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Centre for Policy Dialogue (CPD)

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Social Insurance Forum

on

The Employment Injury Scheme (EIS) of Bangladesh An Interim Review

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I. BACKGROUND AND OBJECTIVES



- The Employment Injury Scheme (EIS) – one of the key components of Bangladesh's National Social Insurance Scheme (NSIS) under the National Security Strategy (NSSS) – has been implemented on a pilot basis since June 2022
 - The foundation for Bangladesh's EIS was laid with the signing of the Berlin Declaration at the Headquarter of the German Social Accident Insurance (DGUV) in 2019
 - The EIS Pilot was inaugurated, covering approximately 40 lakh workers belonging to 2000-3000 factories contributing to the export-oriented RMG sector of Bangladesh
 - The Pilot is built on the vision to produce an efficient, no-fault, and risk-sharing EIS based on the relevant international labour standards
- As per the framework, the general objectives of the scheme are fivefold
 - First, ensuring the payment of benefits for the contingencies' duration and contributing to safeguarding decent living conditions for the victims and their families
 - Second, providing benefits in line with international standards
 - Third, aiming to protect employers from costly lawsuits in case of severe industrial accidents that can affect the industry's reputation as a whole

I. BACKGROUND AND OBJECTIVES



- Fourth, providing for financial and institutional transparency
- Fifth, providing adequate time for the implementation of a full-fledged wage-based EIS in Bangladesh
- Based on the mentioned objectives of EIS, it was decided to collect data from the factory level in order to assess the cost of the benefits and nature of accidents over time
- Since the EIS has passed its first three years, there is a demand for a mid-term evaluation of the EIS to understand major achievements, challenges, and lessons learned for the future
 - This study has been carried out to assess the performance of the EIS and to take the lessons for future course of action on the employment injury insurance system in Bangladesh
 - The study has been carried out by the Centre for Policy Dialogue (CPD) in partnership with the GIZ

Objectives

- The broad objective of this interim study is to review the current status of the EIS Pilot and evaluate its potential for scaling up to the national level by 2027. In light of this, the specific objectives of the study are as follows:
 - To review and analyse the institutional framework, operational mechanism, and financial structure of the scheme
 - To assess the sectoral scale-up of the scheme in EPZs, leather and footwear, and other industries
 - To assess the beneficiaries' challenges, expectations and their social and economic benefits from the scheme
 - To assess the preparation for transitioning into a full-fledged wage-based scheme following the current timeline and activities
 - To identify gaps and challenges, and recommendations for the EIS project to scale it up to the national scheme

CURRENT SCENARIO OF ACCIDENT

Type of Accident	Overall (Share)	RMG (share)
Death	76.2	47.4
Injured	23.8	52.6
Total	100	100

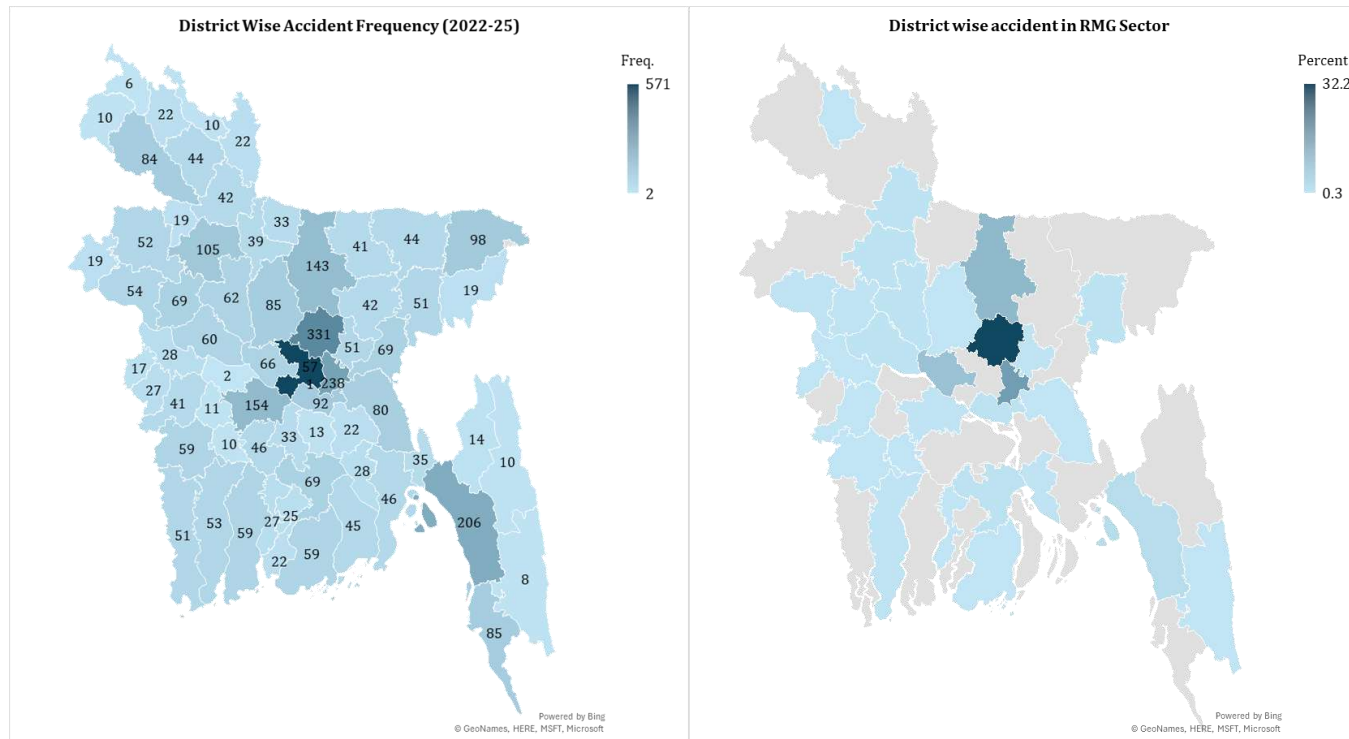
Gender	Overall (Share)	RMG (share)
Female	5.4	39.9
Male	94.5	59.9
Total	100	100

Type of Industry / Sector	Overall (Share)	RMG (share)
Formal	24.6	96.8
Informal	75.5	3.2
Total	100	100

Sector	Death	Injured	Total
Agriculture Sector	428	76	504
Industry & Manufacturing Sector	308	272	580
Infrastructure & Construction Sector	324	108	432
Service Sector	590	258	848
Transportation Sector	1,458	256	1,714
Total	3,108	970	4,078

Year	Overall Share			RMG Share		
	Death	Injured	Total	Death	Injured	Total
2022	62.6	37.4	100	36.8	63.2	100
2023	76.7	23.3	100	47.7	52.3	100
2024	77.3	22.7	100	47.1	52.9	100
2025	81.2	18.8	100	50	50	100
Total	76.2	23.8	100	47.4	52.6	100

CURRENT SCENARIO OF ACCIDENT



Accident in Brief	Death	Injured	Total
Attacked by Miscreant	16	4	20
Cut Injury (incl. finger)	0	4	4
Electrocution	7	9	16
Exposure to Harmful Substance	1	1	2
Fire and Explosion (combined)	7	54	61
Fractured in Leg	0	1	1
Gas Explosion	2	13	15
Got Sick After Eating	0	2	2
Hung to Death	1	0	1
Injury by Object or Tools	2	6	8
Labor Protest Confrontation	6	9	15
Labour Injury (Unspecified)	0	5	5
Machinery Accidents	0	3	3
Others	11	16	27
Road Traffic Accidents (RTA + RTI)	116	49	165
Rape	0	1	1
Slips, Trips, and Falls	4	0	4
Student Movement	11	11	22
Unidentified	0	2	2
Violence and Harassment	4	20	24
Workplace Accident	0	1	1
Suicide	2	0	2
Total	190	211	401

CURRENT SCENARIO OF ACCIDENT

Average age of the victims by accident type and gender

Type of Sector	Gender	Variable	Observation	Average Age	Minimum Age	Maximum Age
RMG	Total	Average	300	30	11	64
	Female	Death	68	29	17	45
	Female	Injured	61	29	15	46
	Male	Death	85	32	16	64
	Male	Injured	86	29	11	57
Total	Total	Total	3,036	35	10	85

Victims of accidents by designation

- RMG Worker
- RMG Worker (Security Guard)
- RMG Worker (Operator)
- RMG Worker (Loader)
- RMG Worker (Quality Inspector)
- RMG Worker (Cutting Incharge)
- RMG Worker (Swing Operator)
- RMG Worker (Finishing - QC)
- RMG Worker (Store Manager)
- RMG Worker (Print Department)
- RMG Worker (Senior Assistant Manager)
- RMG Worker (Helper)
- RMG Worker (Mini Operator)
- RMG Worker (Supervisor)
- RMG Worker (Marker Supervisor)

2. EIS DEVELOPMENT PHASE



2.1. *EIS Foundations and Initial Steps (2019–2021)*

- The process of designing and implementing the EIS took several years and involved extensive stakeholder engagement through webinars, workshops, training of trainers (ToTs), subcommittee meetings, and governance board meetings to build consensus and institutional readiness
- **Signing of the Berlin Declaration (26 September 2019):** This declaration aimed to activate the 2015 Letter of Intent signed by Bangladesh, Germany, and the ILO. It brought together MoLE (Bangladesh), BMZ (Germany), ILO, and DGUV to jointly develop the foundational components of the EIS
- **Formation of the Technical Committee (18 February 2021):** Following tripartite discussions with stakeholders, including international brands, MoLE formed the Technical Committee for piloting the EIS. This committee included representatives from employers, workers, government, ILO, and GIZ, ensuring balanced representation
- **Capacity-building trainings initiated (February–July 2021):** ITCILO conducted training sessions for civil society groups, journalists, and employers on employment injury insurance
- **Development of the EIS Framework (March–July 2021):** A sustainable framework was jointly developed by all stakeholders. The first official meeting of the Technical Committee took place on 6 July 2021, formalising discussions on the pilot
- **ILO Project Initiation and TWG Formation (August–September 2021):** The ILO launched the project for implementing the EIS Pilot on 15 August 2021. A Technical Working Group (TWG), representing all major stakeholder groups, was formed on 14 September to support technical aspects of implementation

2. EIS DEVELOPMENT PHASE



2.2. *Integration and Capacity Building (2021–2022)*

- **Integration into the Labour Roadmap (November 2021):** The EIS Pilot became part of Bangladesh's national roadmap to address outstanding ILO Convention issues. ITCILO offered targeted training to government officials to strengthen implementation capacity
- **First TWG Meeting and Study Visit to Nepal (4 December 2021):** The TWG held its first meeting to review operational progress. A delegation visited Nepal's Social Security Fund to study its management information system, specifically the open-source MIS software
- **Endorsement of the EIS Framework (10 March 2022):** The framework received formal endorsement shortly after the start of the GIZ-supported "Social Protection for Workers in Textile and Leather Sector" project. MoLE authorised the Central Fund to manage the EIS Pilot on 11 March 2022
- **Development of an Accident Reporting Module (April 2022):** The LIMA software of DIFE was enhanced to include a module for workplace accident reporting. The module was pre-tested in April, and workshops were conducted to review the Bangladesh Labour Rules in light of EIS implementation needs
- **Signing of the Geneva Declaration (31 May 2022):** The ILO and key employer associations (BEF, BGMEA, BKMEA) signed the declaration to support and promote the EIS Pilot

2. EIS DEVELOPMENT PHASE



2.2. *Integration and Capacity Building (2021–2022)*

- **Official Launch of the EIS Pilot (21 June 2022):** The Government of Bangladesh formally launched the pilot. Seven international brands pledged voluntary financial support to the scheme
- **Governance Board Appointment and Account Setup (August–October 2022):** An ILO bank account was set up in Geneva to collect brand contributions. A corresponding sub-account was established within the Central Fund following legal amendments. A governance board was appointed, and discussions were held with global actors like IndustriALL Global Union and the Local Authority Pension Fund Forum

2.3. *Operationalisation and Expansion (2023–2025)*

- **Establishment of the Special EIS Unit (January 2023):** A dedicated Special Unit (EIS PSU) was formed under the Central Fund to manage pilot operations. Awareness-raising activities were conducted, including training for DIFE officers and BGMEA/BKMEA representatives
- **Governance and Compensation Decisions (2022):** The Governance Board met to approve key policies and financial frameworks. Sub-committees approved compensations for death and permanent disability cases

2. EIS DEVELOPMENT PHASE



2.3. Operationalisation and Expansion (2023–2025)

- **Factory Outreach and Data Collection (June–October 2023):** The EIS benefits cover all export-oriented RMG factories, while selected factories also participated in data collection on occupational injuries and diseases. Awareness sessions, dialogues, and the first disability assessment (3 August) were carried out based on DIFE-Central Fund agreements
- **Training and International Engagement (Early to Mid-2024):** Factory orientation sessions were launched, and data tools were updated regularly. BGMEA/BKMEA trainers and DIFE hotline operators were trained. A total of 102 factories received training on injury data collection by February 2024. The first cohort of factories underwent Return to Work (RTW) training, and international engagement continued through webinars and a study visit to South Korea
- **Inclusion of Commuting Accident:** Since the inclusion of commuting accidents in May 2024, the compensation process has become more structured and responsive. Regular sub-committee meetings have continued into 2025, endorsing cases of death, disability, and commuting incidents.
- **Strengthening Occupational Health and Safety (November 2024):** The focus shifted to improving OHS Management Systems and training healthcare professionals in occupational diseases and medicine. ToTs were held to build professional capacity in diagnosing and treating workplace-related health conditions

2. EIS DEVELOPMENT PHASE



2.3. Operationalisation and Expansion (2023–2025)

- **Expansion to Leather & Footwear Sector and EPZs (Early 2025):** Discussions began to replicate the EIS Pilot in the leather and footwear sector due to its export significance. A Letter of Intent was signed by ILO, GIZ, and BEPZA to implement the EIS in EPZ-based garment factories, resolving prior jurisdictional barriers
- **ILO Technical Mission and Plans for Scale-Up (February 2025):** An ILO technical mission visited Bangladesh to assess the pilot's progress. Key discussions focused on scaling up the scheme, improving sustainability, and overcoming implementation challenges

3.TIMELINE-WISE INDICATORS OF EIS



- To enable accurate assessment of EIS's progress and potential, defined periodic joint indicators have been developed and studied, as outlined in the Table –

Year	Month	Indicators
2022	March	Tripartite EII Committee finalises the Agreement on the final design of the Pilot (Berlin Agreement/Declaration)
2023	June	15 brands support the Pilot financially; 80% of factory accidents reported; 90% of claims processed
	December	30 brands support the Pilot; 50% staff planning completed; 50+ claims processed
2024	June	40 brands support the Pilot; 80 factories sign MoU for accident data; 75% staff planning completed; MIS operational; 40% factories trained
	December	60% factories trained; 60+ brands support the Pilot; 120 factories sign MoU; Audited financial statement and actuarial valuation published
2025	June	National EIS extension strategy discussed; 100% staff planning and capacity building
	December	Legal and institutional setup designed; Tripartite discussion on legal framework held; 100% factories trained; Audited financial statement published
2026	June	Legal framework presented to Legislature
	December	Financial statement and actuarial analysis published; Costing of employer liability completed
2027	June	Law adopted; Factories pay directly to EIS institution

4. CROSS-COUNTRY EXPERIENCES OF EII



4.1 Legal Structure: All five countries selected under the review study have enacted specific laws or decrees mandating employment injury insurance, which provides the legal backbone for institutional setup and benefit delivery, ensuring mandatory participation

1. **Thailand:** Workmen's Compensation Act (1994) mandates EII for private sector workers
2. **Cambodia:** Sub-decree of 2008 establishes EII under national legislation
3. **Malaysia:** Employees' Social Security Act (1969) provides a unified legal base
4. **India:** Multiple overlapping laws (ESI Act 1948, WCA Act 1923) govern the system
5. **Philippines:** Presidential Decree No. 626 governs the Employees' Compensation Scheme

4.2 Institutional Framework: Each country assigns implementation to a centralized institution supervised by a relevant ministry. Medical and legal appeals are usually handled by dedicated boards or tribunals:

1. **Thailand:** Operated by SSO under the Ministry of Labour; has a tripartite fund committee
2. **Cambodia:** NSSF executes the scheme; dual oversight from the Labour and Finance Ministries
3. **Malaysia:** PERKESO manages the scheme with a medical board for assessment
4. **India:** ESIC under the Ministry of Labour; the appeal process includes Medical Tribunals
5. **Philippines:** ECC under DOLE, with SSS and GSIS handling the private/public sector respectively

4. CROSS-COUNTRY EXPERIENCES OF EII



4.3 Coverage: Coverage varies in scope, but all schemes apply to formal sector workers. Informal, self-employed, and seasonal workers are included in some but not all systems

1. **Thailand:** Covers formal workers in the private sector; excludes agriculture and NGOs
2. **Cambodia:** Includes seasonal and self-employed workers; minimum of 8 employees
3. **Malaysia:** Covers ≥ 1 employee; includes foreign and contract workers
4. **India:** Applies to power-using units (≥ 10 employees); salary cap of Rs 21,000
5. **Philippines:** Covers both sectors via SSS and GSIS; includes seasonal/self-employed workers

4.4. Eligible Beneficiary: All countries ensure benefits for both injured workers and legal dependents in death cases, though the criteria for dependents slightly vary

1. **Thailand:** Includes spouse, children (biological and posthumous), and parents
2. **Cambodia:** Recognises spouse, children, and dependent elders under legal decree
3. **Malaysia:** Covers workers earning $\leq$ MYR 4,000 and their dependents; includes foreigners
4. **India:** Eligible injured workers and legal dependents per ESI Act
5. **Philippines:** Recognises dependents in line with GSIS/SSS frameworks

4. CROSS-COUNTRY EXPERIENCES OF EII



4.5 Benefits: All schemes provide comprehensive benefits including medical care, pensions, funeral grants, and rehabilitation. Some countries offer unique add-ons –

1. **Cambodia:** Includes constant attendance allowance for severely injured
2. **Malaysia:** Offers education support for children of affected workers
3. **Thailand:** Covers all standard benefits, including rehabilitation and death grants
4. **India:** Provides cash/in-kind rehab support and compensations for disabilities
5. **Philippines:** Includes full benefit package and RTW support for injured workers

4.5. Registration: Registration of employers and employees is mandatory, mostly digitized, and required early in employment to ensure access to benefits

1. **Thailand:** Employers must register within 30 days of hiring
2. **Cambodia:** Requires both employer and employee registration via NSSF
3. **Malaysia:** Online registration required for employees and owners' spouses
4. **India:** Documentation submitted to ESIC regional office for a registration code
5. **Philippines:** Employer must register worker with SSS/GSIS within 30 days

4. CROSS-COUNTRY EXPERIENCES OF EII



4.6 Reporting: Prompt reporting by employers is mandated in all countries, with fixed deadlines ranging from 24 hours to 15 days, depending on country

1. **Thailand:** Report within 15 days (latest within 180 days) to SSO
2. **Cambodia:** Report incidents to NSSF within 48 hours; arrange medical care
3. **Malaysia:** Report to PERKESO within 48 hours; urgent cases within 24 hours
4. **India:** Timeline not explicitly detailed but follows ESIC guidelines
5. **Philippines:** Employers maintain logbooks and submit reports to SSS/GSIS

4.7 Medical Treatment and Assessment: Primary care is the employer's responsibility, while final assessment and benefit decisions are handled by certified boards under institutional frameworks

1. **Thailand:** Treatment at registered hospitals; Occupational Health Clinics assist
2. **Cambodia:** Employers provide emergency care and transfer to NSSF-approved facilities
3. **Malaysia:** PERKESO provides free care, OSH programs, and rehabilitation
4. **India:** Assessments and reimbursements handled by ESIC medical boards
5. **Philippines:** Medical certification guided by GSIS/SSS procedures

4. CROSS-COUNTRY EXPERIENCES OF EII



4.8. Benefit Payments: Payments are typically deposited directly into beneficiary bank accounts, ensuring transparency and traceability

1. **Thailand:** Funds transferred to designated bank accounts via SSO
2. **Cambodia:** Lump-sum via cheque, monthly pensions via bank transfer
3. **Malaysia:** Direct payments through PERKESO banking system
4. **India:** Claims processed and paid through ESIC to bank accounts
5. **Philippines:** Payments handled through SSS/GSIS systems

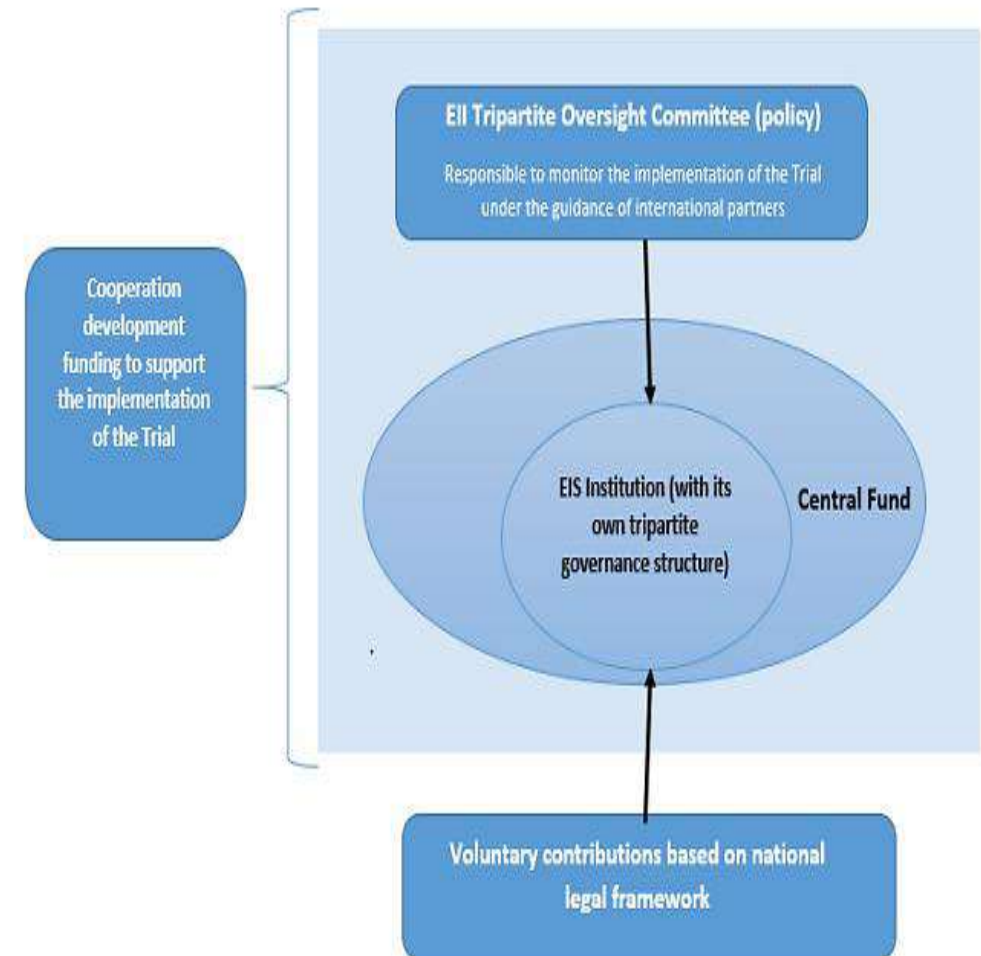
4.9 Funding: EII schemes are mostly employer-funded, with variable contribution rates depending on wages. Penalties for late payments are common and enforce compliance

1. **Thailand:** Employer-only contribution (0.2–1%), with merit-based risk adjustments
2. **Cambodia:** Employer contributes 0.8% of wage; strict reporting deadlines
3. **Malaysia:** Employer contribution 0.5%
4. **India:** Employer (3.25%); 12% penalty on delay
5. **Philippines:** Employer pays 1%; government adds irregular contributions; strict penalties (up to 25%)

5. CURRENT STATUS OF THE EIS: INSTITUTIONS

5.1 Institutional Structure as per Framework

- The EIS Pilot follows the institutional structure proposed in its framework (see Figure 1)
- Oversight is provided by a **Tripartite Committee**, while operations and data management are handled by a designated implementing agency
- The implementing agency follows **ISSA guidelines on good governance**
- The Pilot is embedded within the existing legal framework—**Bangladesh Labour Act and SRO 291-Law/2015**, specifically provisions 212–236 related to the Central Fund
- An **ad-hoc administrative structure** is set up under a **Central Fund sub-account** to ensure that resources are used exclusively for the Pilot
- This structure supports **capacity-building** of stakeholders to prepare for scaling up the scheme



5. CURRENT STATUS OF THE EIS: INSTITUTIONS



5.2 Administrative Operational Structure

Ministry of Labour and Employment (MoLE):

- Oversees and monitors the Pilot's implementation over 5 years through the Central Fund and EIS Special Unit
- Will assume full control of the national EIS by 2027

Central Fund:

- Manages financial operations of the scheme, provides lump-sum compensation to families of deceased workers under BLA, Supports cost identification through data gathering
- Operates a separate **EIS Sub-Account** to handle brand contributions and monthly benefit transfers to eligible beneficiaries

Tripartite EIS Governing Body (EIS_GB):

- Chaired by the **MoLE Secretary** with the **DG of the Central Fund** as Member Secretary
- Includes **3 representatives each** from workers and employers, and **5–6 from government**
- Determines policies, approves operational framework, and endorses complex cases
- Adheres to **ISSA good governance guidelines**, including:
 - Annual operational and financial reporting, internal and external audits, and clear disclosure timelines

5. CURRENT STATUS OF THE EIS: INSTITUTIONS



5.2 Administrative Operational Structure

EIS Sub-Committee (EIS SC):

- Chaired by the **Additional Secretary, MoLE I/O Wing**, with the **DG of the Central Fund** as Member Secretary
- Includes **2 employer reps, 2 worker reps, 3 government reps**
- Reviews monthly case lists from EIS PSU, endorses payments, and escalates complex cases to the EIS_GB when needed

EIS Special Unit (EIS PSU):

- Operates under the **DG of the Central Fund**
- Manages day-to-day Pilot operations
- Receives and reviews case files from factory associations
- Verifies documentation and supports benefit payments after approval
- Finalizes SOPs in coordination with the Central Fund
- Prepares periodic reports for ILO and GIZ
- Leads coordination, communication, and capacity-building efforts
- Handles benefit payment calculations, bank reconciliations, audits, record-keeping, and financial statements
- Manages the **Management Information System (MIS)** for the Pilot

5. CURRENT STATUS OF THE EIS: INSTITUTIONS



5.2 Administrative Operational Structure

Associations (BGMEA and BKMEA):

- Act as intermediaries between factories and the EIS PSU
- Maintain a central accident database
- Transfer accident files to the EIS PSU and Central Fund
- Raise awareness, train HR and compliance teams, and promote OSH practices in factories

Brands:

- Communicates with suppliers regarding the Pilot (e.g., digital accident reporting, worker information)
- Participates in monthly progress meetings via brand representatives
- May initiate complementary measures (e.g., coverage for commuting accidents or temporary incapacity)

Observers (ILO and GIZ):

- Provides technical and strategic support for the scheme's operation and expansion
- ILO is developing institutional setup recommendations in consultation with the government, employers, and workers
- Raises awareness through field activities (e.g., theatre, training, workshops)
- Leads brand onboarding through forums and presentations

5. CURRENT STATUS OF THE EIS: INSTITUTIONS



5.2 Administrative Operational Structure

Management Information System (MIS)

- The **EIS MIS** is a core outcome of the Pilot and tracks beneficiary, payment, and case data
- Managed by an MIS Officer under the **EIS PSU**
- Ensures software documentation, website data availability, and interoperability with:
 - Central Fund Document Management Software
 - DIFE's LIMA system
- Handles troubleshooting and system maintenance
- Case files are entered into the MIS by the EIS PSU once received from the Central Fund
- The **Central Fund** is currently the main channel for case recording
- Full digitization of the Central Fund would allow **automatic case transfer** into the EIS MIS
- A proper **worker database** is essential for any social insurance scheme
 - MoLE has made progress toward digitalizing the worker database, covering not only RMG but all formal sectors
 - GIZ, with EU support, is helping establish a functional database at MoLE, coordinated with ILO support

5. CURRENT STATUS OF THE EIS: **FINANCING**



5.3 Financing & Contribution Mechanism

Compensation & Funding:

- Central Fund covers long-term compensation for permanent disability and death
- Pilot fund provides top-up pensions aligned with ILO Convention No. 121
- Total cost estimated at 0.15% of wages; USD 8.99 million annual benefits; USD 900,000 institutional cost

Employer Contributions:

- Employer contributes to the central fund, not to the EIS. EIS funding is provided by the brands
- Financial transparency through cost data collection aims to build employer acceptance for future national funding
- Currently, brands voluntarily fund all Pilot benefits

5. CURRENT STATUS OF THE EIS: **FINANCING**



5.3 Financing & Contribution Mechanism

Brand Contributions:

- Started with 7 brands; now more than 80 brands, mostly from the EU
- ILO and GIZ actively engage brands, highlighting ethical responsibility and low cost
- Brands pledge 0.019% of sourcing value; contributions managed by the ILO with independent audits selected by EIS Pilot tripartite body

5. CURRENT STATUS OF THE EIS: OPERATION



5.4 Operational Mechanisms

Scope & Coverage:

- Covers export-oriented RMG sector workers for workplace-related accidents (excluding natural disasters)
- Event-driven scheme with no prior registration needed
- Both permanent and temporary workers eligible for permanent disability benefits
- Survivors/dependents can claim benefits after document verification

Limitations & Expansion:

- Does not yet fully comply with ILO Convention No. 121; lacks full medical services coverage
- Commuting accidents covered from July 2024, including accidents on travel between home and factory
- On-duty road traffic accidents included

Challenges:

- Eligibility disputes when workers take alternate routes during disruptions
- Some factory owners are reluctant to accept responsibility for commuting RTAs
- Natural deaths at work (e.g., heart attacks) are excluded despite possible workplace contribution
- Case study highlighted the need for better coverage of sudden health events and improved leave policies

5. CURRENT STATUS OF THE EIS: **REPORTING**



5.5 Reporting Mechanisms & Claims Processing

EIS Reporting Requirements

- After an accident, the worker or dependents apply through the factory for compensation
- One application covers both the Central Fund lump-sum and EIS monthly benefits
- The application form is on the Central Fund website
- Required documents include NID, birth/death certificates, inheritance papers, photos, service book, bank details, etc
- The factory submits the file to BGMEA or BKMEA, who forwards it to the Central Fund
- The EIS PSU verifies cases, assigns digital diary numbers, and records data in the MIS
- Shortlisted cases go to the EIS Sub-Committee for approval
- Approved cases trigger SMS notifications; payments go to beneficiaries' bank accounts
- Rejected cases are sent to the EIS Governing Body for review

Duration & Efficiency

- Process takes about 30 days if the documents are correct
- May extend to 60 days if further verification is needed
- Delays usually happen at the factory or association level

5. CURRENT STATUS OF THE EIS: **REPORTING**



5.5 Reporting Mechanisms & Claims Processing

Reporting via LIMA

- Factories report accidents digitally through DIFE's LIMA system
- Tutorials for registration and reporting are on the EIS website

Challenges in Reporting

- Some owners avoid reporting to protect their factory's reputation
- Owners may seize IDs, offer cash, or threaten workers to stop reporting
- Owners sometimes misclassify workplace accidents as commuting incidents
- Victims may fear job loss and avoid reporting
- Some factories and workers refuse to cooperate with EIS verification teams
- Underreporting is common;

5. CURRENT STATUS OF THE EIS: **REPORTING**



5.5 Reporting Mechanisms & Claims Processing

Assurances & Incentives

- Brands assure owners that reporting will not hurt their business
- Under BLA, owners who fail to report must cover costs themselves
- The Central Fund may deduct costs from export revenues if owners don't report

DIFE

- DIFE often fails to report commuting or workplace accidents accurately
- Third-party audits and complaint boxes have been suggested to improve transparency

Challenges in Claims

- Factories and associations may delay by compiling cases before submitting
- Collecting documents like inheritance certificates is often difficult
- Minors working illegally, multiple dependents (e.g., several wives, children) create legal complications
- Workers' negligence (e.g., disabling safety features) complicates case evaluations

Database & Awareness

- Worker databases exist but need better digitalisation and due diligence
- Many workers and families are unaware of the EIS or claims process
- Factories usually guide beneficiaries through the steps

5. CURRENT STATUS OF THE EIS: **TREATMENT & INJURY**



5.6 Medical Treatment & Injury Assessment

General Framework

- Employers must provide compensation and medical care after work injuries
- DIFE doctors assess injuries as per BLA Schedule I
- The aim is better medical services and stronger stakeholder capacity

Medical Expenses & Beneficiary Experiences

- Employers cover medical treatment costs for workplace accidents
- Victims are usually taken to nearby hospitals by factory staff or locals
- Costs are mostly borne by factories or EIS, not victims' families
- Minor costs may sometimes fall on the victim

Rehabilitation & Reintegration

- Current laws lack provisions for rehabilitation or return-to-work support
- Employers often support injured workers if they stay near factories
- Labour Welfare Centre at Tejgaon could assist in medical care, training, and counselling

5. CURRENT STATUS OF THE EIS: **TREATMENT & INJURY**



5.6 Medical Treatment & Injury Assessment

Potential Medical & Rehab Centre

- Plans exist to partner with South Korea's KComwell for rehabilitation support
- Local bodies like BRAC, CRP, CDD can help with prosthetics and rehab

Rehabilitation Examples

- A prosthetic leg was provided in one paralysis case but it was unsuccessful
- No rehabilitation attempted for a finger amputation case

Medical Capacity Strengthening

- EIS aims to support national guidelines for injury and disability assessment
- National training for medical staff is planned

Disability Assessment

- DIFE doctors follow BLA Schedule I for assessments
- Only 2 DIFE doctors are trained so far; more specialists are needed
- Schedule is outdated; doesn't cover brain injuries, memory loss, or internal injuries
- Regional assessment centres are needed to reduce victim travel

5. CURRENT STATUS OF THE EIS: **TREATMENT & INJURY**



5.6 Medical Treatment & Injury Assessment

Issues with the Current Schedule

- Focuses on limb loss; minor injuries are overlooked
- Compensation logic for minor injuries is often questioned
- Updates needed to reflect practical realities and international standards

Occupational Diseases

- EIS does not cover occupational diseases yet
- BLA Schedule 3 lists 33 diseases, but this list is outdated
- Doctors lack training to identify occupational diseases
- ILO and GIZ are working to update Schedule 3 and train doctors

Training & Awareness

- 100 factory medical staff are being trained on occupational diseases
- NOSHTRI will provide ongoing national training
- Workers should be taught to recognize symptoms
- Yearly health checks are recommended for hazardous workplaces

Internal Injuries & Need for Specialists

- Issues like lung damage, stress, and anxiety are not covered
- Specialized doctors (e.g. orthopaedics, neurologists) are needed for accurate assessments

5. CURRENT STATUS OF THE EIS: **BENEFIT**



5.7 Benefit Payments

General Framework

- Data collection aims to estimate average medical care costs after injuries
- Research includes benefits for temporary incapacity, permanent disability, and survivors
- Risk-pooling is tested to ensure fair, timely compensation

Existing Benefits Design

- **Lump-Sum Payment:** Tk 2 lakh from Central Fund for death or permanent disability (BLA Section 215)
 - Central Fund payments are usually via bank transfer once eligibility is confirmed
 - Current lump-sum compensation is below ILO standards; it does not consider age, dependents, or wages
- **Top-Up Payments:** Added under EIS Pilot through agreements with brands (not required by law)

Top-Up Monthly Benefits

- Approved cases referred to EIS Sub-Committee for payment
- Compensation calculated via software; lump-sum deducted; remainder paid as monthly pension
- Monthly pensions given if over Tk 1000; otherwise, lifelong sum paid upfront
- Dependents get lifelong or conditional benefits (e.g. widow until remarriage; children until adulthood)

5. CURRENT STATUS OF THE EIS: **BENEFIT**



5.7 Benefit Payments

Monthly Benefits in Death Cases

- Death benefits: 40-60% of former wage, depending on dependents
- Disability benefits: up to 60% of former wage (per DIFE disability assessment)

Payment Procedure

- Beneficiaries notified by SMS, call; payments via bank transfer
- Each dependent gets their share into individual accounts
- Minors' payments managed by guardians

Experience of Beneficiaries

- **Permanent Total Disability:** Worker receives Tk 7,000/month (former wage Tk 8,375); struggles with rent, food, and medical costs
- **Permanent Partial Disability:** Tk 2,310/month (former wage Tk 14,000-18,000); wants Tk 4,000-5,000; faces harsh work environment

5. CURRENT STATUS OF THE EIS: **BENEFIT**



5.7 Benefit Payments

- **Workplace Death:** Family receives ~Tk 11,500/month (wife, son, parents); uses for education and essentials; wife worried about son's future
- **Commuting Accident:** Family receives ~Tk 4,000; payments started 4-5 months post-accident; wishes for higher amount
- **On-Duty RTA:** Child gets Tk 8,000; parents/sister Tk 1,000 each; wife concerned about future support

Compliance with ILO Standards

- Benefits are provided regularly, but amounts may not cover the full loss of earnings or health needs
- Physical/vocational rehab services are insufficient
- EIS design aligns with ILO standards, but the benefits are poor compared to their cost (health, food, etc.)

5. CURRENT STATUS OF THE EIS: **OVERALL**



5.8 Overall Observations and Gender-Sensitivity of the Scheme

Coverage Gaps

- Urgent need to include **occupational diseases, commuting accidents, and on-duty RTAs** under EIS
- Current focus mainly on permanent disabilities and death cases

Medical & Institutional Capacity

- **Training and capacity-building** of medical institutions are essential for identifying and assessing occupational diseases
- Disability assessment schedule is outdated — needs revision to reflect relevant conditions and modern workplace injuries

Rehabilitation

- **Rehabilitation and Return to Work (RTW)** support is missing from the current scheme
- Establishment of **rehabilitation centres** and stakeholder training is crucial

5. CURRENT STATUS OF THE EIS: **OVERALL**



5.8 Overall Observations and Gender-Sensitivity of the Scheme

Reporting & Claims Process Challenges

- Delays due to document collection requirements
- Low reporting through the LIMA system
- Factory owners are somewhat reluctant to report accidents due to reputational risks

Benefit Payments

- Payments are generally regular
- However, benefit amounts are often **insufficient for the sustainable livelihood** of beneficiaries

Gender Sensitivity

- Gender-specific concerns noted, e.g., benefits for widows ending upon remarriage
- Future design should ensure **gender-sensitive benefits** that address the unique vulnerabilities of women workers and dependents

6. PREPARATION OF FULL-FLEDGED WAGE-BASED EIS



6.1 *Providing Adequate Time for Implementation*

- EIS Pilot planned for **5 years (ends June 2027)**
- **Aim:** Equip institutions for **nationwide coverage** post-Pilot
- ILO & GIZ provide capacity-building, technical support, and funding (~USD 12 million)
- **Safeguards:**
 - 5-year Pilot limit
 - Voluntary yearly brand contributions
 - Brand participation in monitoring & adjustments
 - ILO is active in governance
- **Risk:** Without a legal framework by 2027, **top-up payments stop**; the scheme reverts to employer liability under the Labour Code

6.2 *Expansion to EPZs*

- **Letter of Intent signed** and benefit is being provided to the EPZ RMG factories
- Same governance board + **BEPZA reps** join Sub-Committee
- Funding:
 - **RMG factories get brand contributions**
 - EPZ factories: Getting funding from BEPZA's existing funds
- BEPZA provide benefits; endorsement committee process claims

6. PREPARATION OF FULL-FLEDGED WAGE-BASED EIS



6.3 Replication in the Leather Industry

- Leather & footwear sectors show interest in joining Pilot
- Expansion depends on confirming **buyer funding**
- Similar model as RMG Pilot; leather sector reps join case reviews

6.4 Potential Expansion to Other Sectors

- **Formal Sector**
 - Priority industries: **steel, transport, construction, ship breaking, cement** (high risk)
 - Safer industries (e.g., glass, chemical)
 - Need injury/casualty data for expansion
- **Informal Sector**
 - 85% of Bangladesh workforce informal → major inclusion challenges (registration, monitoring)
 - Difficult to bring into EIS due to lack of legal coverage under BLA
- **Nationalization of the Pilot**
 - **Goal:** EIS for **all workers, all industries**
 - **Challenges:** Small firms → low margins; large firms → huge worker numbers
 - Comprehensive worker database is essential for sustainability
- **Gradual Expansion**
 - ILO advises gradual inclusion post-pilot → begin with few sectors, expand over time

6. PREPARATION OF FULL-FLEDGED WAGE-BASED EIS



- **Role of the Government**

- The sustainability of EIS schemes depends on the long-term commitment of the government, social partners, and other stakeholders, with the government playing a crucial role in nationalization
- While the previous government worked towards achieving SDG 8 and National Social Security by 2026,
- Given the new political discourse, there is some uncertainty on its timely expansion as its realization on the national level is the sole responsibility of the government

6.5 Awareness among Stakeholders: Numerous initiatives are ongoing by ILO, GIZ, BGMEA, BKMEA to raise awareness, such as -

- **Through BGMEA/BKMEA/Brands**
- Brochures, posters, training in ~400 factories by BGMEA/BKMEA, Brands like H&M trained 80+ union leaders
- **GIZ & ILO Initiatives**
- Reached 1,100+ factories, Partnered with **IndustriALL**, NGOs, NCCWE for wider dissemination
- Webinars, union leader workshops, and **theatre dramas** staged for workers to create full awareness across all factory hierarchies

6. PREPARATION OF FULL-FLEDGED WAGE-BASED EIS



6.6 Challenges in Awareness-Raising Initiatives

Issues related to Workers:

- Workers struggle to understand communication materials due to poor literacy and impatience with lengthy texts
- Early training by GIZ revealed workers demanding payments for past incidents, highlighting sensitivity in communication
- Animated videos are recommended to better educate workers, supported by EIS PSU or relevant authorities
- BGMEA and BKMEA inform GIZ about awareness initiatives, but workers' active involvement is uncertain
- Trade union finances are limited; development organizations currently lead awareness efforts
- Worker proactiveness is essential for sustaining awareness and scheme success

Issues related to Owners:

- Owners may lack awareness since EIS payments come from the Central Fund, not directly from them
- ILO cannot run mass campaigns due to risk of unrest among workers in other industries without benefits
- Some factory heads remain unaware despite training sessions for representatives
- Collaboration with BGMEA and BKMEA ongoing to improve awareness among all factory levels
- Full awareness and compliance remain challenging, though awareness is widespread among HR officers
- Long-term effectiveness of awareness efforts is questioned by some stakeholders

6. PREPARATION OF FULL-FLEDGED WAGE-BASED EIS



6.7 Legal Framework in line with ILS

EIS Pilot's **Framework** is built on the existing Bangladesh Labour Act (BLA). Such as –

- Chapter XII outlines employer liability for workplace injury compensation
- Compensation amounts defined by schedules: e.g., Fifth Schedule for death, First Schedule for permanent partial disablement
- Employers are responsible for the timely medical examinations of injured workers
- BLA provisions form the basis for testing EIS in the export-oriented RMG sector
- Schedule I lists injuries with percentage loss of earning capacity; Schedule 3 lists occupational diseases not yet covered by EIS
- Permanent disability often results in lifelong benefits; minor injuries are compensated for once
- Need to update schedules to fix inconsistencies and clarify beneficiary verification, especially for minor injuries

Amendment vs Establishment of New Law:

- Stakeholders largely favour amending the BLA to include EIS rather than creating a separate law
- Bangladesh's strong labour law makes amendment more feasible and less costly than establishing new institutions
- Some argue for an independent EIS law and institution; the final legal framework will be decided after further discussions

7. STATUS OF EIS PILOT JOINT INDICATORS



Year	Month	Indicators	Status
2022	Mar	Tripartite EII Committee finalises the Agreement on the final design of the Pilot (Berlin Agreement/Declaration)	Completed
2023	Jun	15 brands support the Pilot financially; 80% of factory accidents reported; 90% of claims processed	Completed
	Dec	30 brands support the Pilot; 50% staff planning completed; 50+ claims processed	Completed
2024	Jun	40 brands support the Pilot; 80 factories sign MoU for accident data; 75% staff planning completed; MIS operational; 40% factories trained	Completed ILO has trained member factories through BGMEA and BKMEA while GIZ, through brands, has provided orientation on the Pilot to brands which source from Bangladesh. HR compliance officers have participated in such orientations because they are responsible for accident reporting and apply to the Central Fund for claims processing.

7. STATUS OF EIS PILOT JOINT INDICATORS



Year	Month	Indicators	Status
2024	Jun	40 brands support the Pilot; 80 factories sign MoU for accident data; 75% staff planning completed; MIS operational; 40% factories trained	The scheme began with around 5 staff members, and now both the number and capacity of the EIS PSU workers are increasing currently. Additional 3 or 4 members are to be onboarded, and they have already received training.
	Dec	60% factories trained; 60+ brands support the Pilot; 120 factories sign MoU; Audited financial statement and actuarial valuation published	Completed
2025	Jun	National EIS extension strategy discussed; 100% staff planning and capacity building	In Progress

7. STATUS OF EIS PILOT JOINT INDICATORS



Year	Month	Indicators	Status
2025	Dec	Legal and institutional setup designed; Tripartite discussion on legal framework held; 100% factories trained; Audited financial statement published	In Progress: The target of ILO is to complete recommendations on the possible institutional set up through consultations by this year. ILO provides technical support for the institutional setup i.e. the possible options from their experience and discussions with the government, workers and employers. Factories which are being forced by brands have been trained. However, some members of BGMEA and BKMEA are being trained, and ILO is working with these associations to provide orientation to some more factories.
2026	Jun	Legal framework presented to Legislature	To be Initiated: the law for employment injury scheme in our country will be aligned with the basic principles of the ILO Convention 121. ILO will consult with stakeholders that a certain law can be established, and it is hoped that this will be finalized by June 2027. This procedure will have various chapters since labour law amendments occur on a periodic basis. Whether the EIS will be implemented through a labour law amendment or through the establishment of a new law will be ultimately decided by the constituents. ILO will only recommend different options.

7. STATUS OF EIS PILOT JOINT INDICATORS

Year	Month	Indicators	Status
2026	Dec	Financial statement and actuarial analysis published; Costing of employer liability completed	To be Initiated: Based on the data collected last year and this year as well as the experience of factories during the 5 years, ILO will suggest a contribution rate for employers to ensure a sustainable national scheme. ILO HQ experts have shared a rough estimate of the rate with stakeholders which is around \$1 per worker per year.
2027	Jun	Law adopted; Factories pay directly to EIS institution	To be Initiated

8. CHALLENGES OF THE EIS



Key challenges relate to accident reporting, claims processing, and information collection/verification are –

- Owners are often reluctant to report accidents due to reputational concerns
- Workers fear reporting accidents because of potential job termination
- Underreporting occurs through the LIMA system
- Claims processing is delayed due to underreporting and difficulties in document collection
- Verification of beneficiaries in death cases is problematic
- Communication with beneficiaries is hindered by emotional distress, network issues, language barriers, and health/age factors
- Lack of comprehensive and accurate accident data within factories and Central Fund applications delays case processing
- Accidents often misclassified or underreported, with death certificates frequently missing accurate causes
- Failure to file GD/FIR for accidental deaths impedes proper verification
- Missing or incorrect demographic and ID information complicates validation

9. RECOMMENDATIONS & WAY FORWARD



The following recommendations are based on stakeholder input and scheme analysis to aid expansion and nationalisation -

9.1 Legal Reforms

- Amend the Bangladesh Labour Act (BLA) to make the EIS mandatory for all businesses
- Customize Chapter XII of BLA to include EIS operations rules aligned with ILO Convention No 121
- Amend Section 80 of BLA for mandatory digital reporting of workplace and commuting accidents
- Introduce penalties for employers who refuse participation or delay contributions, as done in India and the Philippines

9. RECOMMENDATIONS & WAY FORWARD



9.2 Institutional Reforms

- Upgrade and legally mandate the existing institutional framework for the national scheme
- Ministry of Labour and Employment (MoLE) to serve as the legal guardian for monitoring and policymaking
- Establish the EIS Special Unit (EIS PSU) as the core operational institution under MoLE's supervision
- Set up regional and local offices for easier access and operations nationwide
- Create a centralized digital database accessible by EIS PSU, regional offices, and stakeholders
- Upgrade digital tools like Safety@Work app to support direct incident reporting
- Use the Central Fund for collecting employer contributions; contribution rate to be finalized post-Pilot
- Establish an official Medical Division with trained doctors for diagnosing occupational diseases
- Include rehabilitation and return-to-work facilities, leveraging existing centers and international collaboration
- Adopt multi-disciplinary rehabilitation approaches including occupational therapy, prosthetics, and vocational training

9. RECOMMENDATIONS & WAY FORWARD



9.3 Operational Mechanisms

- Introduce a mandatory registration process for businesses and workers in the national scheme
- Improve reporting via third-party audits alongside DIFE inspections
- Install secure complaint boxes in factories for confidential worker reports
- Allow flexible investigation policies for commuting accidents
- Provide regular medical checkups for workers in hazardous environments
- Mandate factory-level training with certification on OSH and EIS topics
- Extend benefit coverage to occupational diseases by updating BLA's Schedule 3
- Provide constant attendance allowance for total disablement pensioners requiring assistance

9. RECOMMENDATIONS & WAY FORWARD



9.4 Expansion of the Pilot

- Continue raising awareness using animated videos and other tools
- Train employers on contribution mechanisms; educate workers on disease symptoms for reporting
- Expand coverage to leather and footwear sectors with technical support for database preparation
- Prioritize inclusion of low-cost industries first, then high-cost sectors for smoother transition
- Increase government proactiveness in nationalizing the scheme and driving legal amendments
- Gradual inclusion of other industries in the national scheme over time

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Thank you