to RP victims in order to off-set such payments upon final review of individual claims
4. **To resource the processing and payment of RP victims' losses, the Parties:**

Provide expertise to assist the Coordination Committee for an effective and fair coverage of losses of all RP victims covered by these Guidelines, by providing, if needed, for the use of international expertise for short-term including as supplementary Commissioners if needed and as expert technical staff for collection of information, interviewing, assessment of injuries, and determinations.
5. **In relation to the payments under this Practical Arrangement, the parties:**

Recognize that the payments made by the Coordination Committee are final and exclusive to RP victims for the losses assessed under the single approach (see PG 1).

## **6. Review of progress and termination**

a. If the Coordination Committee considers that insufficient progress is made in implementing the Practical Guidelines, it will review the reasons and any additional measures needed to implement such activities expeditiously. If it considers that the reasons provided or additional measures are insufficient to secure the aim of the Guidelines, the Coordination Committee may take action, as it deems appropriate, to seek changes in the way the Practical Guidelines are implemented which shall be decided in writing, or to discontinue this arrangement after consultation and best efforts to find alternative solutions.

b. The Coordination Committee has the authority to determine and certify, following a submission of all relevant reports and statements from all concerned, that this Arrangement has satisfied its purpose and been successfully implemented. Such determination, to be made in writing and signed by the parties, will end this Arrangement.

*Signed by:*

For the Ministry of Labour and Employment, Bangladesh: (signed)

For the Bangladesh Garment Manufacturers' Association (BGMEA): (signed)

For the Bangladesh Employers Federation (BEF): (signed)

For IndustriALL Bangladesh Council (IBC): (signed)

For the National Coordination Committee for Workers' Education (NCCWE): (signed)

For Bangladesh Institute of Labour Studies (BILS): (signed)

For IndustriALL Global Union: (signed)

As brands: Bonmarché (signed), El Corte Ingles (signed), Loblaw (signed), Primark (signed)

For the Clean Clothes Campaign (CCC): (signed)