

## **BACKGROUND NOTES**

### **RANA PLAZA DONORS TRUST FUND**

*Maquila Solidarity Network, September 15, 2014*

**Purpose: Long-term compensation for dependents and family members of workers killed and for workers injured in Rana Plaza building collapse.**

#### **What is the Fund?**

- **Administration:** ILO is the sole trustee.
- **The Coordinating Committee** includes representatives of Bangladesh Ministry of Labour, BGMEA, Bangladesh Employers' Association, IndustriALL, IndustriALL Bangladesh Council, National Coordination Committee for Workers' Education, Clean Clothes Campaign, Primark, El Corte Ingles, Loblaw.
- Contributions needed to cover lost income and medical expenses: US\$40 million.
- Contributions to date: \$17.9 million, plus \$1.5 million pledged by Auchan.

#### **What is the status of compensation payment?**

- The first installment of compensation is about to be deposited in bank accounts set up for dependents of 332 deceased victims and for 368 injured survivors.
- An estimated 800 more claimants (180 dependents of deceased and 620 injured survivors) should receive their first installment of compensation in the coming few weeks.
- Because medical expenses and lost income vary between different claimants depending on the worker's age, number of dependents and other circumstances, some will be owed a second installment in the future, while for others this will be the sole payment.
- About 3,600 victims and survivors have been recognized to date. The committee will give a bit more time for other claimants to come forward.
- The Trust Fund website provides case studies of how much dependents and families of deceased workers, as well as permanently injured workers, would receive, **if sufficient funds are available**.
- For an average deceased worker between 20 and 25, the surviving spouse and two parents would receive a total of US\$67 a month, for a total of \$26,750 for life.
- To view other case studies, go to: <http://www.ranaplaza-arrangement.org/mou/claims/examples-of-claims-under-the-arrangement>

#### **What is the situation of the survivors and family members of the deceased?**

- Because of dire need of survivors/families, on April 22, Trust Fund paid 50,000 (US\$640) to each eligible claimant, but the need for long-term compensation is now greater than ever.
- April 2014 Action Aid survey of 1,438 survivors and 785 family members of workers killed reports that<sup>1</sup>:
  - 74% survivors unable to work or to find employment.
  - Emergency assistance provided was used for food, back rent owing, repaying loans, keeping children in school, follow-up medical expenses.
  - 68% of families of workers killed had "a lot of difficulties meeting daily needs."
  - Conclusion: "If [long-term] compensation fails to be delivered, the survivors and families of those that died will continue to suffer and their futures will be jeopardized. Children...

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<sup>1</sup> <http://www.actionaid.org/publications/if-not-realised>

could be exposed to hazardous work and may be forced to drop out of school. Health care of the elderly and disabled will be reduced. Abject poverty is a threat.”

#### **Corporate Action to date**

- Companies linked to Rana Plaza **that have contributed**: Primark (US\$7 million), Loblaw (\$3.37 million), Matalan, Kik (\$1 million), The Children’s Place (\$450,000), Walmart (\$1 million), El Corte Ingles, LPP S.P., Mango, Mascot, Premier Clothing, Bonmarche, C&A, Gueldenfenning (\$500,000), Auchan (Pledged \$1.5 million).
- Companies linked to Rana Plaza **that have not contributed** to date: Benetton, JC Penney, Kappa, Carrefour, Cato Fashions, KANZ/Kids Fashion Group, LC Waikiki, Grabalok (Store 21), Iconix (Lee Cooper), Manifattura Corona, NKD, PWT (Texman), Yes Zee
- **Companies with no links to Rana Plaza that have contributed**: Gap Foundation, N Brown Group, VF Foundation, H&M Foundation, Inditex (Zara), Debenhams, Everlane, Zebra Fashion.
- **Non-corporate contributors** to the Trust Fund: Astraea Lesbian Foundation for Justice, UK Trade Union Congress (TUC), University College Student Association of University College Utrecht.

#### **Government Action:**

- Seven national governments signed June 26 joint statement urging companies that produced in Rana Plaza to contribute, and on the Bangladesh government and BGMEA to increase their contributions and ensure their public accountability: UK, France, Spain, Italy, The Netherlands, Germany, and Denmark. <http://oeso.nl/vertegenwoordiging.org/nieuws/2014/juni-2014/final-statement-on-compensation-rana-plaza-victims.html>
- In her presentation of the June joint statement at the OECD Global Forum on Responsible Business Conduct, Lilianne Ploumen, Dutch minister for foreign trade and development cooperation said: “We recommend that companies that sourced in Rana Plaza contribute to [the] established trust fund... immediately and we invite all companies irrespective of whether they have any sourcing links to Rana Plaza to also contribute.”

#### **What the Canadian government should do:**

- Join with the seven European governments in urging all Canadian companies that have apparel products made in Bangladesh to contribute generously to the Trust Fund without further delay.
- Offer to match the total amount of all Canadian contributions.
- Urge the Bangladesh government and the industry association (BGMEA) to increase their contributions and to ensure public accountability.

**Op Ed by CLC President Hassan Yussuff**, which appeared in the *Ottawa Citizen* on Sept 12 calling on companies and government to act:

<http://ottawacitizen.com/news/national/canada-failed-to-act-after-rana-plaza-collapse>