

Agreement

**Relief for the Victims of the
Ali Enterprises Fire Case**

Pakistan Institute of Labour Education & Research (PILER)

&

KiK Textilien

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Agreement

Relief for the Victims of the Ali Enterprises Fire Case

The Pakistan Institute of Labour Education and Research and the KiK Textilien agree to the following proposal for the immediate relief and long term compensation of the victims of the Ali Enterprise fire; and for institutional arrangements to prevent such incidents in the future; and to equip workers through information, training and other means to realize basic labour rights in the garment and textile industry in Pakistan.

Preamble

Initially KiK wanted to ensure support for all victims and injured people and therefore, immediately after the fire, prepared an emergency relief budget. KiK wanted to make sure that all victims get immediate support – independent of their status. During discussion with PILER and other NGO's, KiK finally agreed on the following formulated solution, which says that in the first instance families are supported, who lost family member, in fire incidence at the facility of Ali Enterprises in Karachi and have not been paid or allocated any compensation yet primarily because they have not been identified.

In addition, a list with the non-identified victims will be compiled as well as a list with the claimants known until the present day. The claimants would have to prove legal relation to the missed victims and present relevant documents of identification.

0) To realize the above objective a phase wise approach will be adopted to compensate the victims.

Those who did not receive any compensation will be supported in the first step. In the next step, a framework will be developed for long term relief for all, including assistance for the families of the deceased and unemployment allowance for the survivors.

1) For the deceased workers:

In the first phase, the families of those victims who have not been identified due to the severity of the burns and the decomposition of the bodies will be paid compensation equal to the level that has been received by those compensated by the government/non-government sources so far (the amounts differ and could be up to US\$ 13,000 per head). This is not payment in full, and will be subtracted from the final compensation agreed upon. The final amount of compensation of all the affectees shall be based on further negotiations with all involved stakeholders and with regards to the contribution of the government, employers, audit bodies and possible other buyers of the Ali Enterprises products.

2) For the surviving workers:

Workers who are facing disability due to injuries during the fire also need to be supported for loss of wages, damages as well as medical costs. Details concerning amount and payment terms will be negotiated within the further process.

KiK has agreed to contribute an amount of up to USD 1 million for immediate relief as required under point 1 and 2. Their contribution for long term compensation under point 1 will be determined through mutual negotiation.

Disbursement of relief:

With regards to the disbursement of the funds, priority would be given to the independent commission that the Sindh High Court may constitute responding to a petition filed by PILER and partners. The KIK would direct its funds to the commission that will extend support to the victims identified and verified on a transparent basis.

However, if the court forms no such commission, PILER would work towards establishing an independent body comprising prominent citizens who have worked on social causes and enjoy clean reputation. The committee may include individuals who are associated with the government agencies for social security and workers welfare. This body oversees the compensation process and makes all the necessary decisions in this regard.

It is proposed that the committee establishes a criteria regarding support payment (selection, verification, mode of payment) and oversees the disbursement process.

For the purpose of assisting the committee, PILER proposes that the funds offered by KiK be handled by the Pakistan Labour Trust through a separate account that should be audited for transparency. The Trust shall only be authorized to receive the funds from KiK and extend the required funds to the independent body for disbursement.

Prevention and strengthening of labour rights:

Additionally but independent from the relief program KiK is willing to support the prevention program agenda, we strongly feel that there needs to be a consensus on the items that are important for the overall promotion of the labor rights agenda in Pakistan. For this purpose, PILER and KiK will work closely together to develop solutions. PILER will consult relevant labour organisations and labour support groups in such an effort. KIK is willing to fund another 250.000 USD in the year 2013.

Furthermore KiK is willing to enter into a dialogue with the Clean Clothes Campaign, PILER and other representatives from the Pakistan's labour rights bodies as well as representatives from export association, employer association and governmental bodies regarding the final compensation and relief package.

On behalf of PILER

Karamat Ali

Name: Karamat Ali
Position: Executive Director / (CEO), PILER
Date: 21 December 2012



On behalf of KIK Textilien

Michael Arretz

Name: Dr. Michael Arretz
Position: Managing Director, KIK
Date: 21-12-12

Michael Arretz
21.12.12

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