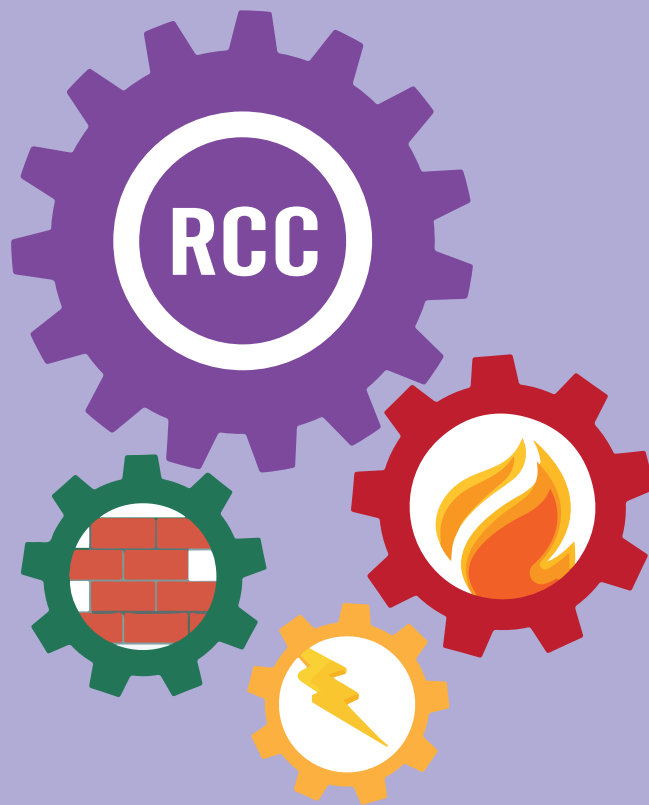




International
Labour
Organization

Remediation Coordination Cell



Canada



Kingdom of the Netherlands





Remediation of ready-made garment factories in Bangladesh

Following the collapse of Rana Plaza in April 2013, a major priority was to inspect ready-made garment (RMG) factories for structural, electrical and fire safety. By December 2015, 3780 export-oriented garment factories had been inspected. The Bangladesh Accord on Fire and Building Safety and the Alliance for Bangladesh Worker Safety inspected factories that their members source from. The remaining factories were assessed by the Government of Bangladesh's National Initiative supported by the ILO's Improving Working Conditions in the Ready Made Garment Sector Programme funded by Canada, the Netherlands and the United Kingdom.

Once the inspection phase was completed emphasis switched to remediation. Two buyer platforms, the Accord and Alliance worked with their supplier factories. The Government of Bangladesh established a Remediation Coordination Cell (RCC) in May 2017 which is overseeing remediation of factories under the National Initiative and will eventually absorb the non-remediated factories of Accord and Alliance when it has the full capacity to do so. The RCC will ultimately evolve into an Industrial Safety Unit.

Roles of key stakeholders in remediation process

Factory Owners

Factory owners will play a major role in the remediation process. It is the responsibility of factory owners to undertake the various remediation steps and to liaise with government agencies when necessary.

Employers' organizations

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) will support the remediation process by encouraging factory owners to carry out required remediation work while also taking steps against any factory that does not carry out remediation as required.

Government of Bangladesh

The government of Bangladesh will ensure coordination between regulatory bodies as well as remediation initiatives taken by factories. The government will execute its legal mandate to ensure enforcement of national laws on building safety and occupational safety and health. Furthermore, the government will ensure transparency in the remediation process and availability of remediation data.

Workers' organizations

Workers organizations will help monitor the process of remediation in factories and act as a channel through which workers can convey any concerns in this regard.

Benefits of Remediation

Factory owners should see remediation as an investment which ensures that their businesses comply with all relevant safety standards. Remediation will help business continuity by boosting the trust of buyers and may lead to more work orders. It will also assure workers that the factories in which they work are safe and thus create greater workplace harmony.

For the government, remediation will enhance the image of the Bangladesh RMG industry as a safe sourcing destination. Consequently this will help to attract more foreign direct investment.

Legal basis for remediation

According to article 61 (2) of the Bangladesh Labour Act 2006 (amendment 2013), if it appears to a labour inspector that the use of any building or part of a building or any part of the ways, machinery or plant (including internal electrical fittings) in the establishment involves imminent danger to human life or safety, the inspector may serve on the concerned employer a written order

prohibiting the use of the establishment until it has been properly repaired or altered.

In addition, a government-appointed Review Panel, headed by the Inspector General of the Department of Inspection for Factories and Establishments (DIFE) can authorize the closure of a factory for safety reasons on the recommendation of a vetted engineering team.

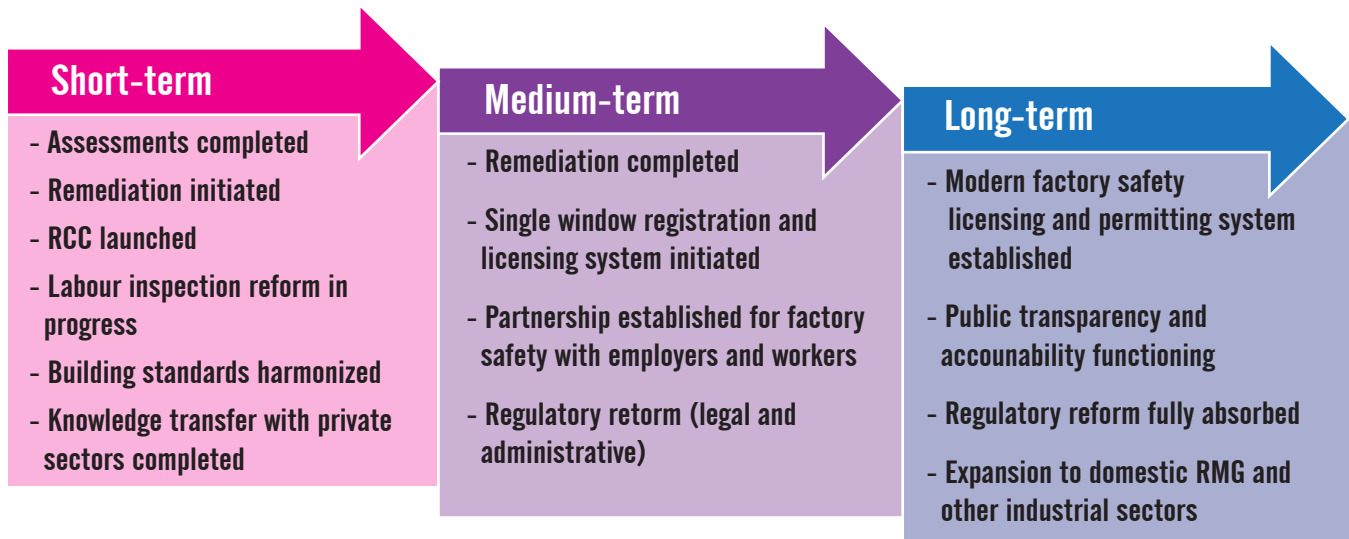
Remediation Strategy

Bangladesh government's remediation strategy for the ready-made garment (RMG) sector is anchored in its commitments outlined in the National Tripartite Plan of Action on Fire Safety and Structural Integrity (NTPA, July 2013) and the Sustainability Compact for the RMG sector (July 2013).

The objective of this strategy is to ensure safe and decent working conditions in the RMG sector of Bangladesh.

Additionally, the initiative will help foster business competitiveness and assist the country in its pursuit to achieve inclusive economic growth.

Goals of Bangladesh government's remediation strategy



For more info visit: <http://rcc.dife.gov.bd>



Assessment and Remediation Process

All garment factories in Bangladesh need to meet accepted standards regarding their structural, fire and electrical safety. In order to do so they need to pass through a process to ensure that they are safe and importantly, once that level of safety has been reached, to maintain it. This process comprises four key stages:

1. Preliminary Assessment Stage
2. Detailed Assessment Stage
3. Remediation Stage
4. Sustainability Stage (maintain factory compliance)

Role of the Remediation Coordination Cell (RCC)

The Remediation Coordination Cell (RCC) is a temporary body established by the Government of Bangladesh in collaboration with employers' and workers' organizations as well as development partners. It is staffed by engineers from the Department of Inspections for Factories and Establishments (DIFE) under the Ministry of Labour and Employment, and other officials appointed by various regulatory bodies, all under the direct supervision of DIFE's Inspector General.

The role of the RCC is to oversee follow-up to the preliminary assessments carried out for ready-made garment (RMG) factories under the National Initiative of the Government of Bangladesh.

In addition, the RCC will identify newly established, expanded and relocated factories, to ensure that they have also followed the assessment and remediation process as necessary. In line with the government's remediation strategy, the RCC will ultimately evolve into an Industrial Safety Unit managed by DIFE in collaboration with other regulators.

The core steps carried out or overseen by the RCC are summarized below:

[--Preliminary Assessment--] [--Detailed Assessment--] [--Remediation--] [--Sustainability--]

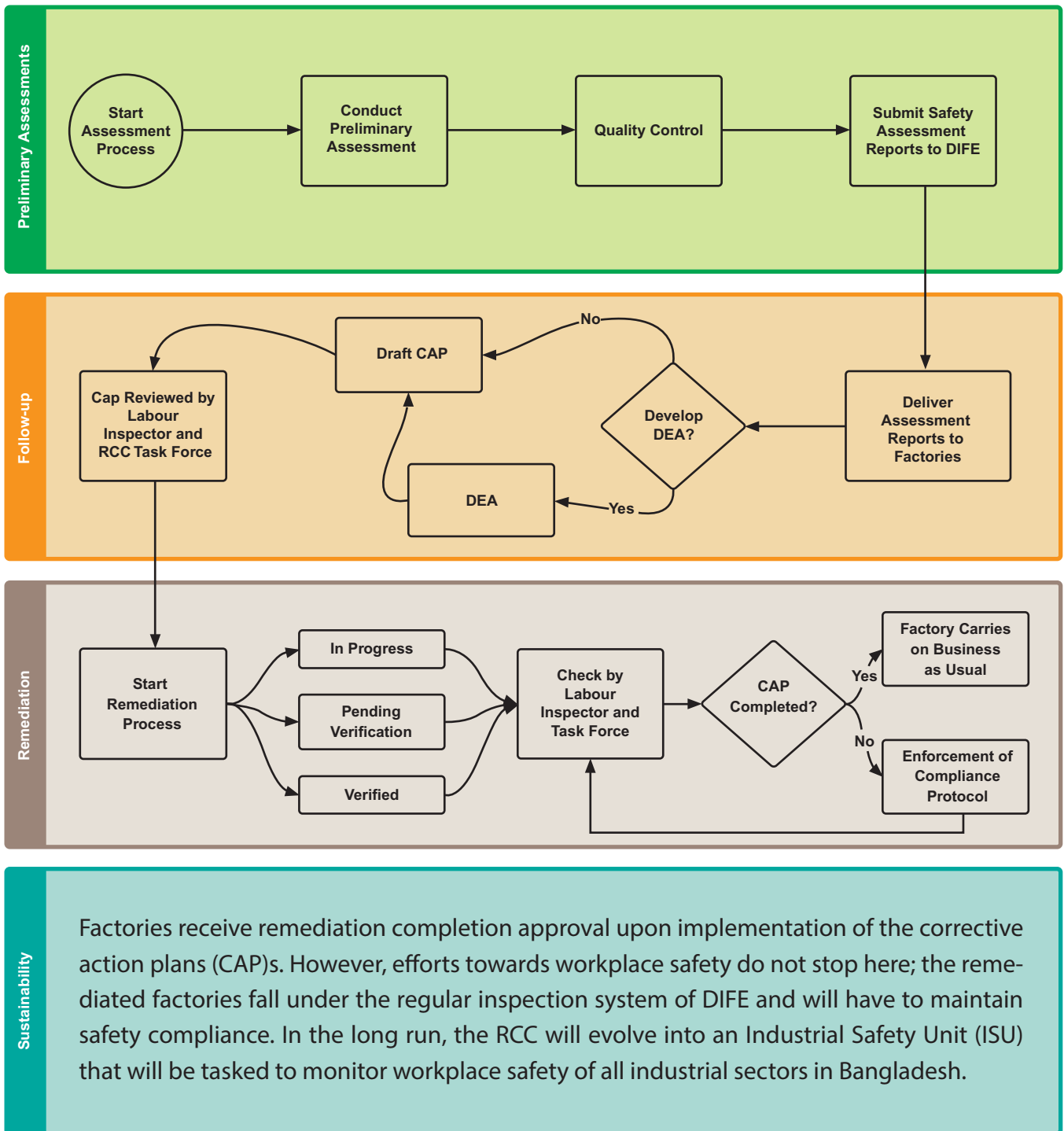


*CAP – Corrective Action Plan

*DEA – Detailed Engineering Assessment

The core steps carried out & overseen by the RCC

The four stages of the assessment and remediation process are as follows:



For more info visit: <http://rcc.dife.gov.bd>



Preliminary Assessment Stage

The purpose of Preliminary Assessments is to assess the structural, fire and electrical safety of garment factories against the standards set out in harmonized national guidelines established in 2013. The results of the Preliminary Assessment are used to develop Corrective Action Plans (CAP)s for factories.

What is a Preliminary Assessment?



Preliminary Assessments are conducted by qualified engineering teams to look at the structural, fire and electrical safety of a factory. Preliminary visual assessments for structures include basic capacity evaluation of critical member/columns or foundations. The assessment process for fire and electrical safety sees various data collected during one and/or multiple field visits to the building followed by data analysis.

The results of the analysis will provide information about the current status of the structural, fire and electrical safety of the building/factory. It will also identify if there is any need for further detailed assessment as well as remediation steps required by the owner of the building and/or the garment factory to attain the required safety standard.

How to have a Preliminary Assessment of your factory?



If you have an operational garment factory that has not yet been assessed by the Accord, Alliance or the Government of Bangladesh's National Initiative then it is

necessary for a preliminary safety assessment to take place without delay. Please contact the Department of Inspection for Factories and Establishments (DIFE), under the Ministry of Labour and Employment, to find out how to go about this.

Submission of Preliminary Assessment reports



Upon completion of preliminary assessments for structural, fire and electrical safety the engineering team will submit the assessment reports to DIFE as well as provide a copy to the factory. Upon review and acceptance of the reports, DIFE will publish either a summary or the full report on its website for purposes of transparency. The period of time in which remediation work must be completed will begin from the date of receipt of the reports by factories.

CAP Development



Once assessment reports are received by factory owners/managers they need to develop a Corrective Action Plan (CAP). A CAP gives details of how issues identified in the preliminary assessment will be addressed as well as the timescale.

During the Preliminary Assessment stage owners/managers are expected to:

- Read and comprehend the content of the Preliminary Assessment reports.
- Ask questions and liaise with DIFE (RCC) engineers to clarify any doubt.
- If no Detailed Engineering Assessment (DEA) is required then submit CAP to a DIFE (RCC) engineer within two weeks of receiving the Preliminary Assessment report.
- If a DEA is required, prepare a plan to carry out the DEA within six weeks of receiving the Preliminary Assessment report.
- Take a proactive approach to improving factory safety by implementing simple remedial actions that can be done immediately.

At this stage the factory can hire a consultancy firm from a roster maintained by DIFE to provide engineering support, to help develop the CAP as well as commission a DEA, if needed.

List of DEA firms: <https://bit.ly/2seqaDn>

For more info visit: <http://rcc.dife.gov.bd>



Detailed Assessment Stage

Depending on the results of the Preliminary Assessment it may be necessary for a particular factory building to undergo a Detailed Engineering Assessment (DEA).

What is a DEA?

DEAs are necessary to determine the safety of a structure when preliminary assessment reports reveal issues that require further analysis or when there is insufficient information available.

A DEA could be recommended to investigate structural, fire or electrical safety issues and involves comprehensive field data collection, measurement/testing and subsequent detailed calculation and analysis as well as recommendations.

The DEA process can see the partial removal or destruction of some structural elements, for example taking a core sample out of a concrete column, removing soil for testing, removing wall or beam finishes and seeing hidden or covered details.

How will I know if a DEA is required?

Results from the Preliminary Assessment stage will indicate whether a DEA is required. Where required, the DEA will be a specific action to be addressed within a factory's corrective action plan (CAP).

How to commission a DEA

It is the responsibility of the factory owner to carry out the DEA. Ideally this should be done within six weeks of being notified of the requirement. A number of engineering firms have been approved to provide either structural or fire/electrical DEAs according to the National DEA Guidelines. Details of these companies and guidelines can be found at the DIFE website. It is important to note that the results of DEAs carried out by any company which is not on this approved list will not be accepted.

DEA report submission, approval and follow up

Upon completion of any DEA, the engineering firm will provide the DEA report to the factory. The factory needs to submit this report to the Remediation Coordination Cell (RCC). RCC engineers in collaboration with engineers appointed by the government regulatory bodies will review the DEA report which will then undergo a final validation check by the RCC Task Force.

If the report is approved it will be returned to the factory for further action. The factory will then need to update its CAP with the findings or recommendations of the DEA report and carry out remediation accordingly. If the report is not approved, it needs to be revised by the assigned engineering firm.

List of enlisted private consultancy firms: <https://bit.ly/2seqaDn>
DEA Guideline: <https://bit.ly/2J6EckN>



Factory Remediation Stage

The Remediation Stage refers to the implementation of the Corrective Action Plan (CAP) which is developed by factories following Preliminary Assessment. A CAP (either with or without a Detailed Engineering Assessment) requires approval by the Remediation Coordination Cell (RCC) Task Force before its implementation. If structural retrofitting is needed, the factory should carry out this work first followed by fire and electrical-related remediation.

The responsibility of factory owners

During the remediation stage, factory owners are responsible for:

- Prioritization of remediation work.
- Planning and undertaking the steps identified in the Corrective Action Plan (CAP) for all structural, fire and electrical components. This may involve careful planning, temporary relocation or closure of factory production to enable remedial actions to be carried out.
- Engaging an enlisted private consultancy firm and in-house building engineers (structural, fire and electrical engineers) to monitor progress.
- Liaising with Department of Inspection for Factories and Establishments (DIFE/RCC) engineers through a case handler.
- Recording progress made to carry out CAPs and submit this information to the RCC at least once every two months.

Monitoring of remediation work

RCC engineers in collaboration with engineers from relevant regulatory agencies monitor the progress and visit factories undergoing remediation.

Final approval of remediation work

The RCC will provide final approval after a Retrofitting Completion Certificate has been provided by an engineering firm (selected by the owner) to confirm that work specified in the Corrective Action Plan (CAP) and Detailed Engineering Assessment (DEA) have been completed.

For more info visit: <http://rcc.dife.gov.bd>



Access to remediation finance

A key to
Industrial safety in the
Bangladesh RMG sector

Credit Lines

Depending on the nature of remediation required, factory owners may need to gain access to loans or other funding. A number of specific initiatives have been established to

facilitate access to loans for ready-made garment (RMG) factory remediation activities at below market rates. An overview of these credit lines is given below.

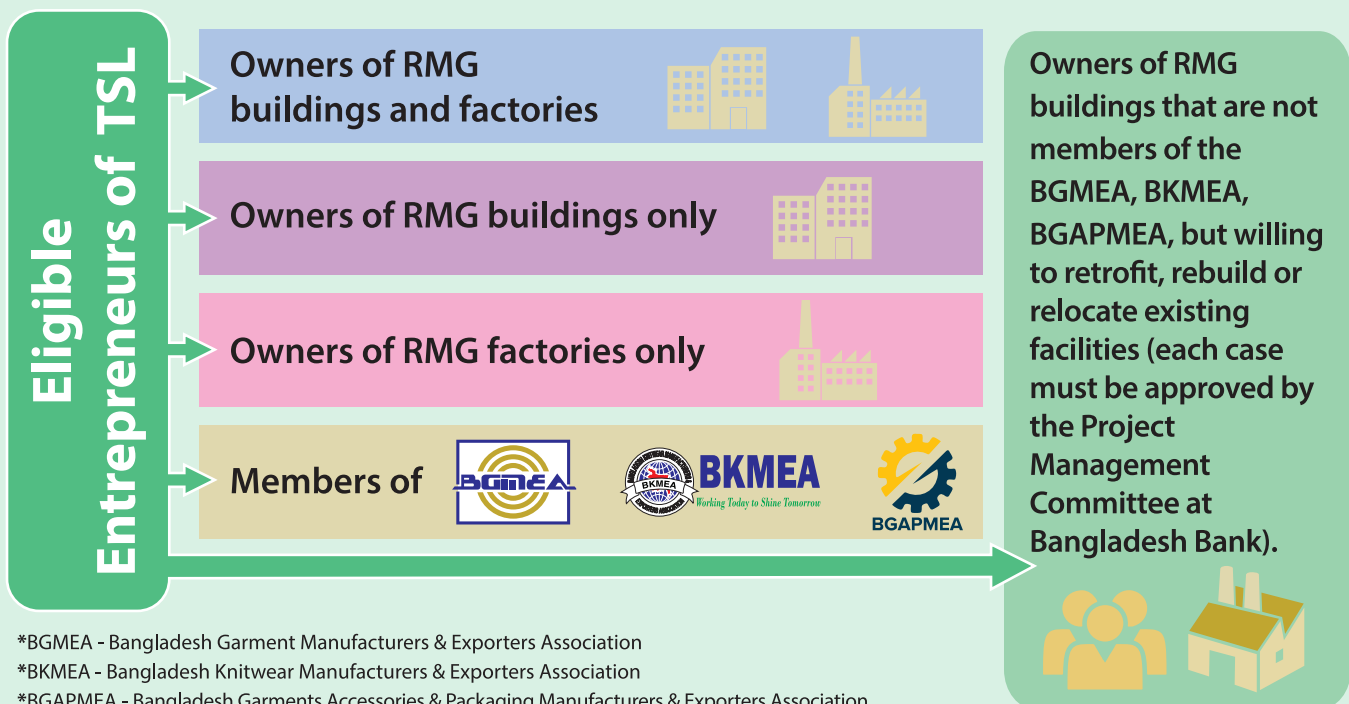
Financer	Total fund	Range of an individual credit line	Participating Financing Institutes (PFI)	Interest rate
JICA	BDT 305 crore	Max. BDT 35 crore	25 commercial Banks*	Max 6%
USAID	US\$ 220,00,000	Average US\$ 250,000	Prime Bank, UCB	Shall be determined by the PFIs
IFC	US\$ 500,00,000	US\$100,000- US\$ 2 million	Prime Bank, EBL, The City Bank, UCB	About 6%
AFD	EUR 500,00,000	Max. EUR 3 million	To be confirmed	Max 7%

*Contact details of the PFIs are attached

Bangladesh Bank-JICA TSL:

Bangladesh Bank has established a Two Step Loan (TSL) fund to strengthen building safety of RMG factories in Dhaka, Narayanganj, Gazipur and Chittagong City under its "Urban Building Safety Project" sponsored by Japan International Cooperation Agency (JICA). Technical supports are

provided through the Project Implementation Unit (PIU) of Public Works Department (PWD). Eligible RMG entrepreneurs will be provided with short and long term financing facilities through PFIs.



Stakeholders

AFD Programme:

The French Development Agency (AFD) has established a financing initiative that will provide technical assistance and affordable funding to the RMG sector. The programme is co-financed by AFD, Asian Investment Facility (AIF) under European Union (EU) and KfW Development Bank while German development agency, GIZ will provide technical cooperation. The objective of the AFD is to support investments of RMG factories related to safety retrofits/remediation as well as higher environmental and social standards.

USAID Guarantee Scheme:

In September 2015, the United States Agency for International Development (USAID) established an US\$ 18 million credit facility for small and medium-size export oriented factories that fall under the Alliance for Bangladesh Worker Safety. The credit facilities are available for factories that have already undergone a safety assessment and have a Corrective Action Plan (CAP) in place. As part of this initiative, the Alliance contributes US\$ 1.5 million to a risk sharing facility.

IFC - Access to low-cost loans through local banks:

The International Finance Corporation (IFC) provides US\$ 40 million to make low cost loans available to factory owners undertaking safety and retrofit activities. The credit facility is available to factories which fall under the Accord on Fire and Building Safety in Bangladesh and the Alliance for Bangladesh Worker Safety. It is being distributed by four Participating Finance Institutions (PFIs) which are using the funds to finance RMG factory remediation work as identified in Corrective Action Plans.



Finance & development partners (IFC, JICA, AFD and USAID):

Mainly mobilize credit facilities in Bangladesh and facilitate the process of selecting PFIs. They help steer the discussion with relevant stakeholders to ease access to finance for end borrowers.



Participating banks (PFIs):

PFIs are responsible for identifying clients, implementing loan agreements, distributing the loan amounts, collecting payments and monitoring the use of the fund as per the loan agreement.



RMG factories (end borrowers):

In line with respective credit facilities, RMG factories receive remediation funds at a given interest rate. In order to obtain remediation financing RMG factories are responsible for producing necessary documents, reporting the status of remediation to the PFIs and proper use of funds as per any agreement.



International buyers:

International buyers help increase the awareness of factory owners about the need to invest in remediation as well as help monitor the implementation of remediation activities.

Contact

Contact information of participating financing institutes

Bank	Credit line
 Mr. Abdul Momen BRAC Bank Ltd. SME Banking Division SAVP & Head of SME ☎ +88 02 8836302	■ JICA - Two Step Loan (TSL)
 Mr. Md. Khurshed Alam Eastern Bank Ltd. (EBL) SME Banking EVP & Head of SME ☎ +88 02 9515078	■ JICA - Two Step Loan (TSL) ■ IFC - Access to low-cost loan through local Banks
 Mr. Md. Kazi Mahmood Karim Prime Bank Ltd EVP & Head of SME ☎ +88 01713 277 693	■ JICA - Two Step Loan (TSL) ■ IFC - Access to low-cost loan through local Banks ■ USAID - Guarantee Scheme
 Mr. Sadat Ahmed Khan Head of SME The City Bank Ltd. ☎ +88 01819 328 980	■ JICA - Two Step Loan (TSL) ■ IFC - Access to low-cost loan through local Banks
 Mr. Saiful A Chowdhury United Commercial Bank (UCB) SVP, RMG Business Division ☎ +88 02 55668070 Ext. 4204	■ JICA - Two Step Loan (TSL) ■ IFC - Access to low-cost loan through local Banks ■ USAID - Guarantee Scheme

For additional information

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For more info visit: <http://rcc.dife.gov.bd>



Remediation Coordination Cell

RCC for Bangladesh ready-made garment industry

Following the Rana Plaza collapse in April 2013, the immediate priority was to inspect all export-oriented ready-made garment (RMG) factories of Bangladesh for structural, fire and electrical safety.

Two buyer groups, the Bangladesh Accord on Fire and Building Safety and the Alliance for Bangladesh Worker Safety inspected factories from which their members source garment products.

The remaining factories were assessed by a National Initiative supported by the International Labour Organization (ILO) with funding from Canada, the Netherlands and the United Kingdom.

With the completion of inspections in December 2015 emphasis switched to remediation. Factory owners are now required to carry out remediation based on the findings of the inspection reports and Corrective Action Plans (CAP)s.

A Remediation Coordination Cell (RCC) established in 2017 is now verifying that this work has been completed for garment factories under the National Initiative.

Why is RCC important?

The operation of the RCC marks a major step towards improving workplace safety in the RMG industry.

RCC is a concrete manifestation of efforts to institutionalize safety reforms which will ultimately benefit all sectors.

The RCC is contributing to building the capacity of national regulators as well as collaboration between them.

Ultimately, the entity which the RCC evolves into will take responsibility for relevant workplace safety issues once support from the Accord, Alliance and development partners ends.

Who staff the RCC?

The RCC is staffed by seconded members of national regulatory bodies including:



Department of Inspection for Factories and Establishments (DIFE)



Fire Service and Civil Defense (FSCD)



Rajdhani Unnayan Karttripakkha (RAJUK)



Public Works Department (PWD)



Office of the Electrical Adviser & Chief Electric Inspector (EACEI)



Chittagong Development Authority

Initially, they are being supported by private sector engineers hired to provide technical expertise for remediation follow up.

What is the vision of RCC?

The longer term vision is for the RCC to evolve into an industrial safety unit or agency that provides a one-stop-shop service.

Any entrepreneur would then be able to obtain all licenses needed to establish a factory from a single window.

This will support safety, efficiency and transparency and contribute to an improved investment climate.

Ultimately the RCC will benefit all industries and workers across Bangladesh.

Who are the RCC stakeholders?

The RCC has been established through the collaboration of the

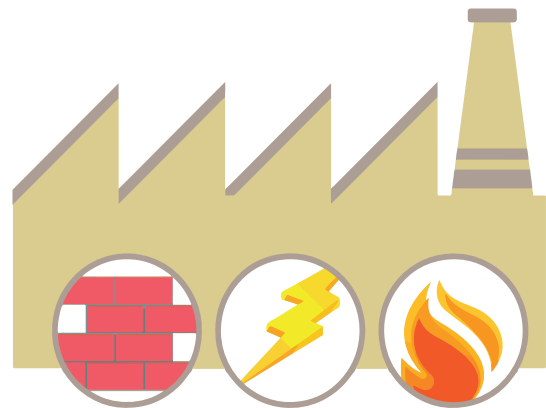
- Government of Bangladesh
- Bangladesh Garment Manufacturers and Exporters Association (BGMEA)
- Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)

Trade unions and international buyers have been consulted on its development while technical support is provided by the ILO with funding from Canada, the Netherlands and the United Kingdom.

What does the RCC do?

The RCC is a temporary unit focused on overseeing the remediation process of National Initiative factories.

This involves monitoring the implementation of Corrective Action Plans (CAP)s including those with Detailed Engineering Assessment (DEA) requirements.



The RCC will help facilitate knowledge transfer from the Accord and Alliance and build capacity of government officials for a sustainable inspection system.

For more info visit: <http://rcc.dife.gov.bd>



For more info visit: <http://rcc.dife.gov.bd>

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