The Employment Injury Scheme (EIS) of Bangladesh

A Review of Its Ongoing Implementation

Khondaker Golam Moazzem
ASM Shamim Alam Shibly
Veronica Kripa Gomes

german cooperation
DEUTSCHE ZUSAMMENARBEIT

Co-funded by the European Union

Implemented by
giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

CENTRE FOR POLICY DIALOGUE
সেন্টার ফর পলিসি ডায়লগ (সিপিডি)
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Executive Summary

The Employment Injury Scheme (EIS) of Bangladesh represents a landmark initiative in the country's journey towards establishing a comprehensive social protection framework for workers. Launched in June 2022 under the broader umbrella of the National Social Insurance Scheme (NSIS), the EIS Pilot was designed to address longstanding gaps in workplace safety and compensation, particularly in the export-oriented Readymade Garment (RMG) sector. This midterm review, prepared by the Centre for Policy Dialogue (CPD) in collaboration with GIZ, evaluates the progress, challenges, and future prospects of the EIS Pilot, with a view to informing its potential nationalisation by 2027.

The scheme was conceived in response to the Rana Plaza tragedy and other industrial accidents that exposed the vulnerability of workers in Bangladesh's formal sectors. It is structured as a no-fault, risk-sharing mechanism aligned with international labour standards, notably ILO Convention No. 121. The Pilot currently covers approximately 2.8 million workers across 2,000–3,000 factories and (EIS-Pilot, n.d.; MiB, n.d.) is governed by a tripartite structure involving the Ministry of Labour and Employment (MoLE), employers, and workers' representatives. Its objectives include ensuring timely benefit payments, promoting financial and institutional transparency, protecting employers from litigation, and preparing for the transition to a full-fledged wage-based national scheme.

The review employed a mixed-methods approach, combining extensive secondary research with primary data collection through Key Informant Interviews (KIIs). Stakeholders consulted included factory owners, HR officers, trade unions, brand representatives, government officials, and beneficiaries. The study also incorporated comparative analysis of employment injury schemes in selected Asian countries—Thailand, Cambodia, Malaysia, India, and the Philippines—to contextualise Bangladesh's progress and identify best practices.

The implementation of the EIS Pilot has followed a structured timeline (EIS-Piot, n.d.). Between 2019 and 2021, foundational steps were taken, including the signing of the Berlin Declaration and the formation of technical committees. The framework was developed through consultations with stakeholders, and capacity-building initiatives were launched. In 2022, the scheme was officially inaugurated, supported by voluntary contributions from international brands. Subsequent years saw the operationalisation of accident reporting mechanisms, the establishment of governance bodies, and the expansion of the scheme to Export Processing Zones (EPZs) and the leather and footwear sector. Notably, commuting accidents and on-duty road traffic incidents were included within the scheme's scope, reflecting its evolving responsiveness to worker needs.

Despite these achievements, the review identifies a number of challenges. Accident reporting remains inconsistent, with underreporting attributed to employer reluctance and worker fear of retaliation. Documentation requirements are often burdensome, particularly for beneficiaries with limited literacy or access to legal support. The scheme's awareness among workers is low, and many beneficiaries rely on factory personnel or male relatives to guide the claims process. Moreover, the current legal framework under the Bangladesh Labour Act (BLA) is liability-based and lacks provisions for insurance-based compensation, rehabilitation, and mental health support.

Gender sensitivity emerges as a critical area of concern. Although women constitute a significant portion of the RMG workforce, the scheme does not include gender-specific provisions. Female beneficiaries face unique challenges in accessing benefits, particularly in cases involving remarriage or caregiving responsibilities. Interviews revealed that women often lack awareness of the scheme and are excluded from decision-making processes related to claims and compensation. In several cases, male relatives handled the claims process on behalf of female beneficiaries.

Financially, the scheme is currently funded through voluntary contributions from international brands, calculated at 0.019 per cent of their sourcing value from Bangladesh. Whilst this model has facilitated initial implementation; the long-term sustainability of the scheme depends on transitioning to employer-financed contributions. Preliminary estimates suggest a contribution rate of approximately USD 1 per worker per year, although final figures will be determined based on data collected during the pilot phase. The Central Fund, which manages financial operations, has established a dedicated sub-account for EIS, ensuring transparency and traceability of funds. Independent audits are conducted to maintain accountability.

The review also highlights the importance of establishing a comprehensive national worker database to support the scheme's expansion. The Labour Information Management System (LIMS), currently under development with support from GIZ, offers a promising platform for integrating worker registration, accident history, and contribution tracking. However, further enhancements are needed to align the system with EIS requirements, including interoperability with the MIS and sector-specific risk profiling. Integration of contribution records, injury and claims history, and risk classification modules will be important for effective implementation.

In terms of legal reform, stakeholders are divided on whether the EIS should be incorporated into the existing BLA or established through a separate law. Whilst some advocate for integration to avoid duplication and reduce administrative burdens, others argue that a standalone legal framework would provide greater clarity and institutional autonomy. Regardless of the approach, amendments to Schedules 1 and 3 of the BLA are necessary to update injury classifications and occupational disease lists in line with international standards. The current schedules are outdated and do not reflect the realities of modern industrial work environments.

The review also examines the operational mechanisms of the scheme, including coverage, eligibility, reporting, claims processing, and benefit design. The scheme covers permanent and temporary workers in the RMG sector, with eligibility determined based on documented workplace accidents. Reporting mechanisms involve multiple stakeholders, including factories, trade associations, and the Central Fund. Claims processing is managed by the EIS Special Unit, which verifies documentation and coordinates benefit disbursement. Monthly benefits are calculated as a percentage of the worker's former wage, with caps based on the number of dependents and the severity of the injury.

Beneficiary experiences reveal both strengths and weaknesses in the current system. Whilst monthly benefits are appreciated, delays in disbursement and a lack of clarity regarding entitlements are common. In cases of permanent disability, beneficiaries often face financial hardship due to inadequate compensation and limited access to rehabilitation services. Survivors of deceased workers express concerns about long-term support, particularly for children who lose eligibility upon reaching adulthood.

The review concludes with a series of recommendations aimed at strengthening the scheme's legal, institutional, and operational foundations. Legal reforms should include the amendment of the BLA to mandate employer participation and introduce penalties for non-compliance. Institutional reforms should formalise the EIS Special Unit as the core implementing agency, decentralise operations through regional offices, and establish a dedicated medical division. Operational enhancements should focus on improving reporting mechanisms, integrating occupational diseases, and developing standard operating procedures for factory-level implementation.

Expansion of the scheme beyond the RMG sector is also recommended. High-risk sectors such as steel, construction, and shipbreaking should be included, followed by the gradual inclusion of informal sectors. The government must play a proactive role in facilitating this expansion, including the mobilisation of resources, coordination with development partners, and sustained political commitment. Awareness-raising efforts should be intensified through multimedia campaigns, visual tools, and targeted training for workers, employers, and trade unions.

Acknowledgement

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List of Abbreviations

ADB	Asian Development Bank
BAWF	Bangladesh Apparels Workers Federation
BEF	Bangladesh Employers' Federation
BEPZA	Bangladesh Export Processing Zones Authority
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
BKMEA	Bangladesh Knitwear Manufacturers and Exporters Association
BLA	Bangladesh Labour Act
CF	Central Fund
CRP	Centre for the Rehabilitation of the Paralysed
DGUV	German Social Accident Insurance
DIFE	Department of Inspection for Factories and Establishments
DOLE	Department of Labour and Employment (Philippines)
ECC	Employees' Compensation Commission (Philippines)
ECP	Employees' Compensation Programme (Philippines)
EII	Employment Injury Insurance
EIS GB	EIS Governing Body
EIS PSU	EIS Project Support Unit / Special Unit
EIS SC	EIS Sub-Committee
EIS	Employment Injury Scheme
EPZ	Export Processing Zone
ESI	Employees' State Insurance (India)
ESIC	Employees' State Insurance Corporation (India)
FIR	First Information Report
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GSIS	Government Service Insurance System (Philippines)
HR	Human Resources
ILO	International Labour Organization
ILS	International Labour Standards
ISSA	International Social Security Association

ITCILO	International Training Centre of the ILO
KII	Key Informant Interview
LAPFF	Local Authority Pension Fund Forum
LFMEAB	Leathergoods & Footwear Manufacturers & Exporters Association of Bangladesh
LIMA	Labour Inspection Management Application
LIMS	Labour Information Management System
MiB	Mapped in Bangladesh
MIS	Management Information System
MoLE	Ministry of Labour and Employment
NCCWE	National Coordination Committee for Workers' Education
NGO	Non-Governmental Organisation
NID	National Identity Document
NSIS	National Social Insurance Scheme
NSSF	National Social Security Fund (Cambodia)
NSSS	National Social Security Strategy
OHSMS	Occupational Health and Safety Management Systems
OSH	Occupational Safety and Health
OSHE	Occupational Safety, Health and Environment Foundation
PERKESO	Social Security Organisation (Malaysia)
PSU	Project Support Unit
RMG	Readymade Garment
RTW	Return to Work
SRO	Statutory Regulatory Order
SSS	Social Security System (Philippines)
ToT	Training of Trainers
TWG	Technical Working Group

01 Background

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 Employment Injury Insurance Scheme (EIS) was laid with the signing of the Berlin Declaration in 2019.[1] The EIS Pilot was inaugurated, covering approximately 28 lakh[2] workers belonging to 2000-3000 factories contributing to the export-oriented readymade garment (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. (a) ensuring the payment of benefits for the contingencies' duration and contributing to safeguarding decent living conditions for the victims and their families. (b), providing benefits in line with international standards. (c), aiming to protect employers from costly lawsuits in case of severe industrial accidents that can affect the industry's reputation as a whole. (d), providing for financial and institutional transparency. (e), 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 the nature of accidents over the time.

Since the EIS has passed its first three years, it is important to review the performance of the EIS with a view to understanding major achievements, challenges, and lessons learned for the future. This study has been carried out –by the Centre for Policy Dialogue (CPD) in partnership with the GIZ–with a view 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.

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[1] Since the tragic incident of Rana Plaza in 2013, worker's compensation and benefit-related definitions have drawn much attention among the stakeholders both at home and abroad. The incident also pressured the concerned parties of the RMG sector of Bangladesh to reach an agreement to initiate a pilot employment injury scheme. Finally, in 2022, a letter of intent was signed by BGMEA, BKMEA, and BEF in Geneva, followed by the official beginning of the scheme in June 2022. The project was initially launched for a three-to-five year period and is now expected to conclude in June 2027. Originally, 7 brands agreed to support the scheme by paying a voluntary contribution rate of 0.019 per cent of their garment sourcing volume from Bangladesh. The number of contributing brands has risen steadily and stands currently at 62. Technical help was sought from the ILO and GIZ, and teams were formed with minimum administrative costs.

[2] The Mapped in Bangladesh (MiB) database provides a well-documented account of worker statistics, generated through a comprehensive census-based initiative. This project helped resolve longstanding debates regarding the actual number of workers in the RMG sector. It found that the export-oriented RMG industry—excluding domestic production, subcontracting units, and similar segments—employs approximately 2.8 million workers. In contrast, industry associations often claim that the total number of RMG workers exceeds 4 million; however, this broader figure includes categories not covered under the export-oriented definition.

02

Objectives and Methodology of the Midterm Review

2.1 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:

(a) To review and analyse the institutional framework, operational mechanism, and financial structure of the scheme;
(b) To assess the sectoral scale-up of the scheme in EPZs, leather and footwear, and other industries;
(c) To assess the beneficiaries' challenges, expectations and their social and economic benefits from the scheme;
(d) To assess the preparation for transitioning into a full-fledged wage-based scheme following the current timeline and activities;
(e) To identify gaps and challenges, and recommendations for the EIS project with a view to scaling it up to the national scheme.

It should be noted that, apart from the compensation part of the EIS Pilot, there is an extensive data collection process to ascertain the accident incident rate in the industry. The data collection process is beyond the scope of this mid-term review.

2.2 Methodology

This midterm review study has been prepared using extensive primary and secondary research methods. To facilitate understanding of the foundation and concepts of the employment injury scheme in Bangladesh, the team conducted secondary studies of the information provided in the official EIS Pilot website, news articles, and reports including, but not limited to, the technical assessment for an EIS by the ILO, and the National Social Security Strategy (NSSS) by the government. In tandem with this, the team also conducted a literature review of employment injury schemes and insurance mechanisms in selected Asian countries to yield an understanding of cross-country experiences. The purpose of this review was to study relevant insurance practices in similar countries, identify the gaps that exist in the framework and pilot scheme in Bangladesh, and help formulate recommendations using the lessons learned from these cross-country practices.

Considering the Pilot is an ongoing project, key informant interviews (KIIs) served as the primary source of information for preparing this report. As highlighted in Table 1, online and in-person KIIs of various categories of stakeholders were organised to understand institutional, operational, and financial mechanisms of the ongoing scheme and its overall status and potential expansion. To achieve an understanding of the perspectives of the recipient category, KIIs of beneficiaries were conducted through phone calls. These beneficiaries comprised victims of both major and minor permanent disability cases, and dependents of workplace, commuting, and on-duty road traffic accident cases. Through this primary research, the team aimed to elaborate on the status of the EIS from multidimensional aspects relative to the proposed framework and identify the challenges observed and recommendations offered by these stakeholders.

Table 1 List of Stakeholders for KIIs

Group	Category	Stakeholder	Stakeholder Details	Number of KIIs
Assessor Group	Association	BGMEA	–	1
		BKMEA	–	1
	Employer	Factory Owner & HR & Compliance Officers	–	5
	Employee Representatives	NCCWE & BAWF	–	2
	Brands	H&M	–	1
	EIS	Special Unit	–	1
	OSHE Foundation	–	–	1
	Government	Department of Labour	–	1
	Observers	GIZ & ILO	–	2
	Category	**Accident Type**	**Specifics**	**Number of KIIs**
Recipient Group	Permanent Disability	Major Injury	Lower Body Paralysis	1
		Minor Injury	Finger Amputation	1
	Death	Workplace Accident	–	2
		Commuting Accident	–	2
		On-Duty RTA	–	1

Source: Authors' own illustration from KIIs.
Note: Wife, father and brother of the dead workers were interviewed.

03

Overview of the EIS of Bangladesh

The pilot programme of the EIS has been implemented with five-pronged objectives. These are as follows: (a) To strengthen and increase the capacity to deliver benefits for temporary incapacity; (b) To demonstrate, based on reliable evidence, the viability, feasibility and cost efficiency of an EIS in Bangladesh; (c) To gather better and more reliable data to calibrate the costs of the EIS; and (d) To ensure affordability of employers' contributions by testing the impact of a sharing of responsibility approach; and (e) To provide better delivery of occupational medical services within the current normative framework. However, setting the objectives as well as designing the programme and finally starting its implementation has taken several years. A myriad of webinars, workshops, training of trainers (ToTs), sub-committee meetings, and compensation governance board meetings have been conducted throughout these years to enable the launch and operation of the Pilot. The section below provides a more detailed overview of key events leading to the launch of the scheme.

3.1 EIS Foundations and Initial Steps (2019-2021)

Signing of the Berlin Declaration (26 September 2019)

The primary objective of this meeting was to proceed with the Letter of Intent from November 2015 signed by Bangladesh, Germany and the International Labour Organization (ILO). This historic agreement brought together the Government of Bangladesh, represented by the Ministry of Labour and Employment (MoLE), the German Government (BMZ), the ILO, and the German Social Accident Insurance (DGUV) in a collaborative effort to develop the core components of an Employment Injury Scheme (EIS).

Formation of the Technical Committee (18 February 2021)

Extensive discussions among tripartite stakeholders, including international brands, led to the formation of the Technical Committee by the MoLE on Piloting the EIS in Bangladesh. This tripartite committee, comprising representatives of employers, workers, the government, ILO, and GIZ, played a pivotal role in shaping the scheme's framework.

This was accompanied by training courses and workshops on employment injury insurance for civil society organisations, journalists, and employers conducted by the International Training Centre of the ILO (ITCILO) from February to July 2021.

Development of the EIS Framework (March 2021)

A framework for a sustainable EIS was developed through cooperation among all relevant stakeholders. The first official meeting of the Technical Committee took place on 6 July 2021, marking the formalisation of discussions.

ILO and GIZ Project Initiation (15 August 2021)

The ILO project for implementing the EIS Pilot commenced in August 2021. To further support the Technical Committee, a Technical Working Group (TWG) was established on 14 September 2021, comprising representatives from all key stakeholders, including government, employers, workers, ILO, and GIZ.

To support the implementation of the EIS Pilot, GIZ's Social Protection for the Workers in the Textile and Leather Sector (SoSi) project has been working synergy with the ILO project. The SoSi project has been commissioned by the German Government and has started in January 2022.

3.2 Integration and Capacity Building (2021-2022)

Integration into Bangladesh's Labour Roadmap (November 2021)

The implementation of the EIS Pilot was incorporated into Bangladesh's roadmap for addressing outstanding issues related to ILO Conventions. Several capacity-building initiatives were launched, including a series of training courses by the International Training Centre of the ILO (ITCILO) targeting government representatives.

First TWG Meeting (4 December 2021) and Study Visit to Nepal

The first TWG meeting was held, followed by a study visit to Nepal's Social Security Fund (SSF) to explore its management information system. This tour posed as a significant step towards the establishment of employment injury protection through South-South exchange and enabled technical knowledge-building through the study of openIMIS, an open-source management information system software, used by the SSF for implementing its social insurance programmes.

Endorsement of the EIS Framework (10 March 2022)

A major milestone was reached when the Framework for a Sustainable EIS was officially endorsed on 10th March 2022 after the GIZ project Social Protection for Workers in the Textile and Leather Sector was initiated on 1st January. Afterwards, the MoLE authorised the Central Fund to oversee the EIS Pilot on 11th March 2022.

Development of Accident Reporting Module (April 2022)

The Labour Information Management Application (LIMA) software of the Department of Inspection for Factories and Establishment (DIFE), originally launched on 6th March 2018, was enhanced to include an accident reporting module, which was pre-tested in April 2022. Additionally, workshops were conducted with the Central Fund whilst tripartite partners recommended required amendments of the Bangladesh Labour Rules.

Signing of the Geneva Declaration (31 May 2022)

The Geneva Declaration was signed between the ILO and the BEF, BGMEA and BKMEA for the promotion of the Pilot where delegates agreed to provide full support to the scheme.

Official Launch of EIS Pilot (21 June 2022)

The Government of Bangladesh launched the EIS Pilot, with seven international brands pledging voluntary financial contributions.

Governance Board Appointment (August-October 2022)

A separate ILO bank account was established in Geneva for the EIS to collect voluntary financial contributions from participating brands. In tandem with this, a separate account was also created within the Central Fund through an amendment to the Gazette of BLR 2015. Additionally, a governance board was appointed, and key discussions took place with global stakeholders, including IndustriALL Global Union and the Local Authority Pension Fund Forum.

3.3 Operationalisation and Expansion (2023-2025)

Establishment of Special Unit at Central Fund (January 2023)

A Special Unit (EIS PSU) was deployed to manage the activities of the EIS Pilot. Awareness-raising activities were conducted, including training of DIGs of the Department of Inspection for Factories and Establishments (DIFE) offices and BGMEA/BKMEA representatives.

Governance Board Meetings and Disability Assessments (2022)

The Governance Board held multiple meetings to approve crucial policies and financial decisions, including a dedicated sub-account for managing EIS funds. Sub-committee meetings approved death and permanent disability compensations.

Factory Outreach and Data Collection (June-October 2023)

Whilst the EIS Pilot's benefits cover all factories contributing to the export-oriented RMG sector, the scheme has an additional data gathering and capacity-building component on occupational accidents, diseases, and rehabilitation, based on a sample of representative factories. A list of participating factories was finalised, followed by extensive awareness campaigns, dialogues, and data collection efforts. Key developments in this period included the first sub-committee meeting for the endorsement of cases held on 1st June and the first disability assessment conducted following the agreement between DIFE and the Central Fund on 3rd August.

Training and International Engagement (2024)

Throughout the first half of this year, factory orientation sessions were initiated, and accident data tools were continuously updated. Trainers of the BGMEA and BKMEA were trained, hotline operators from DIFE were oriented, and brands were informed through forums and webinars. On 18 February, factory associations provided an orientation injury data collection tool in 102 factories. By mid-2024, the first batch of factories underwent training on Return to Work (RTW) procedures. International webinars and study visits, including one to South Korea, were conducted.

Inclusion of Commuting Accident

The process of managing and endorsing compensation cases has seen steady progress over the past year. A key turning point came in May 2024, when commuting accidents were officially included in the scope of compensation, following approval at the 8th Compensation Governance Board meeting.

Since then, the sub-committee has been meeting regularly to review and endorse cases. In July, a dedicated session was held to develop Standard Operating Procedures (SOP) for commuting accidents, which were later formally endorsed in December alongside key financial and audit reports.

Throughout early 2025, the sub-committee has continued its work, holding its 10th, 11th, and 12th meetings between January and April. These sessions saw a number of cases endorsed, including fatalities, permanent disabilities, and commuting accidents—reflecting a maturing and responsive system now operating with better consistency and clarity.

Strengthening Occupational Health and Safety (November 2024)

A focus was placed on enhancing Occupational Health and Safety Management Systems (OHSMS) and training healthcare professionals on occupational diseases. Furthermore, ToTs were conducted on Occupational Disease & Occupational Medicine for healthcare professionals.

Operationalisation of the Pilot in EPZ and Replication to the Leather & Footwear Sector (Early 2025)

Two distinct developments marked early 2025 in the expansion of the EIS. First, the EIS Pilot was officially operationalised in Export Processing Zones (EPZs) through a letter of intent signed between the ILO, GIZ, and the Bangladesh Export Processing Zones Authority (BEPZA). Although EPZ factories were intended to be part of the Pilot from the beginning, their inclusion required a formal agreement with BEPZA due to its separate jurisdiction from MoLE.

At the same time, discussions progressed on replicating the EIS Pilot to the Leather & Footwear sector, covering workplace accidents that occurred from 25 February 2025 onward. This marks a sectoral extension of the scheme beyond the ready-made garment industry.

ILO Technical Mission and Scaling Up (February 2025)

The ILO Technical Mission returned to Bangladesh to discuss scaling up the initiative, ensuring sustainability, and addressing technical challenges.

The first national workshop on institutionalising the Employment Injury Scheme (EIS)

The workshop was held in May 2025, focusing on coverage and benefits of the EIS. The Governing Board discussed financial and HR governance issues, including setting the minimum and maximum insurable earnings under the EIS Pilot. It further agreed to begin a series of national workshops to support the long-term institutionalisation of the scheme.

From May 12 to 15, 2025, an ILO technical mission from Geneva visited Dhaka. The team held tripartite meetings to address current pilot-related issues, discuss potential expansion into the leather goods and footwear sector, and facilitate the launch of the national-level institutionalisation process.

3.4 Timeline-wise Indicators of EIS

Monitoring and evaluation of the Pilot is a key component of the scheme as it will allow the accurate assessment of the progress and potential of workplace injury insurance in the country. In this regard, defined periodic joint indicators were prepared to conduct the monitoring. Table 2 below displays the year and month-wise indicators to be used for such an assessment. These indicators have also been studied for monitoring the scheme's progress.

Table 2 Year and Month-wise Indicators of EIS

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 the Legislature
	December	Financial statement and actuarial analysis published; Costing of employer liability completed
2027	June	Law adopted; Factories pay directly to EIS institution

Source: Author's illustration from EIS Pilot Website.

3.5 Observations on EIS Implemented Activities

The EIS Pilot began in February 2021 with the formation of a Technical Committee by MoLE, followed by the creation of a tripartite Technical Working Group in September 2021. In 2022, key governance milestones included a Gazette notification establishing the Governance Board, which held its first meetings and set management rules by mid-2023. Financial structures were formalised in 2022 with fund rules and a separate account, alongside regular financial reporting through 2025.

Claims processing evolved from early sub-committee endorsements of death and disability cases in 2023 to approved procedures for commuting accidents by late 2024, handling increasing case volumes into 2025. Awareness and training efforts ramped up from government-led ToTs in 2021-22 to factory trainings and union leader capacity building by 2025.

International cooperation began earlier with the 2019 Berlin Declaration and included study visits and ILO missions through 2023-25. Sectoral expansion was formalised in early 2025 with agreements covering EPZs and the leather and footwear sectors.

Nationalisation efforts took shape with workshops starting in 2024 and a major institutionalisation workshop in 2025. Throughout 2023, multiple webinars engaged brands and suppliers, complemented by printed materials and community theatre programmes to raise worker awareness.

Factory-level orientations in late 2023 prepared suppliers and workers, whilst trade unions were consistently engaged in 2024, culminating in brand-led union training in 2025.

04

Current Scenario of Accidents in Bangladesh

This section represents the current accident landscape in Bangladesh across different economic sectors. The database was collected from the OSHE Foundation, which records the accident-related data from different sources (TV media, newspapers, etc.). Besides, the data include every type of RMG factories (export-oriented, domestic focus, shared, sub-contracting, etc.), which may inflate the overall RMG factory scenario.

Table 3 indicates that accidents generally result in fatalities, accounting for approximately 76 per cent of all cases. In contrast, the RMG sector exhibits a more balanced distribution, with deaths and injuries occurring in nearly equal proportions. Given that this database records all types of accidents, as outlined in Table 8, the proportion of workplace-specific incidents appears significantly lower than figures reported on the EIS pilot platforms. However, there remains concern and doubt about the reporting mechanism for accidents, an issue explored in detail in subsequent sections.

Table 3 Type of Accident by Overall and in RMG

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

Source: OSHE Foundation.
Note: The data have been recorded from 2022 to 2025 from the newspaper and TV media.

Most accidents nationally occur in the informal sector (75.5 per cent), but RMG accidents overwhelmingly happen in the formal sector (96.8 per cent) (Table 4), mainly due to the higher reporting in the formal sector. This also indicates how compliant the sector is in terms of reporting accidents.

Table 4 Type of Industry Facing Accidents by Overall Sector and in RMG

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

Source: OSHE Foundation.
Note: The data have been recorded from 2022 to 2025 from the newspaper and TV media.

Table 5 reveals that accidents are male-dominated overall (94.5 per cent), yet RMG records a significant female share (39.9 per cent) due to a female-intensive labour force in the sector. This also iterates the need for gender-sensitive protection mechanisms in EIS expansion.

Table 5 **Accident by Gender tn the Overall Sector and in RMG**

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

Source: OSHE Foundation.
Note: The data have been recorded from 2022 to 2025 from the newspaper and TV media.

Table 6 transportation sector leads in fatalities (1,458 deaths), followed by service (590) and construction (324), while industry/manufacturing has the highest share of non-fatal injuries (272 cases). This highlights why RMG and industrial EIS pilots may not adequately capture the national accident burden, especially in high-risk transport and service sectors. This also necessitates the gradual expansion of EIS to other sectors.

Table 6 **Accident in a Different Sector by Accident Type**

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

Source: OSHE Foundation.
Note: The data have been recorded from 2022 to 2025 from the newspaper and TV media.

Table 7 Fatality share has increased nationally from 62.6 per cent in 2022 to 81.2 per cent in 2025, suggesting worsening severity or underreporting of minor injuries. RMG shows stable injury-to-death ratios (roughly 50:50 in 2025), possibly due to better compliance and monitoring systems.

Table 7 **Year-wise Accident Rate by Accident Type in Overall Sector and in RMG**

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**

Source: OSHE Foundation.
Note: The data have been recorded from 2022 to 2025 from the newspaper and TV media.

Table 8 reveals road traffic accidents dominate (165 cases), contributing heavily to deaths, whilst fire/explosion incidents (61 cases) and violence-related injuries (24 cases) are also notable. This confirms the need for coverage of commuting accidents and OSH measures in hazardous environments.

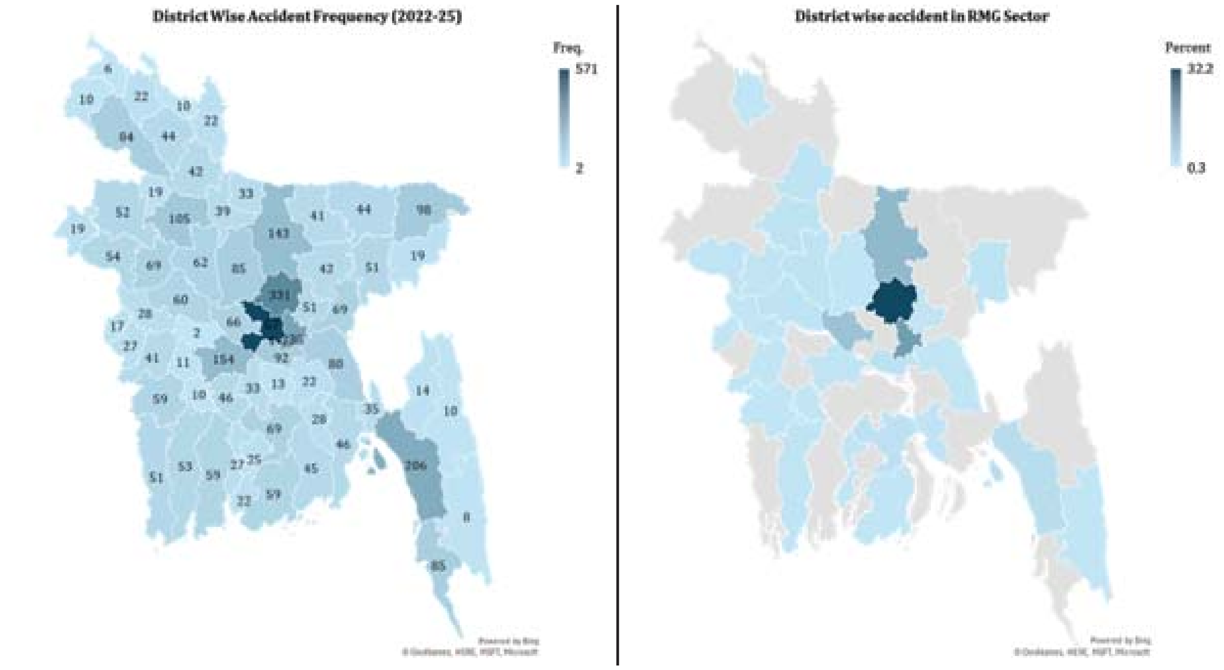
Table 8 Reason of Accident by Type of Accident

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**

Source: OSHE Foundation.
Note: The data have been recorded from 2022 to 2025 from the newspaper and TV media.

Figure 1 illustrates the distribution of accident frequency across various districts, revealing that almost every district has experienced a considerable number of incidents over the years for diverse reasons. In contrast, accidents within the RMG sector are predominantly concentrated in industrial clusters, particularly in Dhaka, Gazipur, and Chattogram, largely due to workplace accidents, road traffic incidents, and violence/ protest. This pattern reveals the urgent need for a comprehensive EIS scheme across all sectors and every type of RMG factories to ensure stronger protection against workplace accidents.

Figure 1 District-wise Accident Frequency in Overall Sector and in RMG



Source: OSHE, (n.d.)

05

Employment Injury Schemes in Selected Asian Countries

The following section presents a multidimensional overview of employment injury schemes and insurance practices across selected Asian countries, namely Thailand, Cambodia, Malaysia, India, and the Philippines. Evidence suggests that these countries have adopted mandatory insurance mechanisms to provide protection for workers who suffer from occupational accidents and work-related diseases.

In Thailand, Cambodia, and Malaysia, Employment Injury Insurance is financed entirely by employers, typically at contribution rates ranging between 0.8 per cent and 1.5 per cent of wages, depending on the sector-specific risk classification. In India, the employment injury component is integrated within the broader Employees' State Insurance (ESI) scheme and funded by employers, although the overall scheme includes employee contributions. In the Philippines, the Employees' Compensation Programme (ECP) is also exclusively employer-financed.

These schemes provide a broad spectrum of benefits, including medical care, funeral grants, monthly pensions, and education benefits for dependants. Oversight is typically embedded in statutory frameworks, with designated ministries and specialised institutions managing daily operations. For example, Malaysia's Social Security Organisation (SOCSO) and the Philippines' National Social Security Fund (NSSF) are key implementing bodies. Notably, certain jurisdictions impose penalties, such as fines and interest charges, on employers for delayed contributions.

5.1 Legal Structure

In all five countries studied, Employment Injury Insurance (EII) is mandated under national legislation. For example:

a. **Thailand:** The Workmen's Compensation Act 1994 serves as the primary legal basis for protecting workers against occupational injuries and diseases (ILO, n.d.).
b. **Cambodia:** Legislation enacted in 2008 provides the legal foundation for employment injury protection
c. **Malaysia:** The Employees' Social Security Act 1969 underpins the employment injury scheme (PERKESO, 2023).
d. **India:** The framework is established through multiple legal instruments, including the Employees' State Insurance Act 1948 and the Workmen's Compensation Act 1923.
e. **Philippines:** Presidential Decree No. 626, as amended, governs the Employees' Compensation Scheme (ILO, n.d.).

These examples highlight the centrality of statutory provisions in shaping employment injury protection across the selected countries.

5.2 Institutional Framework

Institutional arrangements vary across countries but share common elements such as ministerial oversight and tripartite governance structures:

a. **Thailand:** The Ministry of Labour and Social Welfare supervises the scheme, whilst the Social Security Office (SSO) manages implementation through the Workmen's Compensation Fund. A tripartite Workmen's Compensation Fund Committee governs the scheme, and medical assessments are conducted by SSO-appointed officers.
b. **Cambodia:** The Ministry of Labour and Vocational Training oversees non-financial matters, while the Ministry of Economy and Finance supervises financial aspects. The National Social Security Fund (NSSF), governed by a tripartite board, administers the scheme. Medical decisions are monitored by a Medical Board, with final decisions subject to the Appellate Medical Board.
c. **Malaysia:** The Social Security Organisation (PERKESO), supervised by the Ministry of Human Resources, administers the scheme. A Medical Board is responsible for injury assessments.
d. **India:** The Employees' State Insurance Corporation (ESIC), under the Ministry of Labour, administers the scheme through regional offices. Medical assessments are undertaken by designated Medical Boards, with appeals processed through a Medical Appeal Tribunal.
e. **Philippines:** The Employees' Compensation Commission, operating under the Department of Labour and Employment (DOLE), manages the programme. Public sector claims are handled by the Government Service Insurance System (GSIS), while private sector claims fall under the Social Security System (SSS).

5.3 Operational Framework

5.3.1 Coverage

Coverage provisions differ across jurisdictions but generally apply to formal sector enterprises. Thailand's Workmen's Compensation Act applies to establishments with at least one employee, excluding certain groups such as agricultural workers, non-profit organisations, and employees of foreign governments. Cambodia's NSSF covers enterprises employing eight or more workers, including seasonal and self-employed workers. Malaysia extends coverage to all industries with at least one employee, including foreign workers (except domestic servants), temporary and contract workers.

In India, coverage applies to non-seasonal manufacturing units with at least 10 employees (power-using) or twenty employees (non-power-using), with an income ceiling of Rs. 21,000 per month. Agricultural workers remain excluded. The Philippines covers enterprises with at least eight employees, as well as self-employed, seasonal, and occasional workers, under the SSS (private sector) or GSIS (public sector).

5.3.2 Eligible Beneficiary

In most countries, eligible beneficiaries include workers in cases of injury and their dependents in cases of deaths. In Thailand, the Workmen's Compensation Act provides benefits to injured workers, whilst in the event of death, legal beneficiaries include lawful parents, a spouse, children under the age of 18, children over 18 who are still studying below the bachelor's level, dependent children with disabilities, and children born within 310 days after the worker's death.

The eligible beneficiaries are the same in Cambodia, with the legal beneficiaries being spouse (as per Legal Certificate), children (as per Article 34 of Sub-decree No. 16 SD/E, dated March 02, 2007), parents or ageing persons.

In Malaysia, whilst the legal beneficiaries in death cases are comparable, the regulations for covered workers are more specific. The scheme applies to Malaysian citizens earning no more than MYR 4,000 per month, and, under certain conditions, to those earning above that threshold. It also extends coverage to foreign workers, self-employed individuals, informal sector workers, business owners, and liberal professionals.

India and the Philippines maintain similar definitions of eligible beneficiaries, covering both injured workers and their legal dependents in death cases, consistent with the frameworks outlined in the other countries.

5.3.3 Benefits

Across all the studied countries, employment injury insurance schemes generally provide a comprehensive range of benefits, including medical treatment expenses, temporary and permanent disability benefits, survivor or dependents' benefits in cases of death, rehabilitation support (both in-kind and in cash), and funeral grants. This is the case for Thailand, India, and the Philippines.

Cambodia and Malaysia also provide these core benefits, but with some additional provisions. Cambodia offers a constant attendance allowance for workers who require continuous care due to severe injuries.

In Malaysia, education benefits are available for the children of injured or deceased workers. Furthermore, all these countries provide risk benefits for occupational diseases, as defined by their respective legal frameworks.

5.3.4 Registration

In most of the studied countries, enterprises and factories must be pre-registered at the respective central institution.

In Thailand, employers are required to register at the Compensation Fund within 30 days of hiring by submitting necessary documents to the SSO. In Cambodia, employers must enrol with the NSSF by providing relevant documents to obtain enrolment certificates. Additionally, employers are responsible for submitting employee information to update the NSSF database.

In Malaysia, employees, employers and spouse of enterprise owners must register online at PERKESO.

In India, employers must collect all relevant data, complete documentation, and submit it to the regional offices of the Employees' State Insurance Corporation (ESIC) to receive a registration code.

In the Philippines, every employee must be registered with either the GSIS or the SSS by their employer within 30 days of the start of employment.

5.3.5 Reporting

In all the studied countries, employers are responsible for reporting work-related incidents to the relevant authorities.

In Thailand, the employer or an authorised representative must submit the required forms to the Social Security Office (SSO), either online or offline, within 15 days of the incident. However, reporting must occur within 180 days from the date of injury, illness, or death.

Similarly, in Cambodia, the employer or their representative must report the incident to the National Social Security Fund (NSSF) within 48 hours and arrange for the injured worker to be transferred to an NSSF-accredited health facility. Reports, including original medical receipts, are submitted to the Benefits Division and inspected by the Legal Affairs Division.

In Malaysia, incidents must be reported to PERKESO within 48 hours. Additionally, employers are required to notify both the nearest Branch Office and the Insurance Medical Office either immediately or within 24 hours.

Additionally, in the Philippines, all relevant documents must be submitted to the nearest SSS or GSIS office, depending on the sector. Employers are also mandated to maintain a logbook to record all workplace accidents and incidents.

5.3.6 Medical Treatment and Assessment

In all the studied countries, employers are responsible for providing primary care to their injured personnel.

In Thailand, employers arrange treatment at public or private hospitals and are required to submit the Kor Thor.44 Form. If the hospital is registered under the Compensation Fund, medical expenses are paid directly. Otherwise, reimbursement is provided to the employer. Occupational Health Clinics handle the diagnosis and treatment of work-related illnesses, injuries, and fatalities.

In Cambodia, employer must first provide the nearest emergency services and then send the victim to the health facility, or a poly clinic recognised by the NSSF. The NSSF covers the costs of emergency care and transport provided by the employer.

In Malaysia, PERKESO offers free treatment and rehabilitation facilities, and implements programmes on occupational safety and health (OSH), health screenings, and return-to-work initiatives.

Assessment of medical cases is done by the medical board of the PERKESO, like India, where the assessment is done by the medical board and an appeal tribunal. Reimbursements are provided to the medical officers and employers by the Employees' State Insurance Corporation.

5.3.7 Benefit Payments

In most of the studied countries, benefits are disbursed directly by the central funding institution, typically through bank transactions.

In Thailand, for instance, funds are manually collected from SSO and deposited into savings accounts at one of four designated banks.

Similarly, in Cambodia, lump-sum benefits are issued via cheques whilst monthly benefits are transferred directly to beneficiaries' bank accounts.

In India, payments are completed through banks under the oversight of the Corporation. Once claims are written and submitted to regional branch offices, approved payments are deposited into the beneficiaries' accounts.

5.3.8 Funding

In Thailand, employers make a unilateral contribution to the Compensation Fund through a Contribution Fund, which is calculated based on the employee's annual salary multiplied by a contribution rate (ranging from 0.2 per cent to 1 per cent) depending on the business type and risk classification. The contribution rate is determined by a business code notified by the ministry. The first contribution must be paid within 30 days of hiring an employee, with subsequent contributions due every January based on the employee's wage rate. From the 5th year onward, the company's accident rate is considered when assessing the risk level, and a differential/merit rate is applied to the contributions.

Furthermore, in Cambodia, the employer's contribution rate is 0.8 per cent, and the monthly contribution is calculated based on the employee's average monthly total wage (base wage), as outlined in Prakas #108 KB/KrK. Contributions must be paid by the 15th of the following month, either in person at the NSSF office with receipts or via bank transfers through a registered bank. All payment details, including the employer code, month of contribution, payment date, and amount, are recorded digitally. In case of delayed payments, employers are sent a letter for legal inspection.

In Malaysia, employers pay a 0.5 per cent contribution rate for the EII part. Employers are required to pay monthly contributions for each eligible employee according to the rate specified under the Employees' Social Security Act, 1969, for both First and Second Category workers.

Additionally, in India, for the EII part, employers pay 3.25 per cent of the wages on the last day of the wage period to the Corporation via banks. Employers have to pay contributions within 15 days of the last day of the calendar month in which the contributions fall due, and delayed payment leads to charges of 12 per cent simple interest.

In the Philippines, the government pays an irregular contribution, and a 1 per cent contribution rate comes from the employer, where a uniform rate is used. For private employees, a specific schedule is used for the monthly contributions to be remitted to the SSS. A 3 per cent penalty needs to be paid, besides the contribution, in case of late payments. For public employees, P100 is remitted to the GSIS. In case an employee gets injured or dies due to failure of the employer to comply with the safety devices requirement, the employer must pay the State Insurance Fund a penalty of 25 per cent of the lump sum equivalent of the monthly income benefit due to the employee. Additionally, in case a logbook is not kept, a liability for 50 per cent of the lump sum benefit and/or a fine ranging from P500 to P5000 and imprisonment ranging from six months to one year.

5.3.9 Overall Observations

The section above briefly summarises the existing employment injury and insurance schemes in selected countries. Table 9 below displays a summary of these schemes. Evidently, employment injury compensation is provided by employer-financed schemes. In addition to workplace accidents resulting in injuries or fatalities, these schemes also cover occupational diseases. They typically include provisions for rehabilitation and return-to-work (RTW) policies. Penalties such as fines and interest charges are applied for late contributions from employers. The countries studied have established designated institutions and legal frameworks to support these schemes. Business registration with these institutions, along with digitalised reporting mechanisms, is also in place. Therefore, such operational, institutional, and financial mechanisms of these systems can offer crucial lessons for the employment injury scheme in Bangladesh.

Table 9 Summary of Cross-Country Experiences

Feature	Thailand	Cambodia	Malaysia	India	Philippines
Legal Basis	Workmen's Compensation Act (1994)	Sub-Decree on NSSF (2008)	Employees' Social Security Act (1969)	ESI Act (1948), Workmen's Compensation Act (1923)	Presidential Decree No. 626
Supervising Body	Ministry of Labour & Social Welfare; SSO	Ministry of Labour & Vocational Training; NSSF	Ministry of Human Resources; PERKESO	Ministry of Labour; ESIC	DOLE; ECC (SSS for private, GSIS for public sector)
Governance	Tripartite committee (Workmen's Compensation Fund Committee)	Tripartite board (NSSF)	PERKESO with Medical Board	ESIC with Medical Appeal Tribunal	ECC governing SSS & GSIS
Coverage	Enterprises with ≥1 employee; excludes agriculture & certain groups	Enterprises with ≥8 workers; includes self-employed, seasonal workers	All industries with ≥1 employee; includes foreign workers (except domestic workers)	Non-seasonal factories: ≥10 (power-using) or ≥20 (non-power); income ≤ Rs. 21,000/month	Enterprises with ≥8 employees; covers both public & private sectors
Eligible Beneficiaries	Injured workers; dependants (spouse, children, parents)	Injured workers; spouse, children, parents	Same as Thailand; includes self-employed & foreign workers	Same as Thailand; income ceiling applies	Injured workers; dependants in both public & private sectors
Key Benefits	Medical care, disability benefits, dependants' benefits, funeral grant	Same as Thailand + constant attendance allowance	Same as Thailand + education benefits for dependants	Medical care, disability benefits, funeral grants	Similar benefits; distinguishes between public & private sector
Employer Contribution	0.2–1% of annual wages (sector risk-based)	0.8% of total monthly wages	0.5% of wages	3.25% of wages (EII component under ESI)	1% + penalties for non-compliance
Funding	Employer-financed	Employer-financed	Employer-financed	Employer-financed (part of the ESI scheme)	Employer-financed; government irregular contribution
Penalties	Late payment fines	Legal notice for delayed contributions	Mandatory reporting & fines	12% interest on delayed payments	3% penalty + fines, imprisonment, additional employer liabilities
Special Features	Risk-based contribution; past accident rate influences premium	Digital monitoring & appellate medical board	Occupational safety, health screening, return-to-work programmes	Integrated with broader social insurance (ESI)	Distinct schemes for public & private sector employees

Source: Prepared by the authors from various sources.

06

Status of EIS Pilot Joint Indicators

The discussion above summarises the current status and progress of the EIS Pilot launched in the export-oriented RMG sector of Bangladesh. As stated earlier, joint indicators were prepared for the official advancement and monitoring of the scheme for the five-year period ending in June 2027. Table 10 below thus offers information on the status of these indicators using information from our primary research.

Table 10 Progress on 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	Fifteen brands support the Pilot financially; 80% of factory accidents reported; 90% of claims processed	Completed
	Dec	Thirty brands support the Pilot; 50% staff planning completed; 50+ claims processed	Completed
2024	Jun	Forty 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 whilst 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. 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	About 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
	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

(Table 10 contd.)

(Table 10 contd.)

Year	Month	Indicators	Status
			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 finalised 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.
	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 $1per worker per year.
2027	Jun	Law adopted; Factories pay directly to EIS institution	To be Initiated

Source: Prepared by authors using data from KIIs & EIS Pilot Website.

07

Current Status of the EIS

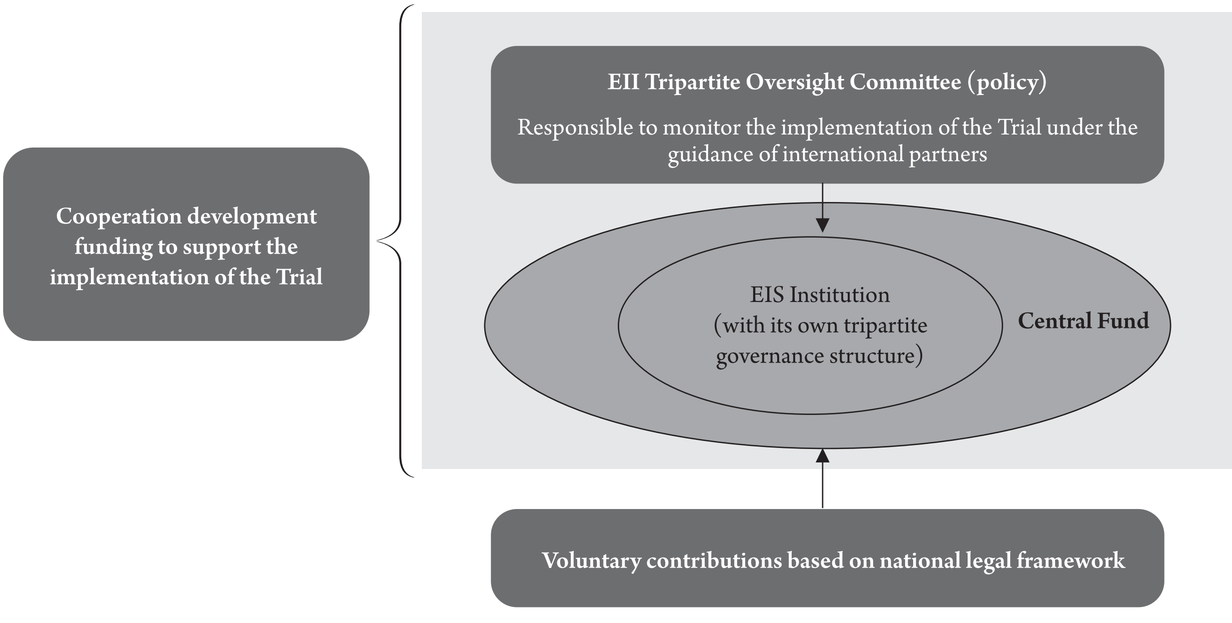
The section highlights institutional structure of EIS, its framework, operational structure, MIS system, financial contribution, benefit payments, coverage and eligibility, etc. The section discusses how the current framework is being functioned from institutional aspect to operational level.

7.1 Institutional Transparency

7.1.1 Institutional Structure as per Framework

Figure 2 below illustrates the institutional structure proposed in the framework for the EIS Pilot. Accordingly, the institutional oversight would be conducted by a Tripartite Committee, whilst a fund and implementing agency would conduct the operations and data-gathering. The governance of the implementing agency would be supported by ISSA guidelines on good governance. In this regard, the Pilot is anchored in the existing framework and uses provisions of the Bangladesh Labour Act,

Figure 2 Institutional Structure Proposed in the Framework



Source: Ministry of Labour & Employment, 2022.

SRO 291-Law/2015, more particularly its provisions 212 to 236 on the Central Fund. This allows for establishing an ad-hoc administrative structure within the Central Fund (sub-account) where the resources would only be used for the sole purpose of the Pilot. This would thus facilitate capacity-building of stakeholders for further expansion of the scheme.

7.1.2 Administrative Operational Structure

In this regard, the Pilot is composed of a well-maintained and transparent institutional structure with tripartite engagement from various groups of stakeholders overseeing different activities.

Ministry of Labour and Employment (MoLE): The MoLE holds overall responsibility for supervising and monitoring the Pilot through the Central Fund and the EIS Special Unit during its five-year duration. At the conclusion of the Pilot in 2027, the MoLE is expected to assume full control and operational responsibility for the national EIS.

Central Fund: The Central Fund manages the financial operations of the scheme. Under the existing employer liability provisions of the BLA, the Fund provides lump-sum compensation to the dependents of deceased workers in the RMG sector. It maintains a dedicated EIS Sub-Account, which manages the transfer of brand contributions from the ILO Geneva account and facilitates monthly benefit disbursements to eligible beneficiaries via bank transfers. These activities also contribute to data collection for estimating associated costs.

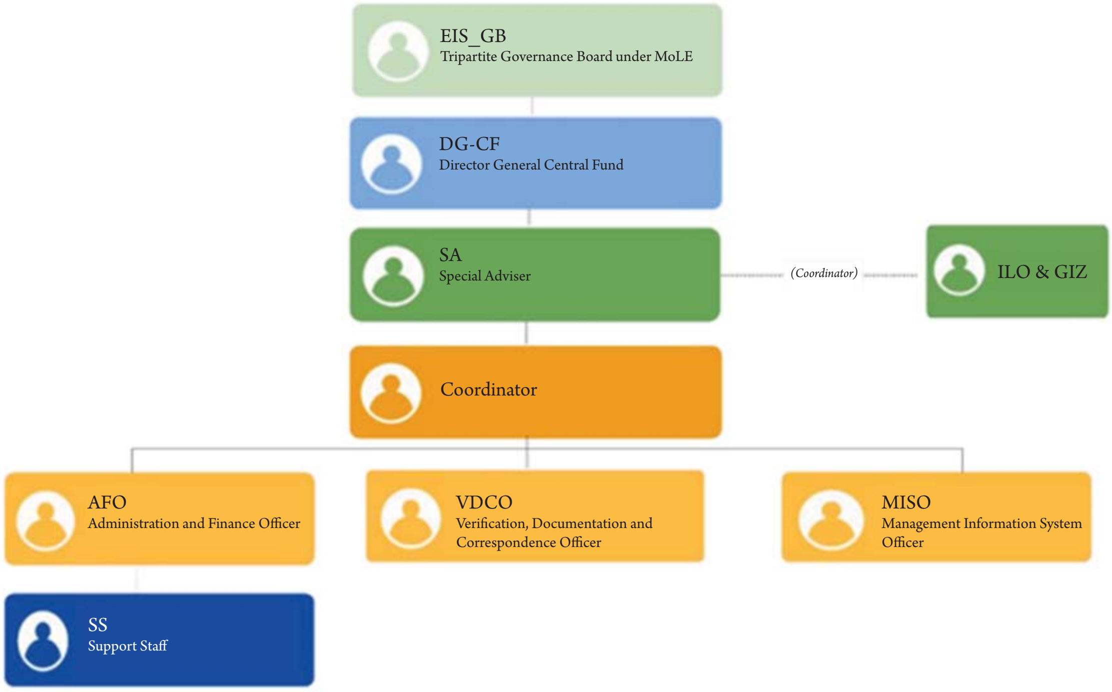
Tripartite EIS Governing Body (EIS_GB): The EIS Governing Body consists of representatives from workers, employers, and government. It is chaired by the Secretary of MoLE, with the Director-General of the Central Fund serving as Member Secretary. Membership includes three representatives each from workers and employers, and five from government. This body is responsible for determining the operational framework, developing policies, defining coverage, and reviewing or approving complex cases where necessary. The Governance Board adheres to the International Social Security Association (ISSA) guidelines on good governance, as outlined in Annex 2 of the Draft Voluntary Pledge. Internal regulations have been adopted to ensure accountability, transparency, predictability, and participation. The Board issues annual financial and operational statements supported by internal and external audits, following a pre-defined disclosure schedule.

EIS Sub-Committee (EIS SC): The Sub-Committee is chaired by the Additional Secretary of MoLE's I/O Wing, with the Director-General of the Central Fund acting as Member Secretary. Its membership includes two representatives each from employers and workers, and three from the government. The Sub-Committee undertakes monthly reviews and approvals of cases submitted by the EIS Special Unit, confirms beneficiary payments, and refers ambiguous cases to the Governing Body for further review.

EIS Special Unit (EIS PSU): Operating under the administrative control of the Director-General of the Central Fund, the EIS Special Unit is the operational arm of the Pilot. Its functions include case management, documentation review, verification of worker and beneficiary details, and support for benefit disbursement following approval. The Unit also prepares Standard Operating Procedures (SOPs) to enhance process efficiency, coordinates reporting to development partners (ILO and GIZ), and facilitates capacity building for the Central Fund.

Regarding financial processes, the Unit calculates benefit payments, performs bank reconciliations, prepares financial statements, and maintains comprehensive records, including payment advice for banks. It also manages the Pilot's Management Information System (MIS), ensuring robust data management and operational efficiency. Figure 3 illustrates the organisational structure of the EIS PSU.

Figure 3 Organogram of the EIS PSU



Source: EIS Pilot Website.

Association: The BGMEA and BKMEA act as key intermediaries between the scheme and the registered factories. Their responsibilities include managing communication channels with factories, maintaining a centralised accident database, and forwarding accident case files to the Central Fund and the EIS Special Unit (EIS PSU). In addition, these associations play a critical role in raising awareness among factories, providing training for HR compliance and management teams, and promoting the implementation of OSH standards.

Brands: Brands sourcing from Bangladesh are expected to engage actively in disseminating information related to the EIS Pilot. This includes promoting the use of digital accident reporting systems and distributing relevant informational materials to factory workers. Furthermore, brands participate in monthly review meetings to monitor the progress of the Pilot and may undertake complementary initiatives in areas outside the Pilot's current scope—such as coverage for non-work-related deaths, commuting accidents, temporary incapacity, and associated insurance costs.

Observers: The GIZ and the ILO function as observer institutions, providing technical assistance and advisory support. The ILO, in particular, offers expertise on institutional design, drawing upon international experience and consultations with government, employers, and workers. Both organisations contribute to awareness-raising through initiatives such as community theatre, workshops, and capacity-building sessions. They also liaise with brands to explain technical aspects of the Pilot and encourage wider participation.

7.1.3 Management Information System (MIS)

The establishment and maintenance of a robust Management Information System (MIS) is a critical outcome of the Pilot, intended to generate accurate data for cost assessment and to demonstrate the feasibility of a future national scheme. The EIS MIS is designed exclusively for recording information related to EIS beneficiaries, including payment data and case histories.

The MIS Officer within the EIS PSU is tasked with maintaining the system, ensuring proper documentation, integrating the system with the Central Fund's Document Management Software and the Labour Inspection Management Application (LIMA) of DIFE, and providing technical support such as troubleshooting and data security.

Currently, case files submitted by the Central Fund are entered into the MIS by the EIS PSU. Future integration of the Central Fund into a fully digital system is expected to allow automatic transfer of eligible applications to the MIS.

The ILO has emphasised that an accurate worker database is essential for the effective implementation of any social insurance system, including employment injury schemes. In this regard, MoLE has undertaken significant steps to digitalise the national worker database, a process that will extend beyond the RMG sector to all formal sectors. Although progress has been made, full implementation remains ongoing. GIZ, in collaboration with the EU, is also supporting efforts to ensure that a comprehensive database is established and operational.

7.2 Financial Transparency & Contribution Mechanism

7.2.1 Funding Mechanism

Under the Pilot, compensation for permanent disability and death continues to be provided by the Central Fund in accordance with existing legislation, with the Pilot introducing a supplementary component in the form of top-up pensions to align benefit levels with the standards of ILO Convention No. 121.

As per the framework, the total cost of benefits is projected at 0.15 per cent of wages (0.10 per cent for permanent disability and 0.05 per cent for death). Following the EIS (2022, p. 6)[3] assumptions of the actuarial valuation, and the Pilot, the annual costs of benefits is projected at USD 8,990,000. Furthermore, it is estimated that the annual administrative cost of the EIS institution will be USD 900,000. Thus, the voluntary contribution to cover the Pilot's cost would be estimated at USD 7,372,000 per year. The EIS Pilot's top-ups cover the gap between the compensation prescribed in ILO Convention No. 121 and the existing one-time compensation paid by the Central Fund. It amounts to 0.13 per cent of an employer's wage bill. In terms of value of exports, it is estimated at 0.019 per cent.

The Central Fund consists of two distinctive accounts receiving equal share of the 0.015 per cent levy on export orders, the beneficiary account and contingency account. Only the beneficiary account is used for paying employment-injury compensation.

One of the key objectives of the EIS Pilot is to ensure financial transparency of the scheme. This can be achieved through the collection of data for the assessment of related costs throughout the Pilot period. Such costs will then be presented to national stakeholders and compared to what is currently being spent under the existing scheme. National stakeholders will then be in a position to assess whether additional funding should be provided, and by whom.

[3] EIS (2022). Framework for a sustainable employment injury insurance scheme in Bangladesh. Employment Injury Scheme Pilot, February. Available at: https://eis-pilot-bd.org/storage/file/594751874_Framework-EIS.pdf#page=5.78 (Accessed: 23 June 2025).

7.2.2 Brand Contributions

The EIS Pilot top-up component is currently being financed by voluntary contributions from brands that source from Bangladesh. The understanding of brands is that, upon completion of the pilot, national stakeholders will assume responsibility, expanding and institutionalising the scheme as part of a national mechanism. Another condition provided by these entities is that the entire supply chain should be covered by the scheme. Currently, for practical reasons, only factories contributing to exported garments, including in EPZs, are covered by the scheme. According to the agreed design of the EIS Pilot, the scheme is supposed to cover all factories contributing to the export-oriented RMG sector. This criterion includes the local RMG supply chain. Besides ethical reasons and goodwill, another important incentive for brands to participate in the Pilot was to demonstrate that the scheme does not cost a lot of money, and it can be sufficiently financed by employers in the future.

Initially, only 7 brands had signed up for the Pilot. Now, the number stands at more than 80 as displayed in Table 11. Brand participation is constrained by the fact that a significant number of brands work with third-party agents in the country, unlike bigger brands that have direct offices.

Table 11 Number of Brands Contributing to the EIS

Country/ Region	Number
USA	4
Japan	1
Australia	2
EU	57
Toal	**64**

Source: Authors' Illustration using data from KII
Note: According to the KIIs, 64 brands were onboarded. However, the updated figure stands around 82.

Low US Participation: Whilst one stakeholder credits low participation from US brands to their reluctance and weak inclination towards social compliance compared to European counterparts, others describe that the approach of US brands is different and more based on an individual approach to the issue. These factors lead to lower participation of US brands in terms of contribution.

Onboarding Brands & Providing Incentives: More brands are being sought out to participate in the scheme. Thanks to the brands themselves, ILO and GIZ were able to enter into contact with non-participating brands to explain the technicalities of the Pilot and allow such brands to assess the importance of joining the pilot scheme.

Since Bangladesh does not have a social insurance scheme, companies that run business here would be questioned about their contribution and importance. Given the due diligence of these stakeholders is rising, brands must abide by their social responsibility to ensure that the countries from which they source their products maintain basic labour protection and standards. This ethical standpoint was used to encourage them to participate.

7.2.3 Brand Registration

Brands wishing to contribute must sign a Draft Voluntary Pledge and Forwarding Letter available on the EIS website and submit these to the ILO Geneva office. Contributions are calculated as 0.019 per cent of sourcing value from Bangladesh, based on international benchmarks and national survey findings. For confidentiality reasons, individual contribution amounts are not publicly disclosed, and the ILO does not verify sourcing values.

7.2.4 Fund Transfer

Under existing law, the Central Fund is authorised to accept international contributions for worker welfare. In the context of the Pilot, a separate account was established to manage these contributions. The EIS PSU prepares budgets and payment schedules, which require approval from the Governing Board before disbursement. Following approval, funds are transferred from the ILO to the Central Fund, which then deposits benefits directly into beneficiaries' bank accounts. Independent audits by nationally accredited firms, such as Hoda Vasi Chowdhury & Co., ensure accountability and traceability of funds.

7.2.5 Ensuring Affordability of Employer's Contribution

Estimating Costs through Data-Gathering: One of the primary objectives of the Pilot is to transform it into a full-fledged nationally owned employment injury scheme which would be funded by employer contributions. Therefore, the data-gathering component will be applied for estimating the associated costs and feasibility of a national scheme in addition to long-term compensation, medical care, short-term benefits, rehabilitation and return to work measures. Whilst the framework recommended the selection of 150 factories, covering 150000 workers, they were initially targeted to run during the early phase of the pilot. The framework for the Pilot also provided selection criteria for factories-15 per cent large, 50 per cent medium, and 35 per cent small. This sample also consists of geographical representativeness. 60 per cent of the establishments would have to belong to BGMEA, whilst 40 per cent would be from BKMEA.

Stakeholders have agreed on the core data requirements from participating factories, which include the number of workers, their age and wage details, incident rates, duration of absence, and medical costs associated with short-term benefits. This information is to be securely stored, protected, and analysed within the Management Information System (MIS).

In line with this, the ILO has begun collecting data on temporary incapacity and has already developed preliminary estimates of the scheme's costs and expenditure patterns. A stakeholder dialogue involving employers, workers, and government representatives is scheduled for this year to present these cost estimates and explore alternative financing options. These discussions are being initiated early to ensure a smooth transition to a fully national scheme upon conclusion of the Pilot in June 2027.

Initial estimates shared by ILO Headquarters suggest that the employer contribution rate could be approximately USD 1 per worker per year.

Challenges related to Employers' Contribution: Several stakeholders anticipate reluctance among factory owners to expand the scheme without continued financial involvement from brands. Concerns have been raised that economic considerations may overshadow social protection priorities for some employers.

Moreover, placing the entire financial burden on employers poses significant challenges. Bangladesh currently lacks the institutional and structural capacity to support such a transition, and many enterprises may not be financially or administratively prepared to assume this responsibility independently. Unlike international brands, local employers are currently unable to provide voluntary contributions under the existing framework.

Given these constraints, the government needs to adopt a facilitating role in designing a phased and transparent contribution system that promotes employer participation whilst ensuring the long-term sustainability of the scheme.

Views of Stakeholders on Employer Contribution: Primary research indicates varied perspectives regarding the future financing of the scheme through employer contributions. As the Pilot will continue until 2027, formal negotiations on long-term funding have yet to commence. Nonetheless, there is broad consensus among stakeholders that the national scheme should eventually be financed primarily by employers, consistent with international practice.

Industry associations have suggested that employers contribute to the scheme during periods of economic prosperity to create a buffer for times of financial downturn, thereby mitigating instability and ensuring continuous worker protection during crises.

Other stakeholders argue that employers should bear the primary responsibility for funding the scheme; however, they also advocate for partial government support—through seed funding, infrastructure development, or administrative assistance—reflecting models implemented in other countries.

7.3 Operational Mechanisms

7.3.1 Coverage & Eligibility

Provisions in the Analytical Framework: According to the framework for a sustainable Employment Injury Insurance (EIS) scheme in Bangladesh, the tripartite working group agreed that the Pilot would cover workers in the export-oriented RMG sector for workplace-related accidents. The scheme is structured as an event-driven system, requiring no prior registration of workers or employers.

Eligible beneficiaries include both permanent and temporary workers who suffer permanent disability as a result of workplace accidents, as well as the dependents or legal heirs of deceased workers, as outlined in Section 30 of the Bangladesh Labour Act (BLA). In the case of death, beneficiaries are identified upon submission and verification of legally valid documentation.

Compliance with ILS: According to ILO Convention No. 121, all workers in the public and private sectors are entitled to receive all necessary medical and allied services (ILO, 2019). Whilst the current framework and scheme do not yet fully comply with these standards, the ILS allows for exceptions and a phased approach to implementation. In this context, the ongoing Pilot serves as an initial step towards the progressive realisation of full compliance. It is anticipated that, upon nationalisation, the scheme will gradually expand its scope to include all workers across sectors in line with international standards.

Inclusion of Commuting Accidents & On-Duty RTAs: Although the Employment Injury Scheme (EIS) initially covered only workplace accidents, its scope was expanded on 1 July 2024 to include commuting accidents. This category refers to accidents occurring strictly while workers travel between their residence and the factory. The inclusion of commuting accidents represents a significant development, as such incidents are reported to occur at a rate approximately four times higher than workplace injuries within the RMG sector.

Another category incorporated from the outset of the Pilot is On-Duty Road Traffic Accidents (RTAs). These cover cases where workers are injured in accidents occurring during official work-related travel within working hours. This provision includes employees who leave the workplace temporarily for lunch as well as designated drivers performing official assignments.

Following the interviews with the beneficiaries, a few cases were found related to commuting and on-duty RTAs to understand their scope and eligibility for the EIS. Those cases are explained below:

Case 1: A factory driver, following the employer's instructions, went to refuel a CNG-driven vehicle at 6 am and died due to a blast at the station. Since the accident occurred before office time, however, considering the long queue at the CNG station, the driver took the vehicle early so that the office transportation needs could be addressed in a timely manner. Additionally, the driver went to fill up the fuel for official purposes. Following these, the case was deemed eligible for EIS benefits, and the family members received compensation.

Case 2: A worker, despite residing near the factory, passed away at a location that could not be connected on the way to the worker's workplace/ home. As the incident occurred on a workday but could not be linked to employment-related travel, the Central Fund disbursed BDT 2 lakh to the eligible beneficiary. However, the EIS board did not approve the case as eligible for EIS benefits, and no top-up payments were provided.

Case 3: In this case, a worker took a half-day leave so that he could go grocery shopping. On his way to the market, the worker died in a bike accident. Since the incident happened outside of the workplace-home route, and doing groceries for personal/ family purposes does not fall under the duty responsibilities, hence, the EIS benefit was not paid to the victim's dependents because the scheme only considers accidents occurring within the regular commuting route strictly between their home and the factory.

Case 4: During the July Movement in Bangladesh, many garment workers were forced to use alternative routes due to road blockages and student protests. Several accidents occurred during this period. However, these cases were not approved under the EIS, as workers had not taken the regular or shortest route to their workplace. This scenario reflects the need for policy refinement to address exceptional circumstances. Eligibility should consider whether route deviations were for safety reasons rather than personal errands, and such cases require case-specific investigation.

Owner's Reluctance to Cover Commuting Accidents: Interviews with factory owners indicate reluctance to assume responsibility for commuting accidents (excluding on-duty RTAs). Owners argue that such incidents occur outside factory premises and are difficult to monitor or verify. Whilst acknowledging the need for preventive measures, they expressed strong reservations against employer-provided shuttle services, citing the logistical challenges of transporting a large workforce.

Coverage of Natural Deaths at Factories

The current EIS Pilot does not cover all worker-related incidents. Notably, natural deaths are excluded, as they are not classified as occupational accidents under existing legal provisions. For example, if a worker suffers a fatal heart attack (or any natural death) during working hours, it is considered a natural cause rather than an employment-related injury; hence, dependents are not entitled to EIS benefits.

A recent case illustrates the implications of this exclusion:

Case 5: A worker experienced severe chest pain during working hours and requested leave, which was denied. Subsequently, the worker was hospitalised, diagnosed with a heart attack, and later died. As the death was attributed to natural causes, no EIS benefits were payable to the family.

Whilst natural deaths fall outside the legal definition of employment injury, this case highlights the importance of introducing complementary protection mechanisms, such as workplace insurance for sudden illness or natural death. Additionally, employers should implement preventive measures, including prompt approval of sick leave and immediate medical support, to reduce the likelihood of avoidable fatalities.

7.3.2 Reporting Mechanisms & Claims Processing

EIS Reporting Requirements: The reporting and claims procedure under the EIS is designed around a structured framework (Figure 2). Following an accident, the injured worker—or, in the event of death, their dependents—must report the incident to the respective factory to initiate the claims process for lump-sum compensation payable by the Central Fund. This initial application simultaneously serves as a claim for monthly EIS benefits, meaning that a separate submission is unnecessary.

The process requires completing the prescribed application form, which is available on the Central Fund's official website. Factory compliance staff typically assist the claimant (or their dependents) in completing the form. Alongside the form, applicants must submit a set of legally valid supporting documents, including photocopies of National Identity Cards (NID), birth certificates, death certificates, inheritance certificates, recent photographs of the worker and beneficiaries, service book copies, and bank account details such as cheque leaves (EIS Pilot Brochure, 2023). All documents must comply with formatting and verification requirements outlined on the EIS portal.

Upon submission, the factory forwards the application and accompanying documentation to the appropriate trade association, either BGMEA or BKMEA. The association then reviews the case and forwards it to the Central Fund for assessment.

Claims Processing and Verification: Once the Central Fund receives the application, the case is transferred to the EIS Special Unit (EIS PSU) for verification and evaluation. The PSU assigns each case a digital diary number for tracking and records the details of both employers and workers in the Management Information System (MIS), allocating a unique identifier for reference.

After preliminary screening, shortlisted cases are presented to the EIS Sub-Committee during its monthly review meetings for further analysis and final decision-making. If approved, the EIS PSU prepares benefit approval notes and notifies the beneficiaries via SMS, whilst sending formal letters to factories and associations. Monthly payments are then processed through direct bank transfers from the EIS-designated account to the beneficiary accounts.

For cases that are not approved by the Sub-Committee, files are escalated to the EIS Governing Body for re-examination and potential endorsement.

Duration & Efficiency of the Process: KIIs indicate that the prescribed reporting and claims procedure is generally followed by workers, factories, and associations. After a claim is lodged, the factory first verifies the worker's employment status. Subsequently, BGMEA or BKMEA cross-checks this information against its centralised database.

Typically, the relevant association forwards verified reports to the Central Fund within two to seven days, whilst an unofficial copy is often shared with the EIS PSU to accelerate processing. Once the complete case file is received, a designated unit within the Central Fund may contact the factory for further clarification if necessary.

Where all documentation is accurate and complete, the case progresses to the EIS Sub-Committee for approval, and payments are typically finalised within 30 days. However, if discrepancies or missing documents are identified, the process may extend up to 60 days to allow for additional verification.

Notably, delays are most frequently attributed to the initial stages involving factories and associations, whereas the Central Fund, EIS PSU, and Sub-Committee emphasise relatively high efficiency in processing claims. In the absence of complications, the full cycle—from accident reporting to disbursement—averages 30 days.

Reporting via LIMA: A significant reporting mechanism for the EIS is the Labour Inspection Management Application (LIMA), developed by the DIFE and introduced in January 2023. This digital platform enables factories registered with the system to report occupational accidents through its Occupational Safety and Health (OSH) module. To facilitate compliance, instructional tutorials on factory registration, obtaining the DIFE licence, and accident reporting are available on the official EIS website (EIS-Pilot, 2025).

7.3.3 Challenges in the Reporting Process

Attempts to Suppress Accident Reporting: Several barriers impede transparent accident reporting. Factory owners often display reluctance to report workplace accidents, primarily due to reputational concerns and fear of legal or financial liabilities. In certain cases, owners have been reported to confiscate workers' identification cards following accidents to prevent claims submission. Instances have also emerged where employers offer monetary compensation or alternative benefits, such as employment for the victim's family members, in exchange for withholding reports from the Central Fund.

Worker-related Barriers to Reporting: Workers themselves may refrain from disclosing accurate information during verification due to fear of retaliation or job insecurity. The extensive documentation requirements and procedural complexity associated with claims processing can also act as disincentives for reporting. In some cases, neither the factory management nor the victim cooperates during verification, reflecting deep-rooted apprehensions and systemic gaps in enforcement.

Under-Reporting and Its Implications: Although official statistics indicate a decline in reported accidents within the RMG sector, it is widely acknowledged that under-reporting remains significant. Field-level observations suggest that for every 10 cases officially recorded per month, the actual number could be closer to 30. This discrepancy highlights the urgent need for robust monitoring and accountability mechanisms. Although employers claimed that every accident resulting in death or permanent injury is reported, workers, however, mentioned that not all cases of injury or death are properly reported.

Role of Brands in Addressing Reputational Concerns: To mitigate employers' apprehensions, several international brands have reassured factory owners that reporting workplace accidents will not negatively affect business relationships. These assurances emphasise that accidents, provided they occur despite adherence to safety standards, will not attract punitive measures or reputational penalties. This seeks to promote greater transparency in accident reporting whilst reinforcing the importance of compliance with occupational safety norms.

Employer's Liability & Legal Incentives for Reporting: Under the current provisions of the BLA, employers retain liability for workplace accidents even after reporting incidents to the Central Fund (CF) or the Employment Injury Scheme (EIS) through BGMEA or BKMEA. This means that reporting an accident does not absolve the employer of legal responsibility for compensation as prescribed by law.

Failure to report an accident to the CF does not remove this liability; rather, it exposes the employer to additional financial risks if revealed by the authority later on. In practice, employers who fail to report accidents are required to bear the full cost of compensation directly, whereas reporting through the CF ensures that the payment is processed via the Fund under the applicable legal framework. Although this does not eliminate employer liability, it facilitates structured payments and compliance with regulatory requirements, which serves as a strong incentive for timely reporting.

The BLA also mandates that all workplace accidents must be reported to the Department of Inspection for Factories and Establishments (DIFE). If an accident leads to death, amputation, or incapacity, causing the worker to remain absent for more than two days, the employer is legally required to submit a formal report to DIFE. For incidents where the worker is absent for less than two days, the employer must maintain internal documentation, although reporting to DIFE is not mandatory. Non-compliance with these obligations empowers DIFE to impose fines and other penalties on employers.

Corrupt Practices Involved in Reporting from DIFE: Primary research revealed concerns regarding corrupt practices within the reporting process managed by the DIFE. Stakeholders expressed apprehension about the handling of worker complaints, citing perceived breaches of confidentiality that may discourage victims or their families from reporting incidents.

Another key concern is under-reporting: certain commuting and workplace accidents relevant to the EIS are not systematically captured by DIFE. Employers have also expressed that reporting accidents exclusively in the RMG sector—without equivalent data from other sectors—creates a skewed perception that accidents are concentrated in garment factories. To address such reporting gaps, the EIS Pilot adopted a multi-source verification approach, collecting data from factory records, volunteer networks, newspapers, and television coverage. A similar approach could be integrated into DIFE's framework to improve accuracy and ensure a representative picture of occupational accidents across all sectors. Strengthening verification and data collection would enhance credibility and transparency in the reporting process.

Third-Party Auditing as a Preventive Measure: To mitigate irregularities and reinforce transparency, stakeholders have recommended mandatory third-party audits. Additional independent reports should complement those prepared by the DIFE. Furthermore, complaint boxes accessible only to designated investigation teams should be installed at factory premises to enable workers to report grievances confidentially.

Challenges in the Claim Process: As noted earlier, delays often occur at the factory level, as some owners prefer to compile multiple accident cases before forwarding them collectively to associations. Once cases reach BGMEA or BKMEA, similar delays may arise due to batch processing rather than the immediate forwarding of individual reports.

Documentation challenges also hinder timely claims processing. For example, obtaining inheritance certificates can be difficult, as many workers and dependents lack awareness of the application process. Additionally, underage workers often use borrowed or falsified NID cards, complicating verification. In cases where a deceased worker had more than one spouse, determining legal heirs and dividing benefits can be contentious. This requires collecting official documents from Union Parishads and verifying sensitive personal information, often causing significant delays. The EIS governing board is carefully addressing these issues and paying benefits to the heirs of the victims.

Accidents Caused by Workers' Negligence: It is correct that under a no-fault system—such as the one envisaged under the EIS—benefits are paid irrespective of negligence. Therefore, this discussion does not affect eligibility for compensation. However, these examples underscore the importance of preventive measures, safety culture, and adherence to occupational safety protocols, as frequent violations increase accident risks and operational costs.

During primary research, several instances of unsafe practices were reported. For example:

a. Four workers sustained finger injuries whilst operating machinery after deliberately disabling safety sensors designed to prevent such injuries.
b. In another case, workers disregarded warning signs and entered an elevator marked 'out of order', resulting in fatal consequences.

Whilst such behaviour does not disqualify beneficiaries under a no-fault system, these incidents demonstrate the need for continuous worker training and stricter enforcement of safety compliance. Factories should reinforce rules and invest in awareness campaigns to minimise preventable accidents.

Complexities due to the Presence of Multiple Dependents: In death cases, difficulties may arise when there are multiple beneficiaries. Debates may arise due to unregistered marriages, guardianship disputes, or unclear inheritance rights. For instance, when a parent remarries, grandparents often become legal guardians of the children, and bank accounts are managed in their name until the child turns five years old. These scenarios highlight the importance of establishing a clear legal and procedural framework for benefit distribution in complex family situations.

Case 6: A deceased worker was survived by three wives. After his death, the daughter from his first wife and her husband applied for benefits, although they were not eligible. Under the BLA, a married daughter does not qualify as a beneficiary. Their application was rejected due to the absence of an inheritance certificate from the local government. When they attempted to obtain the required documents, disputes arose among the wives and their children, all demanding benefits. Ultimately, the factory resolved the issue by adhering strictly to the BLA and requiring accurate certification before proceeding with the claim.

7.3.4 Database Maintenance

The BGMEA and BKMEA currently maintain their own worker databases, which primarily serve internal purposes and are utilised for tracking workers at the employer level. These records are not shared with external stakeholders such as government agencies, brands, or development partners. Consequently, there is no centralised system through which stakeholders can verify or monitor workers employed in the RMG sector, their factory affiliations, job designations, wages, or associated benefits. In practice, verification processes rely heavily on the information provided by factories themselves, creating a dependency on employer-supplied data.

The associations build their databases using NID cards and issue employee cards for both internal and external use for factories. Although the government has expressed intentions to establish a comprehensive worker database, efforts have been hindered by structural and operational challenges. Industry associations have reportedly offered to sell their existing datasets to the government and provide regular updates, yet this proposal has not been accepted. Instead, the government prefers to develop its own platform, integrating inputs from various stakeholders to ensure broader coverage and control.

7.3.5 Limited Awareness of Claims Process & Documentation Challenges

There is a significant lack of understanding about the EIS among the workers as well as a few factories level owner. However, HR/ Compliance is well aware about the initiative.

In one of the workplace injury cases, the beneficiary was not aware of the reporting and claims procedure. On behalf of the workers, the employer applies for the EIS benefit. Therefore, during the interviews with the beneficiaries, they could not provide detailed information on the application, vetting, and disbursement process. However, the worker started receiving monthly benefits around 6 to 7 months after the accident. In another studied case, it was revealed that the factory owner was reluctant to report the accident due to reputation concerns. After imposing significant pressure using the help of a trade union, the factory agreed to submit the file to BGMEA after the worker submitted necessary documents, including photographs of injury, medical documents, prescriptions, and a birth certificate. The victim was invited to the BGMEA office for verification of information, and benefit payments began around 6-8 months after the accident.

In the case of a death at the workplace, the factory assumed responsibility for initiating the reporting process and facilitating the payment of benefits. The victim's spouse was required to submit a series of official documents, such as inheritance and marriage certificates, to confirm her legal eligibility and marital status. These documents, which must be renewed annually, are forwarded to the Sromo Bhaban (Labour Building) through courier services. Obtaining such papers often necessitates visits to local administrative offices, such as the Union Parishad and the Chairman's office.

Although the beneficiary did not report encountering significant barriers, compliance with specific formatting and language requirements occasionally involved additional travel and effort. As part of the verification process, the EIS Special Unit (EIS PSU) contacted her to authenticate the submitted information. Even after benefit disbursement commenced, the EIS PSU continued periodic follow-ups to assess her well-being, monitor how the financial support is utilised, and determine whether the benefit amount adequately meets her needs.

In the case of the commuting accident, the victim's family first received the news from factory personnel. From that point, the responsibility of gathering the required documentation fell entirely on the family, primarily the victim's brother. He bore all associated expenses, which included multiple visits to local offices to collect medical certificates, Union Parishad documentation, and the death certificate. The process proved to be both time-consuming and complex; whilst the Union Parishad issued certificates in a standard format, the factory required an alternative format, necessitating repeated interactions with local officials, including the Chairman. As a result, the paperwork stretched over almost a month, with the final set of documents submitted roughly 20–22 days after the accident. During this period, factory personnel and the EIS Special Unit communicated with the family members of the victim, whereas the factory acted as the primary liaison for forwarding the files. Interestingly, the documents had to be submitted twice.

The experience was similar in the on-duty road traffic accident case. Here, the victim's wife was informed of the accident by the police. The subsequent claims process required multiple rounds of document submission, including medical records, dependency certificates, voter ID cards, birth certificates, and certification from the local Chairman. These documents were submitted two to three times over a span of approximately two and a half months. In this case, the victim's brother-in-law, who worked at the same factory, acted as a key intermediary, helping the spouse complete the procedural requirements and submit the paperwork through factory channels.

A common thread in both cases was the limited awareness of the EIS among beneficiaries. Neither the victim's family members nor the dependents had prior knowledge of the scheme or its processes; rather, they relied almost entirely on factory representatives for guidance. This lack of awareness highlights a gap in communication, whereby beneficiaries are dependent on employer-led channels rather than having direct access to information or support.

7.3.6 Medical Treatment & Injury Assessment

Under the framework of the EIS Pilot, employers are obliged to provide protection in the form of short-term compensation and medical care when an employment-related injury occurs. This includes improving the provision of occupational health services and strengthening the medical capacity of key stakeholders. Furthermore, injury assessments are carried out by DIFE-appointed doctors, in accordance with Schedule 1 of the BLA.

Medical Expenses & Beneficiary Experiences on Access to Care: The BLA mandates that employers ensure medical treatment for workers injured due to workplace accidents and requires factories to maintain designated medical centres. As per the BLA , the following table 12 shows the obligations for employers for the provision of medical facilities at the factory level:

Table 12 Relevant Legal Provisions & Clause Numbers

Requirement	Act / Rule	Section / Rule Number
First-aid appliances (for every establishment, accessible during working hours; one box/ cupboard per 150 workers; person in charge, etc.)	Bangladesh Labour Act, 2006	Section 89 (1)-(5)
Sick room with dispensary (for establishments with 300 or more workers)	Bangladesh Labour Act, 2006	Section 89(5)
Permanent Health Centre (for 5,000 or more workers) with detailed staff, beds, facilities, etc.	Bangladesh Labour Rules, 2015	Rule 78 (often in conjunction with "Health Centre" provisions)
Contents of first-aid box, medical room equipment, etc.	Bangladesh Labour Rules, 2015	Rule 76

Source BLA. (2006)

Although the EIS Pilot does not stipulate detailed guidelines for post-accident medical care, findings from KIIs provide insight into current practices. According to data from Mapped in Bangladesh (MiB), many RMG factories maintain dedicated medical facilities in close proximity to their premises. In most cases, victims of workplace or on-duty road traffic accidents are transported to the nearest hospitals by factory representatives or local community members. Evidence from beneficiary interviews suggests that medical expenses are typically borne by the factory rather than by the victims or their families. One detailed case helps illustrate how this practice works in reality.

A worker who sustained a permanent total disability after a workplace accident was immediately taken by the factory to a nearby hospital. The factory reportedly covered the full cost of treatment, which amounted to around BDT 900,000. However, during the interview, the worker explained that this medical expenditure was not treated as an additional benefit. Instead, the amount paid by the factory was later deducted from the worker's compensation package, which had initially been valued at BDT 1.7 million. This example suggests that whilst factories do provide critical and timely medical support, the financial responsibility may ultimately shift back to the injured worker through reductions in their overall compensation entitlement. Similarly, in a finger amputation case, the injured worker was first taken to Al Amin Hospital—designated by the factory—and later referred to another Hospital for secondary treatment. Major expenses, including BDT 30,000 for surgery and additional costs for essential medicines, were borne by the factory, with only minor expenses falling to the worker.

In another workplace fatality, the employer is presumed to have borne the medical costs; however, the victim's spouse was unable to confirm details as the family reached the hospital after the worker's death. In this case, BDT 20,000 was provided to the family to cover travel-related expenses. Similarly, for an on-duty road traffic accident, medical care was facilitated at Chattogram Medical College Hospital, with costs covered by the factory. For the commuting accident case, the family bore the initial travel burden to reach the hospital, but these expenses were subsequently reimbursed by the employer.

Rehabilitation & Reintegration to Work: Although the legal framework under the BLA provides clear provisions regarding the duration of medical care and support for occupational diseases and severe injuries, it does not currently include any stipulations on rehabilitation and reintegration into work. Notably, there is no defined ceiling on the number of days employers remain liable for medical care in cases of severe injuries. Observations from primary research indicate that employers generally continue providing support for an extended period if the injured worker resides close to the factory. However, ambiguity persists over whether long-term medical care should remain the sole responsibility of the employer or be embedded under the EIS, a matter that continues to be negotiated between owners and workers.

Stakeholders have suggested that the Labour Welfare Centre in Tejgaon could play a pivotal role in facilitating rehabilitation and reintegration initiatives. Operating under the Ministry of Labour and Employment, the Centre currently provides a range of services, including:

a. Free medical treatment and medicines;
b. Assistance in family planning and population control programmes;
c. Training and awareness programmes on labour laws, workers' rights, occupational safety and health;
d. Counselling and welfare support aimed at improving workers' living standards;
e. Recreational services, including access to newspapers, books, television, and sports on specified days.

Potential Establishment of Medical & Rehabilitation Centre: The EIS Governing Board has explored international models for rehabilitation, particularly from South Korea, where K-Comwel—a leading EIS institution—has expressed interest in supporting Bangladesh in establishing similar mechanisms. However, the success of such collaboration will depend on the responsiveness of Bangladeshi stakeholders. If implemented, this partnership could significantly enhance rehabilitation facilities and specialised medical care for injured workers. Local organisations such as BRAC, CRP (Centre for the Rehabilitation of the Paralysed), and CDD also offer services for manufacturing and fitting prosthetic devices, which could complement EIS efforts.

GIZ has piloted a small-scale initiative in collaboration with CRP, funding rehabilitation for two injured workers. Building on this experience, GIZ and the ILO plan to submit a joint proposal recommending integration of short-term medical care, compensation, rehabilitation, and return-to-work (RTW) measures into the national EIS before the Pilot concludes. Similarly, a proposal has been tabled to establish a state-of-the-art centre for occupational disease management and rehabilitation, which would serve as a hub for data collection and financial analysis, thereby informing evidence-based policy decisions.

Current Challenges and Beneficiary Experiences: Evidence from case studies illustrates the limited progress in rehabilitation. For instance, in one case, a worker who lost a limb and suffered paralysis in another was provided with prosthetic support by CRP within three months. However, the support was in vain as the victim remained dependent on a wheelchair. Conversely, in a minor injury case involving finger amputation, no rehabilitation efforts were undertaken. These examples indicate the pressing need for structured rehabilitation protocols and RTW measures under the EIS framework.

Building Medical Capacity and Disability Assessment: A key objective of the EIS Pilot is to strengthen national medical capacity by developing standardised guidelines for injury assessment and occupational disease diagnosis. Presently, disability assessments are conducted according to Schedule 1 of the BLA when workers visit DIFE facilities, a system agreed upon by all stakeholders to minimise misjudgement. However, this approach has limitations: assessments cannot proceed unless the worker initiates contact with DIFE, and the existing schedule lacks criteria for complex injuries such as nerve damage, brain trauma, or memory loss, etc.

Currently, two DIFE doctors are being trained to enhance disability assessment capabilities, but the growing complexity of cases necessitates a broader skill set, including orthopaedic specialists and neurologists. Stakeholders widely agree that Schedule 1 is outdated, as it omits provisions for contemporary injuries and occupational illnesses. This gap often leads to under- or over-assessment of disabilities, undermining the accuracy of compensation decisions. Whilst advanced international tools for disability assessment exist, they are not yet embedded in Bangladesh's legal framework.

The limitations of the current schedule are highlighted by the treatment of minor injuries. For instance, a finger injury to the white portion is classified as a 5 per cent loss of earning capacity, which, when extrapolated over a worker's lifetime, results in compensation of BDT 400,000–500,000. Employers argue that such cases rarely impair earning capacity and question the rationale behind these provisions. Meanwhile, workers and their representatives (trade union members) believe that this injury causes impairment of workers' daily progress and productivity of their work and associated nerve damage. Ongoing discussions aim to revise Schedule 3 of the BLA to incorporate updated occupational diseases and align national regulations with global standards.

Practical Barriers in Disability Assessment: Geographical constraints compound the challenges of disability assessment. At present, evaluations are conducted exclusively at Sromo Bhaban in Dhaka, requiring injured workers—often in critical condition—to travel long distances. This is a significant burden given the dispersed nature of the RMG workforce. For example, in the finger amputation case, the worker had to travel to Dhaka for assessment, where he was interviewed about pain levels and accident details before being assigned an injury percentage. Although his travel expenses were reimbursed by the EIS PSU, decentralisation of assessment centres remains a pressing need.

Occupational Diseases: Current Gaps and Future Directions: Cross-country evidence demonstrates that occupational diseases are integral components of employment injury schemes in countries such as India, the Philippines, and Thailand. Although the EIS framework in Bangladesh identifies occupational diseases as a key focus, the Pilot currently excludes them from coverage. KIIs highlight the urgency of addressing this omission, as illustrated by the following case:

Case Example: A worker exposed to chemicals experienced severe eye pain but was denied leave by the employer and advised to rinse his eyes. Subsequent medical consultation confirmed irreversible damage to one eye, with anticipated impairment of the other.

Whilst Schedule 3 of the BLA lists 33 occupational diseases—including silicosis and fibrosis—many of these are outdated and irrelevant in today's RMG sector. Moreover, medical practitioners lack expertise in diagnosing occupational illnesses and rarely document them in prescriptions, resulting in under-reporting. ILO, in partnership with the government, is working to revise Schedule 3 and develop capacity-building initiatives, including nationwide awareness campaigns for workers and employers. However, stakeholders recognise that integrating occupational diseases into the EIS framework will be complex, as it represents an entirely new domain in Bangladesh, with no claims submitted to the Central Fund to date.

Training & Medical Capacity-Building on Occupational Diseases: Encouraging progress has been made in enhancing medical capacity for the identification of occupational diseases. Under the leadership of GIZ, and with technical assistance from the ILO, training initiatives are being implemented for DIFE doctors, factory-level physicians, and medical personnel from at least 100 factories. The objective of this programme is to equip healthcare providers with the necessary skills to accurately diagnose occupational illnesses.

In parallel, the ILO is working with the government to update Schedule 3 of the Bangladesh Labour Act (BLA), which currently lists recognised occupational diseases. Although this activity is not formally part of the EIS Pilot, it is considered complementary to its objectives. The curriculum developed through these training sessions is expected to be institutionalised within the National Occupational Safety and Health Training and Research Institute (NOSHTRI) in Rajshahi, an entity under DIFE that delivers education and research on occupational health and safety to employers, workers, and trade associations. It is anticipated that NOSHTRI will adopt this course as a permanent programme, ensuring sustainability and nationwide reach.

However, improving medical capacity alone is insufficient without empowering workers. Awareness-raising campaigns should educate workers on the early symptoms of occupational illnesses to encourage timely reporting. Furthermore, annual health check-ups should be mandated for employees working in environments with toxic chemicals or hazardous conditions, as part of preventive strategies.

Internal Injuries, Chronic Conditions, and the Need for Specialised Expertise: Findings from primary research reveal significant gaps in addressing internal injuries and chronic conditions, which currently fall outside the scope of the EIS. These include lung damage, psychosomatic stress, memory impairment, anxiety disorders, and panic attacks—conditions that can severely impair a worker's quality of life and employability. Stakeholders have therefore emphasised the urgent need for specialist medical professionals, including pulmonologists, neurologists, and mental health practitioners, to be integrated into the EIS-related health infrastructure.

7.3.7 Benefit Design and Cost Assessment

To ensure that workers receive timely and adequate support in the event of workplace injuries or fatalities, the framework of the EIS incorporates a comprehensive approach to benefit design. The data-gathering component will focus on assessing the average medical care costs per worker in case of injury, as required by the BLA. This helps estimating the resources needed for compliance and sustainability. The research will also review current practices and benefits during temporary incapacity and test risk-pooling mechanisms for permanent disability and survivors' benefits. These findings will inform a system that guarantees fair, adequate, and expedited compensation irrespective of the severity of an accident. It was also suggested by the beneficiaries that their health expenditure should be taken into account in terms of paying the benefits, as for the permanently disabled victims, the medical cost is much higher, and they cannot even pay for their housing bills or other.

7.3.8 Existing Benefits Design

Lump-Sum Payment from the Central Fund (Under BLA): Under the existing provision of the BLA, victims of workplace accidents resulting in permanent disability or death are entitled to a lump-sum compensation from the Central Fund. This provision was introduced following the Rana Plaza accident. As per Section 215 of the BLA, a fixed sum of BDT 2 lakh is paid to the injured worker or their family members in the case of death. The payment is generally made through direct bank transfers once the eligibility of the case is verified by the Central Fund authorities.

Despite this provision, it is widely acknowledged among stakeholders that the current compensation is inadequate when compared to international standards. According to ILO Convention 121, compensation should consider factors such as the worker's age, number of dependents (in case of death), last drawn salary, and gender-based average earnings. The current lump-sum approach fails to account for these critical variables, underscoring the need for a revised and more equitable benefit structure. Besides, current benefits do not include rehabilitation or mental health support.

Introduction of Top-Up Benefits under EIS Pilot: To address this gap, the EIS Pilot introduces a complementary system of monthly benefits, known as 'top-up', payments, in addition to the lump-sum provided by the Central Fund. This arrangement is not yet legally mandated but is implemented through an agreement between international brands and the RMG sector for the pilot phase. Under this model, the Central Fund acts as the first payer, whilst the EIS provides additional benefits as the second payer.

Once an accident claim is approved by the EIS Special Unit, the case is referred to the EIS Sub-Committee for verification and benefit disbursement. Using a dedicated software tool, the total compensation amount is calculated, and the Central Fund payment is deducted. The remaining amount is distributed to the worker (in cases of disability) or their dependents (such as parents, widow, or minor children) as a monthly pension over their lifetime, subject to eligibility conditions.

Monthly benefits are paid except when the calculated amount is below BDT 1,000. In such cases, the life expectancy of the beneficiary is estimated, and a one-time payment of the full calculated amount is made. The BLA outlines conditional benefits, for example: widows receive benefits until remarriage, and children receive payments until the age of 18 for males or until marriage for females. Under the EIS Pilot, the highest monthly benefit is calculated based on the wages of the worker, whilst the lowest may fall below BDT 1,000 if divided among multiple dependents. The additional amount provided through the EIS Pilot is referred to as 'top-up money', whilst the Central Fund payment serves as the base.

Monthly Benefits for Death and Disability Cases: Under the EIS Pilot, monthly benefits are calculated as a percentage of the worker's former wage, ranging from 40 per cent to 60 per cent (Table 13). In death cases, if the deceased worker's dependents include a widow and two children, the maximum benefit is set at 50 per cent of the former wage. If the dependents comprise a spouse and one child, the percentage is reduced to 40 per cent.

Whilst spouses and children are prioritised, the total monthly benefit cannot exceed 60 per cent of the worker's former wage, even if additional dependents are present. Similarly, in disability cases, the benefit amount is determined as a percentage of former earnings, capped at 60 per cent. The extent of disability—and thus income loss—is assessed by DIFE doctors in accordance with Schedule 1 of the BLA (EIS Pilot Brochure, 2023).

Table 13 Monthly Benefit Structure under EIS Pilot

Scenario	Benefit as % of Former Wage	Remarks
Widow + Two Children	50%	Maximum benefit in this case
Widow + One Child	40%	Lower due to fewer dependents
Additional Dependents Present	Max 60%	Total benefit to all dependents cannot exceed 60% of former wage
Disability Cases	Up to 60%	Percentage based on loss of income determined by DIFE doctors under BLA

Source: Bangladesh Labour Act 2018.

Payment Procedure: Once a case is approved, beneficiaries are informed via SMS and phone calls, whilst factories and associations receive official notifications by letter. Monthly benefits are disbursed through bank transfers from the EIS account held by the Central Fund. In cases involving multiple dependents, each beneficiary receives their share in an individual bank account. For children under the age of 18, benefits are deposited into bank accounts managed by a parent or guardian until the child reaches adulthood.

7.3.9 Experience of Interviewed Beneficiaries

Permanent Total and Partial Disability (Table 14): The total disability beneficiary receives a monthly pension of BDT 7,000 after a 10-month waiting period, following a BDT 17 lakh lump-sum payment (with BDT 9 lakh deducted for medical costs). Despite support, he faces extreme hardship and depends on his wife for mobility.

The partial disability beneficiary previously earned between BDT 14,000 and BDT 14,500 per month, with overtime increasing his income to approximately BDT 18,000. After a delay of 6–8 months, he began receiving a monthly benefit of BDT 2,310. Despite this support, he continues to experience pain and remains employed at the same factory where the accident occurred, working under significant pressure in an unhealthy environment and facing verbal abuse. He lives with his ailing father and family and expresses a need for higher benefits to meet basic living expenses. According to the beneficiary, BGMEA deposits the amount to their bank account. This is the perception among the beneficiaries. Since they claim or process through the factories, the employers brand it like this. Besides, beneficiaries are not aware of the EIS process, and they are instructed not to talk about the benefits of other workers. Therefore, a misconception regarding the benefit payment is present among the beneficiaries. On the other hand, the benefit of the scheme remains unknown among the active workers as well.

The beneficiary believes that a monthly BDT 5,000 would be better for his livelihood. Whilst this amount covers basic needs, it does not support medical care. He believes BDT 5,000 per month would be more adequate. Despite healing, he suffers pain and cannot overstrain his hands, yet he remains employed at the same factory due to a lack of options. The work environment is unhealthy, with heavy pressure and verbal abuse, and coworkers show no support.

Table 14 Permanent Total and Partial Disability Beneficiaries

Detail	Permanent Total Disability	Permanent Partial Disability
Former Monthly Wage	BDT 8,375	BDT 14,000 – BDT 14,500 (up to BDT 18,000 with overtime)
Current Monthly Benefit	BDT 7,000	BDT 2,310
Lump-Sum Payment	BDT 17,00,000	
Medical Expenses Deducted	BDT 9,00,000	Not known as factory paid the cost
Cash in Hand After Deduction	BDT 3,00,000	
Monthly Medicine Cost	BDT 4,000	
House Rent	BDT 3,000	
Detail	Permanent Total Disability	Permanent Partial Disability
Waiting Period for Monthly Benefits	10 months	6–8 months
Current Occupation	None (relies on begging)	Working at the same factory
Current Situation	Severe financial hardship; physically dependent on wife	Lingering pain; hostile work environment; verbal abuse; lives with unwell parents

Source: Prepared by authors.

Case 3: Workplace Accident (Male Worker): The worker earned BDT 21,000 before his death (Table 15). His wife, son, and parents now share a monthly benefit of BDT 11,500, with BDT 9,175 allocated to the wife and son and BDT 2,000 to the father. This distribution, credited through bank accounts with SMS confirmation, is appreciated for its transparency. Despite this, the father highlights that medical expenses consume a large share of the benefit, leaving little for other essentials. The wife uses the benefit for education and food but worries about support for her son once he turns 18, as no long-term security is assured. Both the wife and father suggested occasional bonuses during festivals like Eid to reduce financial strain.

Case 4: Commuting Accident (Female Worker): The deceased worker earned BDT 14,000–16,000 (up to BDT 18,000–19,000 with overtime). After a 4–5 months delay, her parents, daughter, and brother now receive a combined monthly benefit of about BDT 4,000, split across individual bank accounts (father: BDT 1,100; mother: BDT 1,100; brother: BDT 1,600–1,700; daughter's share uncertain). The family appreciates this system for preventing disputes but faced severe hardship during the waiting period, relying on irregular labour work and informal loans. Although they received BDT 1 lakh from the factory, they remain uncertain about the remaining BDT 2 lakh originally promised. They save the daughter's share for her marriage, prioritising long-term needs despite limited resources (Table 15).

Case 5: On-Duty RTA (Male Worker): Before his death, the worker earned BDT 22,000. His son, parents, and sister now receive about BDT 11,000 per month, with BDT 8,000 going to the child and BDT 1,000 each to the others. Payments are regular but began nearly eight months after the accident, creating early financial stress. A lump sum of BDT 2,45,000 was paid for debt settlement and BDT 20,000 for funeral costs. Whilst the family finds the distribution fair, the remarried wife is anxious about her son's future once he turns 18 and hopes for policy changes extending support or offering employment opportunities (Table 15).

Table 15 Survivor Benefits and Family Coping Mechanisms Following Workplace Fatalities

Detail	Case 3: Workplace Accident	Case 4: Commuting Accident	Case 5: On-Duty RTA
Former Monthly Wage	BDT 21,000	BDT 14,000–16,000 (up to BDT 18,000–19,000 with overtime)	BDT 22,000
Dependents	Wife, Son, Parents	Daughter, Parents, Younger Brother	Son, Parents, Sister
Current Monthly Benefit (Total)	BDT 11,500	Around BDT 4,000+	Around BDT 11,000
Benefit Distribution	Wife & Son: BDT 9,175; Father: BDT 2,000	Father: BDT 1,100; Mother: BDT 1,100; Brother: BDT 1,600–1,700; Daughter: Uncertain	Child: BDT 8,000; Parents: BDT 1,000 each; Sister: BDT 1,000
Payment Channel	Bank transfer (Islami Bank); monthly SMS alerts	Bank transfer; separate accounts; SMS confirmation	Bank transfer (Sonali Bank); SMS alerts; issues in some months
Detail	Case 3: Workplace Accident	Case 4: Commuting Accident	Case 5: On-Duty RTA
Waiting Period Before Benefits	Started ~September (exact delay unspecified)	4–5 months	Around 8 months (accident in Nov; benefits from July)
Lump-Sum Payment	Wife: BDT 1,20,000; Father-in-law possibly BDT 30,000–40,000	Factory cheque BDT 1 lakh (for daughter's account); family expected BDT 3 lakh but unsure	BDT 2,45,000 cash after calculation; BDT 20,000 for funeral
Usage of Lump-Sum	Daily expenses	Unclear; some amount intended for daughter's future	Debt repayment; funeral ceremony
Other Key Issues	Wife concerned about son's future support; father wishes for Eid bonus	Delay caused hardship; transparency valued; family uncertain about unpaid balance	Wife concerned about son's support beyond 18 years; requested job for son
Current Situation	Surviving decently; benefit covers basics	Father works as daily labourer; some benefit saved for daughter's marriage	Family satisfied but worried about future; son's funds mostly saved

Source: Authors' own illustration from KII transcripts.

Compliance with ILS: In line with ILO Conventions, the primary objective of employment injury benefits is to restore the health of injured workers, support their ability to meet essential needs through medical and allied services, and compensate for loss of earnings during the contingency period. Analysis of beneficiary cases indicates that monthly benefits are being paid regularly; however, their adequacy in terms of restoring health and fully offsetting income loss remains uncertain. Whilst medical care is provided post-accident, physical and vocational rehabilitation services—critical for reintegration into work—are largely undeveloped, falling short of ILO expectations.

According to ILO Convention No. 121 (Employment Injury Benefits Convention, 1964), in cases of incapacity for work or invalidity caused by employment injury, the periodical benefit should not be less than 60 per cent of the worker's previous earnings (reference wage). In the EIS, the percentage seems to be a maximum of 50 per cent, which fits the standards of the Convention.

7.4 Challenges of the EIS

The discussion on the EIS Pilot revealed a series of interlinked challenges affecting its effectiveness and sustainability. These challenges primarily relate to accident reporting, claims processing, and the verification of beneficiary information, but they also extend to institutional and financial dimensions.

One of the most persistent issues is delayed claims processing, often caused by the complex task of collecting accurate data from multiple beneficiaries within a single case. This difficulty is compounded by incomplete or inaccurate demographic information, missing documents, and the absence of a robust verification process, especially in death-related claims. Stakeholders repeatedly highlighted that the current business process lacks efficiency, resulting in prolonged approval and payment cycles.

Reporting practices pose another significant hurdle. Employers frequently hesitate to report workplace accidents due to reputational concerns, whilst workers often avoid reporting out of fear of job loss (potential recruitment of a family member). These dynamics lead to chronic underreporting, especially within the LIMA system. Additionally, accidents are often misclassified as natural deaths, and death certificates commonly omit the actual cause of death. Verification becomes even more problematic when General Diaries (GDs) or First Information Reports (FIRs) are not filed for accidental deaths.

EIS quarterly reports reinforce these observations, noting that claims for death cases are particularly complex due to emotional, technical, and procedural barriers. Communicating with beneficiaries can be difficult owing to emotional distress, communication inertia among family members, network connectivity issues, and health or age-related limitations. Furthermore, the lack of comprehensive and accurate accident data, both at the factory level and in Central Fund application documents, significantly hampers timely claim resolution.

Several stakeholders also drew attention to operational gaps beyond reporting and claims. The absence of rehabilitation coverage and mental health support under the current EIS design limits its capacity to provide holistic protection. Workers face difficulties applying online, underscoring the need for factory-level personnel to assist families with claims submissions. Despite initial awareness campaigns, knowledge gaps among workers persist, particularly in distinguishing between multiple welfare funds (EIS, Central Fund, Labour Welfare Foundation), which creates confusion and delays.

From an institutional standpoint, frequent leadership changes in the MoLE undermine continuity in policy implementation. Financially, securing allocations from the Finance Division remains challenging, limiting resources for expansion. Employers have also raised concerns over commuting accident coverage, arguing that road safety should be the government's responsibility. This tension is amplified by data showing that the inclusion of commuting accidents increased claims by more than 40 per cent, adding pressure on the scheme's financial sustainability. Finally, information systems such as LIMA remain outdated and inaccessible.

08

Gender Sensitivity of the EIS Pilot Scheme

No Special Focus on Women in the Scheme Design: The EIS Pilot aims to support all workers in the RMG sector equally. However, it does not include any special support or policies for women. Female workers often face different challenges than men, especially when dealing with accidents, family responsibilities, or paperwork. These issues have not been directly considered in the way the scheme was designed. As a result, it may be harder for women to access and benefit from the scheme fully.

Women Facing More Difficulties in the Claim Process: In many of the cases studied, widows or other female family members had to collect many official documents—like inheritance and marriage certificates—often by visiting Union Parishad offices multiple times. These tasks required time, money, and knowledge of legal formats. For women who are not used to dealing with such formal processes, this can be very stressful and time-consuming. Some of them had to rely on others to complete the steps.

Mothers as Caregivers but Not Always Recognised: In some cases, women continued to take care of their children after the father's death but were not eligible to receive any money because they had remarried. For example, a woman acted as the sole guardian for her son but was legally excluded from receiving benefits. She was only listed as the nominee for her son's account. This shows that the current law does not fully support women who continue to raise children even if they remarry. The law needs to consider real-life caregiving situations.

Men Handling the Process on Behalf of Women: Often, male relatives such as brothers or brothers-in-law completed the reporting and claim process, especially in cases where the deceased worker was a woman. For example, after a commuting accident, the victim's brother managed all paperwork and communication with the factory and authorities. This shows that women are often not in a position to handle the process themselves, either due to lack of information, confidence, or social support.

Low Awareness Among Women: In most of the cases, female beneficiaries had very limited knowledge about the EIS Pilot. They were only informed about the process by factory staff or male relatives. This shows that communication about the scheme has not reached women properly. More awareness programmes are needed, especially in local languages and using simple formats, so that female workers and family members know what support they can get.

Use of Benefits by Women for Basic Needs: The monthly payments under the scheme were mostly used by women for basic family needs such as food, rent, education, and healthcare. In one case, a widow said she was saving her daughter's share of the benefit for future marriage costs. In another case, a woman expressed worry that her son's payments would stop when he turns 18, even though she was still responsible for him. These examples show that women use the money carefully, but also that the rules may not support long-term needs in female-led families.

Common Workplace Risks Faced by Female Workers Not Covered: The scheme focuses on accidents but does not fully include health problems or unsafe conditions that many women face in factories. For example, in one case, a worker was denied leave despite having serious eye pain from chemical exposure, which later caused permanent damage. Many such cases—especially involving stress, dizziness, or long-term illnesses—are not clearly covered by the current system, though they may be linked to factory conditions.

09

Preparation of Full-Fledged Wage-Based EIS

9.1 Providing Adequate Time for Implementation

The EIS Pilot was designed as a temporary and voluntary initiative with an original timeframe of three to five years, beginning in June 2022. This period aims to equip institutions with the required skills and experience to implement a wage-based Employment Injury Scheme and lay the foundation for future nationwide coverage. Throughout the Pilot, GIZ and ILO provide capacity-building and technical support to ensure smooth operationalisation and evidence generation for policy recommendations.

To manage potential risks and ensure accountability, several safeguards have been established, including the limited duration of the Pilot, annual renewal of voluntary contributions from brands, and brand participation in monitoring processes. The ILO and GIZ continue to play an active role in the tripartite governance structure and operational support. Significant investments—over USD 12 million in development funds—have been committed to strengthening institutional capacity, improving benefit delivery, and building a robust data system for factory and worker information. These efforts aim to create a sustainable EIS framework beyond the Pilot phase.

9.2 Full operationalisation in EPZs

9.2.1 Signing Letter of Intent

The EIS Pilot was extended to the EPZs following the signing of a Letter of Intent between ILO-GIZ and BEPZA on 26 February 2025. This agreement ensures that workers in RMG factories operating within EPZs are effectively covered under the Pilot. EPZs collectively host around 500 factories across various industries—both foreign and domestic—and employ approximately 450,000 to 500,000 workers.

9.2.2 EPZ Case Review

For case analysis within EPZs, the same EIS Governance Board will review and approve claims originating from EPZ factories, with a representative from BEPZA participating as an observer to ensure coordination and transparency. To manage EPZ-specific cases effectively, a dedicated sub-committee has been established under the EIS governance structure. This sub-committee is responsible for examining claims from EPZ factories, verifying compliance with the required procedures, and making recommendations for benefit disbursement.

9.2.3 Funding & Benefit Payments

Export-oriented RMG factories operating in EPZs are already covered under the existing brand contribution system of the EIS Pilot. However, non-RMG factories within EPZs do not currently fall under this arrangement. Since BEPZA collects funds from non-RMG members under various existing provisions, some stakeholders have recommended exploring whether a portion of these collections can be earmarked for employment injury protection under the EIS framework.

Discussions have also included the possibility of creating separate sections within the Central Fund to accommodate contributions from different sectors or locations. Under the current arrangement, BEPZA will be responsible for disbursing benefits to eligible victims, while the remaining operational activities will follow the standard procedures established under the EIS Pilot.

Consensus has been reached to establish an Endorsement Committee within BEPZA to process and verify claims, mirroring the governance processes of the EIS. This committee will work closely with the EIS Governance Board to ensure alignment in standards and practices.

Benefit payments in EPZ cases will follow the same principle of top-up payments currently applied under the Pilot:

a. First, compensation payable under the existing group insurance arrangement will be collected.
b. Second, the EIS Pilot will cover the shortfall between the insurance payout and the compensation amount required under LIS.

Operationalising this mechanism will require additional time, particularly for finalising institutional arrangements and ensuring coordination between BEPZA and the EIS governance structure.

9.3 Replication in the Leather and Tannery Industry

Following the successful implementation of the EIS Pilot in the RMG sector, the scheme has officially launched in the leather and footwear industry. A Letter of Intent was signed on 19 May 2025 between ILO, GIZ, and LFMEAB to formalise this expansion. Multiple global brands, including Decathlon—who already source both garments and footwear from Bangladesh—have pledged financial support for the rollout.

The governance model developed for the leather and footwear sector mirrors that of the RMG sector, with the establishment of a dedicated endorsement sub-committee within LFMEAB. This body represents sector-specific interests and oversees claims review and benefit approvals alongside the core EIS governance board.

Moreover, the tannery industry has expressed its interest in participating in this scheme during stakeholder consultation. The sectoral representative believe that the current coverage lacks integration for high-risk sectors such as tanneries, which face chemical hazards and higher accident probabilities. It was also expressed that the employers are eager to contribute to this regard. However, a major share of the sector is still informal, therefore wages of the workers, employer's contribution amount remains a challenge.

9.4 Potential Expansion of the Scheme

9.4.1 Within the Formal Sector

KIIs with employers in the governing board members indicate demand for expanding the EIS Pilot beyond the RMG sector in the short-to-medium-term. Industry associations (BGMEA & BKMEA) have recommended prioritising sectors based on their risk profiles. High-risk sectors such as steel, transport, construction, and ship breaking have been identified as immediate candidates for inclusion, given their hazardous nature. The cement industry also poses considerable health risks due to exposure to chemicals and dust and should be considered a priority.

On the other hand, sectors such as glass and chemicals, which employ advanced technological processes and rely heavily on automation, are regarded as comparatively safer. To ensure a structured approach, a comprehensive list of vulnerable industries within the formal sector should be compiled and phased into the scheme accordingly.

Labour representatives have emphasised the inclusion of tannery and construction industries as a matter of urgency. For broader sectoral expansion, reliable data on workplace accidents, related consequences, and average medical costs will be essential. Such information is available through the BIDS survey (ILO, 2019) and can serve as a critical resource for evidence-based planning.

9.4.2 Potential Expansion within the Informal Sector

Approximately 85 per cent of Bangladesh's labour force operates in the informal sector, which remains outside the scope of the BLA. Extending EIS coverage to this segment poses significant challenges related to registration, monitoring, and data collection.

The informal sector encompasses diverse occupations, including jewellery-making, where workers receive minimal daily wages and lose earnings entirely if unable to work—despite the hazardous nature of their jobs. Tea plantation workers face comparatively fewer accidents, such as snake bites or machine-related injuries, yet should not be excluded from coverage. However, the absence of formal labour protections and institutional frameworks makes the inclusion of informal workers particularly complex and resource-intensive.

9.4.3 Nationalisation of the Pilot

Bangladesh's workforce is estimated at approximately 70.35 million, comprising both formal and informal workers. Scaling the EIS to a national level would require widespread adoption of collective responsibility among employers to ensure adequate compensation for occupational injuries and fatalities. Whilst the principle of universal coverage is widely endorsed, resistance is anticipated. Small enterprises may oppose inclusion due to narrow profit margins, while larger businesses may resist based on the perceived financial burden of covering extensive workforces.

9.4.4 Need for a Database

A comprehensive and reliable workers' database is critical for ensuring the financial sustainability and operational efficiency of the EIS. Accurate worker information enables effective benefit calculation, risk assessment, and timely claims processing. Lack of a centralised and validated worker database creates duplication and delays in beneficiary identification.

Currently, GIZ is supporting the MoLE in developing a Workers' Database for formal economic sectors as part of the Bangladesh LIMS. This system, now under development, aims to centralise labour data for multiple sectors, including textiles and leather/footwear. To date, information for approximately 650,000 employees across six sectors has been registered.

The registration process allows factory end-users to input data through a secure dashboard using assigned credentials. Only basic information—such as the worker's NID number and date of birth—is required for initial entry. The system then validates the information against the NID database and automatically populates additional data fields from the national server. NID verification is managed by a dedicated agency under MoLE, ensuring accuracy and security.

Whilst LIMS is a significant milestone, further steps are needed to align it fully with EIS requirements. These include:

a. Integration of Contribution Records: Linking employer contributions to individual worker profiles for real-time tracking.
b. Injury and Claims History: Adding modules to record accidents, claim status, and benefit disbursements to improve transparency.
c. Risk Profiling by Sector: Incorporating sectoral risk classification for premium calculation and financial forecasting.
d. Interoperability with EIS Case Management: Ensuring seamless data exchange between LIMS and EIS platforms to avoid duplication and delays.

The establishment of a national worker registry is considered critical for any social insurance rollout. Current LIMS initiative under MoLE should integrate EIS requirements for better functionality.

Industries with robust worker databases will find it easier to join the scheme. However, high-risk sectors such as steel, light engineering, and tea, which currently lack such systems, may require additional technical support to ensure compliance. ILO and GIZ have committed to providing this support, though contribution rates for these sectors may need to reflect their higher occupational risk.

9.4.5 Gradual Expansion to All Industries

According to the ILO, piloting the scheme in one sector can provide sufficient insights to inform its transformation into a national EII scheme. However, the knowledge base and operational readiness would be significantly enhanced by piloting in additional sectors.

Stakeholders strongly recommend expansion to other sectors, starting with low-cost industries before covering high-cost sectors. Leather, footwear, and tannery sectors have expressed willingness to join but request government leadership in scaling.

Although legislation envisages universal coverage, immediate inclusion of all industries upon legal mandate is unlikely to be feasible. International experience, as observed by the ILO, highlights that transitioning to a nationwide scheme is typically a phased process—starting with low-risk sectors and gradually extending coverage to others, including the informal economy. Achieving full nationalisation of the scheme in Bangladesh will therefore require careful planning and sufficient time for institutional adaptation and stakeholder alignment.

9.4.6 Role of the Government

The long-term sustainability of EII schemes depends on the sustained commitment of government, social partners, and other stakeholders. Discussions with stakeholders highlighted the pivotal role of the government in driving the nationalisation of the scheme. However, there is uncertainty regarding whether the next government will maintain the same level of prioritisation as its predecessor. Earlier, as outlined in the ILO-EU roadmaps, a dedicated Social Security Unit has been established within the MoLE to coordinate the implementation of sickness, unemployment, maternity, and injury insurance schemes.

The previous government aligned its efforts with SDG 8 and committed to achieving National Social Security by 2026. Stakeholders expressed concern that these priorities might not remain consistent in future administrations. Ultimately, establishing a comprehensive social protection framework, including a universal employment injury scheme, is both a constitutional and moral obligation of the State and must remain central to national policy.

The EIS has been identified as a key indicator within national frameworks supported by the ILO, EU, and ADB, and has been explicitly incorporated into EU-financed roadmaps for social protection. In parallel, the Asian Development Bank is preparing financing arrangements linked to the implementation of these social protection measures. Furthermore, the scheme has attracted direct international investment, including approximately USD 2 million from South Korea in mid-2025, indicating donor confidence and enhancing the government's capacity to expand the scheme to additional sectors and move towards nationalisation.

9.5 Awareness Among Stakeholders

9.5.1 Building Awareness

Confusion persists due to the existence of multiple welfare funds under MoLE; workers often do not know where to claim benefits. Therefore, raising awareness among factory owners, HR and management personnel, industry associations, workers, and global brands is important for the successful nationalisation of the EIS Pilot. To this end, the ILO, GIZ, and sectoral associations have undertaken a range of initiatives to promote understanding of the scheme's objectives, processes, and benefits.

9.5.2 Awareness-raising Tools

Awareness raising materials—including brochures, leaflets, and posters—are developed through tripartite consultation and distributed to all stakeholders to ensure consistency of messaging. BGMEA and BKMEA have taken proactive measures by displaying posters in factories and organising training sessions across approximately 400 factories to familiarise stakeholders with the scheme.

Master trainers, appointed under these initiatives, regularly visit factories to conduct sessions for HR and compliance officers. Our primary research confirms that associations have also directly engaged with factory HR officers to ensure accurate dissemination of information. Worker Resource Centres play an additional role in providing guidance and information to workers regarding their rights under the scheme.

Moreover, in recent initiatives conducted in May and 4 & 29 December 2025, several international brands—including H&M—delivered training for over 80 trade union leaders. The objective was to empower union representatives to communicate scheme details effectively to both workers and employers, thereby strengthening the flow of accurate information within factories.

9.5.3 Initiatives by GIZ & ILO

By October 2023, full-scale training on the EIS Pilot had been provided to brands and their suppliers by GIZ and ILO, covering approximately 1,100 factories. Considering that there are around 2,000 factories under the BGMEA and BKMEA, this represents significant outreach, with more than half already engaged.

GIZ promoted two key channels to promote awareness of the EIS Pilot among workers:

IndustriALL Global Union: Approximately 16 trade union federations of Bangladesh are affiliated with this international federation. GIZ, in collaboration with IndustriALL, trained 32 participants from these 16 federations on EIS Pilot processes. Whilst the number may seem modest, the aim was to build a cadre of informed leaders who could disseminate accurate information to victims of workplace injuries across their networks.

Awareness Workshops in 2024: IndustriALL organised dedicated sessions in Dhaka and Chattogram for 90 union leaders, focusing on explaining the EIS Pilot programme. The workshops covered procedures for claiming additional compensation for families of deceased or permanently disabled workers, the application process, and the role of unions in supporting affected workers.

Additionally, GIZ collaborated with NGOs and complementary projects to raise awareness at the grassroots level. Since ILO works in tandem with GIZ, it regularly briefs NCCWE leadership and shares communication materials for further dissemination through union channels. This approach ensures that information flows from union leadership to factory-level workers, enabling broader outreach without requiring direct engagement at every site.

Engagement with Global Stakeholders: In May 2024, GIZ co-hosted a webinar with the Local Authority Pension Fund Forum (LAPFF) titled 'Social Protection for Garment Workers: The Employment Injury Scheme (EIS)'. The objective was to update investors and other international stakeholders on the progress and achievements of the EIS Pilot during its first two years of implementation.

Creative Outreach: Theatre Performances: To make the scheme relatable for workers, 20-minute theatrical performances were organised in several worker communities. Staged on Fridays after Jummah prayers, the plays depicted the story of a newly married couple working in the same factory. Their honeymoon plans are shattered when the husband dies in a workplace accident, leaving the wife to face financial and emotional hardship. The performance illustrated how to apply for EIS benefits, whom to contact, and the factory's role in the claims process.

Whilst this method proved highly effective in engaging workers, its scalability remains limited due to cost constraints. Each performance costs approximately BDT 20,000, making nationwide replication financially challenging without dedicated funding and accountability mechanisms.

Progress in Factory-Level Orientation: ILO and GIZ have provided direct orientation to 60–70 per cent of member factories, and this effort is ongoing. However, the current focus extends beyond mid-level compliance officers; the objective is to build awareness across all levels of factory operations, from senior management to line workers, ensuring comprehensive understanding of the scheme's purpose and procedures.

9.6 Challenges in Awareness-Raising Initiatives

9.6.1 Issues related to Workers

Despite the dissemination of brochures, posters, and other communication materials, many workers struggle to utilise these resources due to low literacy levels and limited attention spans. Lengthy documents are often disregarded, making such methods less effective.

Early attempts in 2022 by GIZ to train workers on the EIS highlighted additional communication sensitivities. When workers learned about the scheme's mechanisms, some approached managers demanding compensation for previous incidents, creating tension at the factory level. This highlights the need for carefully designed communication approaches that inform without causing misinterpretation.

To address these issues, stakeholders have suggested developing animated videos and visual tools as alternative awareness channels. These formats are more accessible and could significantly improve comprehension. Support from the EIS Project Support Unit (PSU) or relevant authorities in producing and distributing such materials would expedite outreach efforts.

Although BGMEA and BKMEA share information with GIZ regarding their awareness initiatives, it remains unclear whether factory-level communication reaches workers effectively. Questions persist about whether EIS-related discussions are included in regular monthly meetings—or whether such meetings occur consistently at all. Trade unions face significant financial constraints, and current awareness efforts largely depend on development partners. For long-term sustainability, greater worker-led engagement and ownership of awareness activities are important.

9.6.2 Issues related to Owners

Employers present a different set of challenges. Since factory owners do not make direct, additional payments for the EIS Pilot—beyond their existing contributions to the Central Fund under the BLA—they may not perceive the scheme as a new financial or operational responsibility. Consequently, awareness levels among owners remain limited.

During factory visits, ILO observed that whilst HR and compliance officers often attended orientation sessions, senior management was sometimes unaware of the scheme. Efforts are underway to close this gap, with ILO working in collaboration with BGMEA and BKMEA to ensure consistent messaging across all levels of management.

Although most HR compliance officers appear informed, uncertainty persists regarding the extent of understanding among higher-level decision-makers. Achieving full awareness across all organisational tiers remains a challenge, and expecting universal compliance is unrealistic. Whilst awareness of the EIS Pilot is relatively widespread within the sector—supported by workshops, programmes, and visual materials—stakeholders have expressed concerns about the long-term sustainability of these efforts without a formalised and systematic approach.

9.7 Legal Framework in line with ILS

9.7.1 Legal Structure as per Framework

A core objective of the EIS Pilot is to establish a legal framework consistent with ILS. The Pilot is currently anchored within existing provisions of the BLA, in line with its guiding principle of ensuring timely implementation whilst strengthening national systems and resources. This approach allows the scheme to build on existing legal mechanisms rather than creating parallel structures, thereby supporting long-term sustainability.

9.7.2 Schedules of BLA

Chapter XII of the Bangladesh Labour Act (BLA), 2006 outlines the employer's legal obligations in cases of workplace accidents. These provisions primarily address individual liability rather than establishing a collective or insurance-based approach. Under this chapter, compensation for fatalities is determined in accordance with the Fifth Schedule, whilst the First Schedule is used to calculate the degree of loss in earning capacity for permanent partial disablement. In cases of temporary disablement, monthly compensation becomes payable following a four-day waiting period, commencing on the first day of the subsequent month.

The Act also stipulates procedures for medical examinations, requiring employers to arrange assessments by a registered medical practitioner within three days of notification, at their own expense. Failure to do so permits the worker to seek examination independently, with costs remaining the employer's responsibility.

Although these provisions establish a legal basis for employment injury compensation, they are confined to a liability-based model and do not constitute a structured employment injury insurance scheme. The EIS Pilot, therefore, influences these existing provisions as an interim legal foundation while introducing a wage-based, pooled-risk approach. This approach not only ensures compliance with current legislation but also facilitates gradual capacity-building towards a comprehensive national framework aligned with ILS.

Table 16 shows schedule 1 of BLA (core legal provisions).

Table 16 Schedule 1 of BLA (Core legal provisions)

Serial No.	Description of Injury	Percentage of loss of earning capacity
1	Loss of both hands or amputation from higher parts	100
2	Loss of 1 (one) hand or one leg	100
3	Loss of sight of both eyes to such an extent as to render the claimant unable to perform any work for which eyesight is essential	100
4	Amputation of both legs or thighs, or amputation of one	100
	leg or thigh and loss of any leg	100
5	Severe facial disfigurement	100

Source: Authors' Illustration using data from BLA, 2006.

Table 17 shows schedule 1 of BLA (core legal provisions).

Table 17 Schedule 1 of BLA (Core legal provisions)

Serial No.	Occupational disease	Employment
1	Anthrax	Any employment- (a) involving the handling of wool, hair, bristles, animal carcasses or parts of carcasses; (b) in connection with animals 1 infected with anthrax; or (c) involving the loading, unloading or transport of any merchandise.
2	Compressed air illness and its sequelae	Any process carried on in compressed air.
3	Poisoning by lead tetraethyl	Any process involving the use of lead 2 tetraethyl.
4	Poisoning by nitrous fumes	Any process involving exposure to nitrous fumes.
5	Poisoning by manganese	Using or handling of, or exposure to the fumes, dust 3 or vapour of manganese or a compound of manganese or substances containing manganese.

Source: Authors' Illustration using data from BLA.

The determination of loss of earning capacity under the EIS Pilot is guided by the Bangladesh Labour Act (BLA), which mandates disability assessments to be conducted by certified doctors of the Department of Inspection for Factories and Establishments (DIFE). These assessments follow Schedule 1 of the BLA, which lists 54 specific injuries, each associated with a prescribed percentage of loss in earning capacity. A section of this schedule is provided in the accompanying table.

Permanent disability cases generally qualify for lifelong benefits, even when rehabilitation involves the use of artificial limbs. In contrast, cases involving minor injuries receive one-time compensation. For example, in a recent case, the cutting of the tip of a worker's fingernail was categorised as a 5 per cent injury under Schedule 1.

In addition to injuries, Schedule 3 of the BLA identifies 33 occupational diseases for which compensation is legally mandated. However, these conditions have not yet been incorporated into the EIS Pilot. A sample section from this schedule is also presented in the table.

9.7.3 Need for Updating the Schedules

Stakeholders widely agree that the current compensation schedules require urgent revision to address inconsistencies and improve practical applicability. A number of important issues have been raised:

Verification of Dependents: The existing law grants benefits to both legitimate and illegitimate children of deceased workers. Stakeholders expressed concern about the practical challenges of verifying such claims, highlighting the need for clearer beneficiary verification guidelines.

Inadequate Logic Behind Percentages: Some injury classifications in Schedule 1 do not reflect actual loss of working capacity. For instance, a minor injury to the white portion of a fingernail is rated as a 5 per cent disability, translating to a compensation amount of BDT 4–5 lakh over a lifetime. Such provisions are deemed disproportionate, particularly for workers in high-risk occupations like brick-breaking, where minor injuries are common and rarely impact earning capacity.

Inclusion of Occupational Diseases: Stakeholders emphasised the need to update Schedule 3 and integrate occupational diseases into the EIS Pilot without delay to ensure comprehensive coverage.

Updating these schedules is important for ensuring fairness, sustainability, and alignment with international best practices. Without reform, inconsistencies in compensation logic and coverage gaps may undermine the credibility and financial viability of the scheme.

9.7.4 Amendment vs Establishment of New Law

Although the EIS adheres to the BLA, it is widely agreed among stakeholders that amendments to these schedules are imperative. The first update required is the inclusion of the EIS in the labour law. After the completion of the Pilot, the national level scheme will require consensus from the tri-partite body, where a series of tri-partite consultations will take place. This legal reflection will not only ensure the contribution from the employers to the EIS and its sustainability but also avoid its overlapping with other scheme/ benefit programmes (CF-related benefits excluding EIS). Whilst it is important to ensure the welfare of the workers, it is also necessary not to charge the employers twice.

Some stakeholders argue that new legislation creates compliance burdens, whilst others prefer a stand-alone law.

In this backdrop, employers and worker representatives believe that rather than establishing a separate law for the EIS, incorporating it into the existing BLA with necessary modifications would be more feasible. A law, in line with ILO standards, can be established regarding the EIS using a clause under the BLA. The labour law in Bangladesh is very robust, and it will take too long to create a separate law or institution. Establishing a new institution altogether will also require additional funds that may pose further challenges.

On the other hand, the government, partners, and the EIS Special Unit believe that the EIS should be an independent scheme with its own separate law. This is perhaps due to their exposure to the global examples on EIS, where partners like the ILO and GIZ have more experience. In this regard, whether new laws or institutions should be established for the EII is still a topic of discussion. However, ILO assessments seem to be indicating that a separate law and institution may be necessary for the EII. Additionally, global experience is blended in this regard. Thus, the legal framework of a national EIS, in compliance with ILS, will be determined through further discussions.

10

Recommendations & Way Forward

The review of progress on the Employment Injury Scheme (EIS) demonstrates that whilst the Pilot has established a strong foundational framework, critical gaps remain in its implementation. Drawing on stakeholder feedback and an assessment of the scheme's overall status, the research team proposes a series of recommendations aimed at supporting the expansion of the Pilot into a fully-fledged national scheme.

10.1 Legal Reforms

10.1.1 Amendment of Bangladesh Labour Act

A key priority is to amend the existing labour legislation to incorporate the EIS as a mandatory system for all businesses and sectors. Chapter XII of the BLA, which currently addresses employment injury compensation, should be revised to embed a statutory employer-financed EIS within the national legal framework. This amendment would ensure compulsory participation across all enterprises and align national provisions with international standards, such as ILO Convention No. 121. Besides, the occupational diseases list of BLA is outdated and needs alignment with the ILO's 2010 list.

Furthermore, the revised Chapter should outline detailed rules and regulations governing scheme operations, ensuring clarity and consistency with global best practices. Section 80 of the BLA should also be amended to mandate digital reporting of workplace and commuting accidents, thereby improving transparency and efficiency in case management.

10.1.2 Introduction of Penalties

Experience from countries such as India and the Philippines highlights the effectiveness of financial penalties in ensuring employer compliance. Introducing fines or interest charges for refusal to participate or delays in contribution payments could reinforce the legal obligation of employers under the scheme.

10.2 Institutional Reforms

Institutional strengthening is a must to support a national roll-out. Whilst the current governance and operational structures of the Pilot are well developed, these should be formalised into a permanent, legally mandated framework for a national EIS. The institutional model recommended in the ILO's technical assessment may be adapted to suit Bangladesh's context.

10.2.1 Role of the Ministry of Labour and Employment (MoLE)

The MoLE should be legally designated as the lead authority for policy oversight, monitoring, and safeguarding of the national EIS. This mirrors global practice, where labour ministries typically function as the statutory guardians of employment injury insurance systems. Under the amended BLA, MoLE would be responsible for ensuring compliance and effective governance of the scheme.

10.2.2 Role of the EIS Special Unit (EIS PSU) as the Core Implementing Agency

The EIS Special Unit, currently responsible for day-to-day operations of the Pilot, should evolve into the central implementing agency for the national scheme, similar to Malaysia's Social Security Organisation (SOCSO) or Cambodia's National Social Security Fund (NSSF). The EIS PSU should remain under the tripartite Governance Board and operate under the overall supervision of MoLE's Department of Labour.

Establishment of Regional and Local Offices: Currently, the EIS PSU operates solely from Dhaka, forcing beneficiaries in other regions to travel long distances for verification and processing. To ensure equitable access, regional and local offices should be introduced, replicating models adopted in countries such as India, where local offices report to a central authority. These offices would manage core functions—registration, reporting, claims processing, benefit disbursement, and communication with the central PSU—thereby decentralising operations and enhancing efficiency.

Continuing and Regular Upgradation of Central Database & Digital Integration: The ongoing development of the Labour Information Management System (LIMS) at MoLE, which includes a workers' database verified through NID, provides a strong foundation for the EIS. To make this system functional for EIS operations, the following actions are recommended:

a. Integrate EIS into LIMS to ensure all accident and disease reporting, claims processing, and benefit disbursement are managed through a unified platform.
b. Add EIS-specific data fields within the workers' database to capture accident history, claims records, and employer contributions.
c. Enable multi-stakeholder access for MoLE, EIS PSU, regional offices, the Central Fund, and employer associations under strict data protection protocols.
d. Upgrade digital tools, such as the Safety@Work application, to allow workers and employers to report incidents directly via mobile or factory dashboards.
e. Automate verification and due diligence, replacing the current manual process with NID-linked digital workflows and real-time validation.

Central Fund and Financial Contributions: Furthermore, the Central Fund can operate as the key institution for collecting contributions in the national scheme. Just like brands are currently contributing to the ILO Geneva account, employers will be ultimately responsible for financing the national scheme. Thus, the existing sub-account of the EIS can be used to collect contributions from employers on a set date every month. The contribution rate of employers was initially estimated at 0.33 per cent of wages (ILO, 2017). However, the final rate will be determined at the end of the Pilot using real-time data of accidents and costs. In the national scheme, the EIS PSU may provide monthly budgets and financial reports to the Central Fund to avail funds for paying monthly benefits to eligible workers.

Establishment of a Medical Division: Another key institutional upgrade required is the establishment of an official Medical Division for the EIS. This institution can be composed of trained DIFE doctors and personnel specialised in diagnosing and evaluating occupational diseases.

Inclusion of Rehabilitation & Return to Work Facilities: Additionally, physical and vocational rehabilitation centres should be established under the oversight of this medical division. Existing institutions such as the Centre for Rehabilitation of the Paralysed (CRP) and Labour Welfare Centre can support this process through consultations and collaboration with international organisations such as the K-COMWEL in South Korea. This will require further discussions and planning and can be supported by the ILO and GIZ.

The ILO Technical Assessment suggests a multi-disciplinary approach for rehabilitation. These include occupational therapy, physiotherapy, reconstructive surgery, artificial limbs and prosthetics fitting, mobility aids such as wheelchairs, hearing aids, and Return to Work (RtW) programmes (ILO, 2019). This approach can be adopted for rehabilitation services under the scheme with the support of medical specialists and engineers. There is huge space with a hospital and doctors, but no medicine in Tejgaon, Dhaka. This area can be utilised for establishing hospitals according to industrial centres.

10.3 Operational Mechanisms

10.3.1 Establishment of a Registration Process

Although the current EIS Pilot has a structured operational mechanism, significant challenges persist in reporting and information verification. As the EIS is event-driven, a mandatory registration process should be introduced in the national scheme, similar to Malaysia's SOCSO system, where all businesses register employees for EII. In Bangladesh, employers should be required to register workers with the EIS PSU and upload details into a central database, enabling efficient case reporting and investigation.

10.3.2 Enhancing Reporting Mechanisms

a. Adopt a unified platform consolidating Central Fund, Labour Welfare Fund, and EIS to avoid duplication
b. Third-Party Auditing: Introduce third-party audits alongside DIFE inspections to ensure transparency in factory reporting.
c. Complaint Boxes: Install secure complaint boxes in factories for confidential worker reporting, accessible only by authorised investigation teams (MoLE, EIS PSU).
d. Flexible Investigation for Commuting Accidents: Investigation policies should allow flexibility when assessing commuting accident cases, considering valid reasons for route deviations before disqualification.
e. Medical Check-Ups: Implement regular health check-ups for workers in hazardous environments, coordinated by DIFE and EIS PSU medical units.
f. Mandatory Training: Require factories to conduct certified training on OSH and EIS compliance, highlighting reputational benefits for owners.
g. Extend Coverage to Occupational Diseases: Expedite amendment of Schedule 3 of the BLA to align with the ILO List (2010) and operationalise occupational disease benefits.
h. Introduce Constant Attendance Allowance: Adopt the ILO-proposed allowance (50 per cent of average monthly wage) for total disablement pensioners requiring assistance
i. Need for factory-level SOPs to support timely reporting and assist families in claim submissions

10.4 Expansion of the Pilot

10.4.1 Raising Awareness Among Stakeholders

Continue existing awareness initiatives but improve outreach through animations and videos tailored for workers. Employers should receive targeted training on contribution mechanisms, and workers should be educated on reporting mechanism. In case of OSH, the workers need to train to identify and report symptoms of occupational diseases.

10.4.2 Replicate Coverage to Tanney Sector

Whilst EPZ RMG factories and the leather and footwear industries are covered, the tannery factories should be included next given their interest found during the stakeholder consultation. Given the lack of sector-specific databases, ILO and GIZ can provide technical support, ensuring a phased transition with adequate preparation.

10.4.3 Gradual Inclusion of Other Industries

Adopt a phased approach—starting with low-cost industries before high-cost sectors—to enable a smooth transition. This should involve structured consultations between the MoLE, EIS PSU, and sectoral stakeholders.

10.4.4 Increase Proactiveness of the Government

Whilst the government has demonstrated a sense of ownership of the scheme, its level of proactiveness remains limited. Stakeholders unanimously emphasise the need for the government to take a more assertive role in nationalising the scheme, particularly by initiating the legal amendments previously outlined. Over time, other industries can be integrated into the national framework through a phased approach. Although the MoLE's efforts towards institutionalising the scheme are commendable, successful nationwide implementation will now depend on onboarding the employers.

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The Employment Injury Scheme (EIS) Pilot in Bangladesh marks a transformative step toward comprehensive social protection for workers, particularly in the export-oriented Ready-Made Garment (RMG) sector. Initiated in 2022 and guided by international labour standards, the scheme offers no-fault, risk-sharing compensation for workplace injuries and fatalities. This midterm review, led by the Centre for Policy Dialogue (CPD) in collaboration with GIZ and ILO, evaluates the scheme's progress, challenges, and future potential. Covering over 2.8 million workers, the EIS Pilot has expanded to include commuting accidents and is being replicated in the leather and footwear sectors. Despite notable achievements in institutional transparency and benefit delivery, gaps remain in gender sensitivity, rehabilitation services, and legal frameworks. The report recommends scaling the scheme nationally by 2027, ensuring dignity, security, and justice for Bangladesh's workforce.

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