

## Institutional Roadmap for the Employment Injury Scheme (EIS) of Bangladesh

### Brand Engagement Note – Common Narrative

#### Purpose

This note provides a clear, concise, and shared narrative for brands participating in the Employment Injury Scheme (EIS) Pilot in Bangladesh. It supports consistent internal alignment and external messaging with suppliers, peers, industry platforms, and public stakeholders during the transition from the Pilot to a national scheme.

#### What Is The EIS Pilot – And Why It Matters to Brands

Launched in June 2022, the Employment Injury Scheme (EIS) Pilot is a **transitional social insurance mechanism** that provides compensation for death and permanent disability arising out of work-related and commuting accidents in export-oriented sectors in Bangladesh. The Pilot is funded through **voluntary contributions from more than 92 international brands** and currently covers: Export-oriented Ready-Made Garments (RMG); Export-oriented leather and footwear; and factories located in Export Processing Zones (EPZs). For brands, the Pilot has demonstrated that employment injury protection can be delivered **effectively**, not just legally; and that a sector-wide mechanism is **more predictable and equitable** than ad hoc compensation.

The Pilot has therefore served a dual purpose: **protecting workers today** while **testing and de-risking** a future national system.

#### From EIS Pilot to National Scheme: Where Things Stand

The Government of Bangladesh has committed to making the EIS a national scheme by July 2027. A national scheme means: a tripartite governance board overseeing the scheme; a public authority responsible for benefit delivery; and a dedicated EIS Fund legally ring-fenced for benefits and administration. Throughout 2025, tripartite technical workshops (involving government, employers, and workers) addressed the core building blocks of a national scheme:

- Benefits structure
- Governance and oversight
- Sustainable financing mechanisms

These discussions have been consolidated into a **Technical Framework** reflecting the consensus of the tripartite partners. This framework will guide future policy and legislative processes led by the elected Government.

#### Concrete Government Action Already Taken

The transition toward national ownership is not hypothetical. Key institutional steps are already in place:

- **Legal foundation.** The Bangladesh Labour Act was amended in November 2025 to include a new provision (Section 151-A) establishing the legal basis for an EIS Fund.
- **Institutional capacity.** A Social Security Unit has been created within the Ministry of Labour and Employment to support the establishment of a national social security institution and coordinate implementation.
- **Systems modernization.** Ongoing digitalization of the Central Fund and Bangladesh Labour Welfare Foundation signals a move toward automation, transparency, and administrative readiness.

Together, these steps mark a clear shift from a **brand-supported pilot** to a **nationally owned social insurance system**.

## The Institutional Roadmap: 2026-2027 Key Milestones

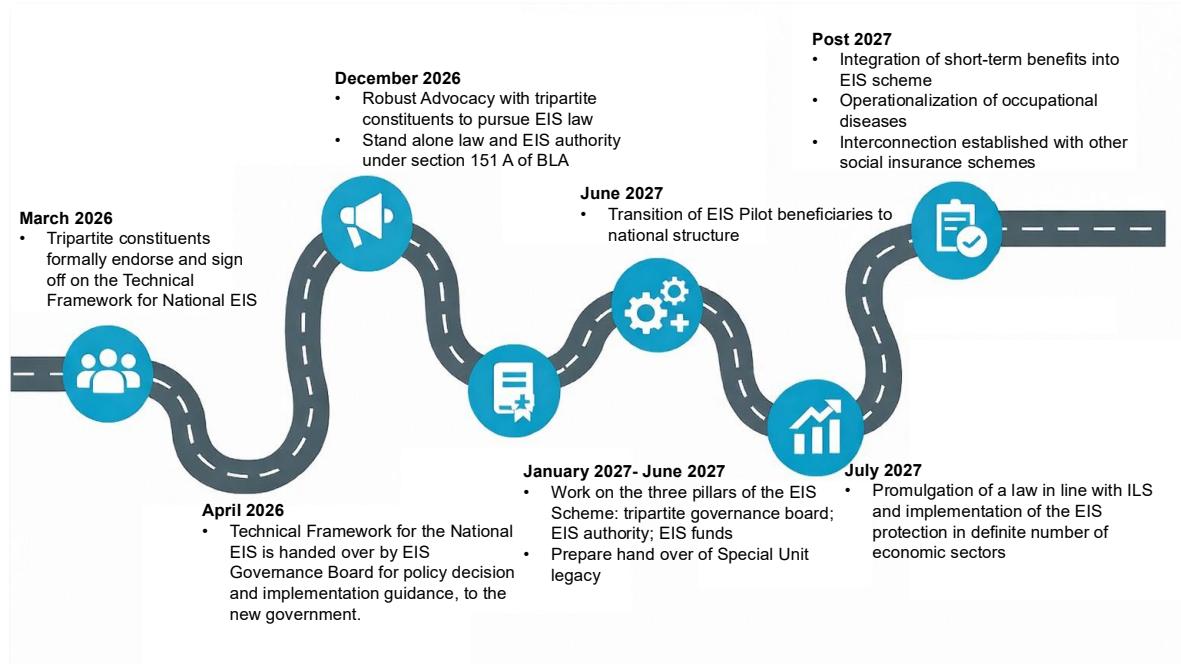


Figure 1 EIS Institutionalization Roadmap

### The Role of the Brands During the Transition (2026-2027)

Brand engagement remains essential but temporary during the transition phase.

Until the national scheme is fully operational, brands are requested to:

1. **Maintain interim financial support.** Ensure uninterrupted benefit payments to injured workers during the transition period.
2. **Demonstrate responsible sourcing commitment.** Reinforce Bangladesh as a sourcing country where worker protection is improving structurally, not episodically.
3. **Support policy dialogue.** Enable continued ILO/GIZ engagement with government, employers, and workers on national EIS legislation and institutional design.
4. **Consider transfer of Pilot surplus.** Explore the voluntary transfer of any Pilot surplus to the future national EIS—subject to international standards and appropriate governance safeguards—for the export-oriented RMG sector.

### Why This Transition is in Brands' Strategic Interest

A national EIS will:

- Provide **state-guaranteed, long-term protection** for millions of workers
- Reduce reputational and financial risks associated with injury compensation
- Strengthen Bangladesh's position as a **safe, compliant, and competitive sourcing country**
- Align with international labour standards and brand due-diligence obligations
- Offer employers a **predictable, cost-efficient mechanism** to manage workplace injury risks.

In short, EIS moves injury compensation from **crisis response** to **systemic prevention and protection**.



## Key Messages for All Participating Brand

All participating brands are encouraged to align around the following messages:

- The EIS Pilot is **transitional and transformative**, with full national ownership targeted by July 2027
- Legal and institutional progress is **already underway and irreversible**
- The Technical Framework provides a **shared blueprint** for implementation
- Interim brand support is **critical but temporary**
- In the long term, EIS will sit within a broader **national social insurance architecture**

The transition now underway represents a **unique opportunity**: to move from voluntary solutions to a **nationally owned, internationally aligned system** that benefits workers, employers, and responsible brands alike.

**Continued brand engagement—now, at this decisive stage—will help ensure that today's commitment becomes lasting impact.**