

DRAFT VOLUNTARY PLEDGE

On

The Pilot on Employment Injury Scheme in the RMG sector of Bangladesh

Of

[NAME OF THE COMPANY]

This document specifies the terms under which [NAME OF THE COMPANY] supports the Pilot to a sustainable national employment injury insurance scheme (EIS) in Bangladesh. [NAME OF THE COMPANY] makes this pledge voluntarily and should not be understood as engaging any form of liability or legal obligation.

The Pilot adopts a pragmatic approach by proposing a temporary and voluntary solution aiming at kick-starting the transformation required towards a full-fledged wage-based contributory Employment Injury Scheme (EIS) in Bangladesh. Therefore, it promotes a transformative process and should be the first stepping-stone towards a full-fledged EIS in Bangladesh. Details on the implementation of the Pilot are laid down in the Framework for a sustainable EIS in Bangladesh ([Annex 1](#)).

The fully-fledged EIS for the RMG sector is the expected outcome of the Pilot and should be introduced at the end of the process. It will materialize by a change in the legislation confirming that employers in Bangladesh will finance an EIS through a wage-based contribution.

The Pilot requires a firm national commitment towards taking over the total amount of recurrent benefit expenditures and administration costs after a maximum of 5 years through contributions based on wages at the enterprise level.

Under the Pilot, long-term benefits for permanent disability and death are payable by the Central Fund (or the Group Insurance) under the same conditions as per the current legal framework. The Pilot steps in to bring the benefits in line with international standards. The gap covered by the Pilot is estimated at 0.13 percent of the RMG sector total wage bill. Based on the estimated total RMG wage bill, this represents USD 7,372,000 per year. Based on the pre-Covid total value of RMG export (i.e. 39 billion USD), this represents 0,019% of total value of RMG export.

[NAME OF THE COMPANY] agrees to support the Pilot by contributing to its financing, at a level at least equal to 0,019% of the value of its RMG orders in Bangladesh. This contribution will remain strictly confidential and is subject to ILO safeguards to ensure its non-disclosure.

[NAME OF THE COMPANY] commits to transfer its contribution to the ILO. Furthermore, [NAME OF THE COMPANY] understands that its financial contribution is kept by the ILO and subsequently transferred to a Central Fund distinct account opened for the sole purpose of receiving the voluntary contributions supporting the Pilot. The separate account is managed by a tri-partite committee comprised of representatives from Government, Workers and Employers with guidance and support from the ILO and respects the International Social Security Association (ISSA) Guidelines on Good Governance listed in [Annex 2](#). The management of the funds should ensure, amongst other things, accountability, transparency, predictability and participation.

On an annual basis and until 30 June 2027 at latest, [NAME OF THE COMPANY] will renew its contribution subject to the consideration of the realization of the indicators mentioned below.

The costs of Employment Injury Scheme services and benefits related to temporary incapacity and rehabilitation continue to be regulated by the current system (employers' liability) and disbursed at the factory level.

[NAME OF THE COMPANY] understands that the ILO and GIZ have gathered more than 12 M USD to ensure the costs of international development cooperation support and that the ILO will do its utmost efforts to guarantee the quality of the process gauged against international standards and best practices. For example, the ILO, together with GIZ, will provide technical assistance to the MoLE, the EIS Tripartite Committee and its main operational components (Central Fund, BGMEA/BKMEA) in implementing the Pilot (namely recruitment processes, training, capacity building, data management structures, awareness, and advocacy) as well as monitor the claims and disbursement processes. The ILO and GIZ will gather data on short-term benefits, including medical care, rehabilitation services, and financial compensation for temporary incapacity to work resulting from injury at work and will foster a continuous tripartite dialogue to reach a consensus on the way forward (sustainability).

Finally, [NAME OF THE COMPANY] understands that its contribution will be reimbursed if the Pilot starts but a permanent employment injury insurance scheme is not in place at the end of June 2027. In this case, [NAME OF THE COMPANY] understands that its contribution will serve to pay benefits according to the Pilot as well as administration expenses, up to the available funds, and that any surplus will be shared equitably amongst the participating companies. To monitor progress and results, the implementation of the Pilot is based on progress indicators. A detailed timeline with milestone is attached as [Annex 3](#).

Time	Indicators
Dec 2021	1. The development partners (ILO and GIZ) have signed agreements on project funding with NL (ILO) and BMZ (GIZ)
March 2022	2. The Tripartite EII Committee has finalised and agreed on the final design of the Pilot
June 2022	3. The Pilot is launched
Dec 2022	4. The GoB has established a separate bank account or similar structure for receiving deposits for the Pilot with an agreed governance structure 5. Essential Staff hired and staff planning ready (including capacity building) 6. Pilot is processing claims
June 2023	7. The total amount of international brands supporting the Pilot financially has increased to 15 8. 80% of accidents occurring within the factories that have been registered are reported to the Pilot 9. 90% of relevant data on workers in registered factories are processed 10. 90% of claims processed
Dec 2023	11. The total number of international brands supporting the Pilot financially has increased to 30 12. 90+% of claims processed 13. 50% of staff planning and capacity building completed
June 2024	14. The total number of international brands supporting the Pilot financially has increased to 40 15. At least 80 factories have signed an MoU to register their workers and report all employment incidents and accidents (covering a representative sample of at least 150.000 workers) 16. 75% of staff planning and capacity building completed 17. Disability assessment capacity are functional 18. MIS is operational

	19. 40% of factories have been trained on the Pilot
Dec 2024	20. The total number of international brands supporting the Pilot financially has increased to at least 60 21. The Audited Financial Statements and Actuarial Valuation of the Pilot as of 30 June 2024 are published. 22. Data collection for EIS model adjustment is ongoing 23. 60% of factories trained on the Pilot 24. At least 120 factories have signed an MoU to register their workers and report all employment incidents and accidents (covering a representative sample of at least 250.000 workers)
June 2025	25. 100% of staff planning and capacity building 26. An extension strategy on a national EIS roll out has been designed and discussed with Government and national stakeholders.
Dec 2025	27. 100% of factories trained on the Pilot 28. The framing of the legal and institutional set up has been designed. 29. Tripartite discussions on legal framework are being held 30. The Audited Financial Statements and Actuarial Valuation of the Pilot as of 30 June 2025 are published
June 2026	31. A legal framework in line with International Labour Standards has been presented to legislature.
Dec 2026	32. The Audited Financial Statements and Actuarial Valuation of the Pilot as of 30 June 2025 are published. 33. An actuarial analysis has been provided to adjust the necessary costs for an EIS. 34. Costing of employers' liability component (i.e. medical care and temporary incapacity income replacement) done
June 2027	35. A law is adopted. 36. Factories are paying directly to the EIS institution

On behalf of

[NAME OF THE COMPANY]

Date

Annex 1 – Framework of an EII in Bangladesh
Annex 2 – Guidelines on Good Financial Governance
Annex 3 – Detailed timeline