

**FIRST EXTRAORDINARY MEETING  
of the Multi-stakeholder Coordination Committee**

Under the Practical Arrangement on Payments to the Victims of the Rana Plaza Accident and their Families and Dependents for their Losses

**March 18, 2014**

**By videoconference Dhaka 5:30 pm; Geneva 12h30 pm; Canada EST 7:30**

***Present:***

MoLE: Khandokar Mostan Hossain

IBC: Roy Ramesh Chandra

BGMEA: Fazlur Rahman

BILS: Syed Sultan

Primark: Katharine Stewart

Loblaw: Bob Chant and Monieka Bos

El Corte Ingles: Bernardo Cruza

IndustriALL Global Union: Monika Kemperle, Deputy General Secretary (Garments)

Clean Clothes Campaign: Ineke Zeldenrust

Executive Commissioner: Motjaba Kazazi

Independent Expert: André Picard

ILO Chair: Janelle Diller, Dan Rees, Srinivas B Reddy, G. Rajbhandari, Md Saidul Islam, Hugo van Noord

GIZ (observer)

***Excused:***

BEF: Farooq Ahmed

**RECORD OF DECISION – ITEM 2**

**2 Primark's activities**

***A. The Committee decided the following points and principles on coordination of approach and communications:***

***1. There will be a unified clear communications message on essentials:***

- There is a single approach that provides for compensation for 3600 victims or their families; this is the Coordinated Arrangement based on C 121 and national law.
- There is no existence of two schemes; the compensation payments are made under one umbrella.
- Primark is taking 100% responsibility for the compensation of the NWB beneficiaries (approximately 60%) that will be calculated and recognised under the single approach. (Primark's methods may result in upwards adjustments or additional financial aid in certain cases.)

***2. As a matter of principle, the technical arrangement for coordination (point C below) will provide for the same or equivalent access to the same or equivalent services for all workers.***

**3. As to timing of payments and managing the communications risk the following schedule and principles are agreed:**

A timeline will be set for all beneficiaries' claims to be prepared and received within 3-4 months and processed within approximately 6 months. The timeline will include the following:

*March 28:* a first batch of beneficiaries (NWB workers) will receive a first instalment of compensation directly from Primark (up to 20%, with exact percentage to be determined by a mathematical ratio between funds available and total estimated amount needed<sup>1</sup> taking into account the decision for an across-the-board payout before April 24 - below)

*Before April 24:*

- a) a second batch of beneficiaries will receive a first instalment of compensation through the Trust Fund following claims processing by April 15 and CC authorization of recommended awards from Commissioners (up to 20% or other percentage agreed – if higher than the first batch, Primark may pay the differential in an additional payment)
- b) all eligible beneficiaries will receive an advance payment in amount of BDT 50,000 before April 24 (total of USD 2 million). A list of eligible beneficiaries will be established by using available lists including Primark's, under a method to be determined by the national stakeholders in consultation with Dr. Kazazi and Primark.<sup>2</sup> This amount would be deducted from the total award due to each beneficiary at time of processing. It was noted that, unless a separate contribution were made for this purpose, the Fund will be used and the 20% instalment on the batches above may be decreased by this pay-out.

*Before 30 April :* the Committee will reconvene to review the fruits of the intensive resource mobilisation pre-anniversary, and come to decision about the roll-out of future payments including setting a time-bound period for Primark to proceed with further percentage instalments to NWB workers. The Committee noted for the record Primark's statement that for its purposes 100% pay-out would be optimal before end of May, and agreed that this would be reviewed by end of April.

**B. The Committee further decided the following on communications and outreach to workers:**

**What:** It will be explained to workers and their families that processing is starting next week and batches are going to be processed and paid (timeline made available), and that an advance payment will be made to all eligible claimants in amount of BDT 50,000 before April 24. These claimants should set up bank accounts at the claims processing centre for this purpose.

**Who:** The CC trade union members will do the outreach in cooperation with the other stakeholders and Primark.

**When:** Comprehensive communications will be conducted before March 28.

**How:** Various methods of communication will be used that are suitable to the aim of reaching the broad population of 3600 beneficiaries. For purposes of communication to NWB workers, the trade unions will verify list of NWB workers with Primark and provide this verified list to the Executive Commissioner. This list will be used for exclusion of direct payments to those workers and for review of the payments under the technical arrangement.

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<sup>1</sup> For this purpose, the total amount needed would be reduced by average rate of the claims paid by Primark.

<sup>2</sup> Dr. Kazazi informed payment of BDT 50,000 would not create an overage of compensation in any case.

**C. The Committee further decided the following basic elements for the technical arrangement, and requested the expert claims review team to implement these and report back to the CC:**

- a) The Coordinated scheme at expert level will review the due diligence safeguards used by Primark in collecting data and making payments to confirm equivalence to those for other beneficiaries.
- b) Primark will provide the following to the claims review team for their use in calculating compensation under the single approach for beneficiaries in the NWB factory:
  - personal information (age, personal status, wage level, dependents, other claim form fields)
  - documented consent of claimants that payment, subject to review under Coordinated scheme, is final and exclusive compensation for losses covered
  - injury assessments and their results as performed by Primark medical team
  - the vulnerability conclusions used in Coordinated scheme for post-award services
  - documentation that individual payments were received; it was noted by a number of stakeholders that transfers by mobile banking accounts are considered risky and vulnerable and, in this respect, Primark will provide a payment method to guarantee receipt by the beneficiaries who are entitled to payments under C 121 and will work out a verification method with claims review team to verify that these payments made.
- c) Any additional resource implications from these technical arrangements will be notified to and discussed with Primark for its confirmation of coverage and, if necessary, discussed with the rest of the CC.

**D. The Committee decided that its decisions under item 2 of this Extraordinary session will be summarized by the Chair in the Minutes and an extract of those decisions will be circulated to the CC members and posted on the website to assist the unified message and public understanding of the coordinated single approach.**