

# A National Employment Injury Scheme for Bangladesh

## Costing and Financial Sustainability – Report No.3

Summary Report on the outcomes of the Third  
Tripartite Workshop on Costing and Financial  
Sustainability of the National Employment  
Injury Scheme (EIS) in Bangladesh.

Prepared by

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Validated by authorities on

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## 1. BACKGROUND

On 21<sup>st</sup> June 2022, the Government of Bangladesh launched the Employment Injury Scheme (EIS) Pilot, to provide adequate compensation for work-related injuries to around 4 million workers in the export-oriented RMG sector, following international standards. The five-year pilot is being funded by over 85 international brands, with a commitment to provide funding and support it until June 2027. Before the end of the EIS Pilot, the Government of Bangladesh has committed to establishing a National Employment Injury Scheme designed in close consultation with national tripartite stakeholders, fully aligned with national socio-economic context and international labour standards (in particular Employment Injury Benefits Convention, 1964 (No. 121)) and reflecting the Pilot's good practices and experience.

The design of a national EIS follows a detailed national dialogue process amongst national stakeholders – including major events to be organized in 2025:

- Workshop-1: Coverage and Benefits of National EIS May 2025
- Workshop-2: Administration and Governance of National EIS July 2025
- **Workshop-3: Costing and Financial sustainability of National EIS September 2025**

Furthermore, a high-level dialogue process is also maintained at Geneva level, when the Bangladesh delegation regularly meets with the ILO leadership during Government Body or International Labour Conference sessions (March, June and November).

As a result of these workshops, a tripartite technical framework for a national EIS will be developed, outlining key features of the national scheme to be included in a draft law.

The third workshop was organized jointly by Ministry of Labour and Employment, ILO and GIZ on 27 and 28 September 2025 at the Bangladesh Employers Federation's (BEF) Conference Room. This report summarizes the discussions of this workshop.

## 2. INTRODUCTION

The third workshop aimed to create a common understanding and shared vision among tripartite stakeholders for estimating financial requirement for a sustainable national EIS. The specific objectives of the workshop included examining actuarial cost estimates in the RMG sector for long-term benefits, assessing inclusion of commuting accidents and its funding implications, identifying potential funding sources, discussing financial oversight and governance structure, and initiating reflection on funding and investment policies.

## 3. PARTICIPANTS

A total of 38 participants (male 27, female 11) attended the workshop. The detailed list of participants is attached as annex.

## 4. ACRONYMS

For clarity and ease of reading, the following acronyms will be used throughout the following sections of this report:

- Bangladesh Road Transport Authority: BRTA
- Bangladesh Labour Welfare Foundation: BLWF
- Central Fund: CF

|  |         |
|--|---------|
| - Director General:  | DG      |
| - Department of Inspection for Factories and Establishments: | DIFE    |
| - Department of Labour:                                      | DoL     |
| - Employment Injury Insurance:                               | EII     |
| - Employment Injury Scheme:                                  | EIS     |
| - EIS Pilot Special Unit:                                    | EIS-PSU |
| - Governing Board:   | GB      |
| - German Agency for International Cooperation:               | GIZ     |
| - Inspector General:   | IG      |
| - International Labour Organisation:                         | ILO     |
| - International Social Security Association:                 | ISSA    |
| - Ministry of Labour and Employment:                         | MoLE    |
| - Pay-as-you-go:   | PAYG    |
| - Permanent Partial Disability:                              | PPD     |
| - Ready-made garment:  | RMG     |
| - Research and Policy Integration for Development:           | RAPID   |

## 5. EXPECTATIONS OF THE PARTICIPANTS

The main expectation of the participants was to gather a clear understanding of the financial architecture required to sustainably implement a national EIS in Bangladesh — with a focus on long-term benefit coverage and a phased approach to expansion — by examining cost estimates in the RMG sector, funding mechanisms, as well as an overview of funding and investment policies and financial governance models aligned with international standards and national specificities.

More precisely, the participants expected to:

- 1) Examine and discuss the actuarial cost estimates of the national EIS (for RMG and administrative costs), focusing on long-term benefits (permanent disability and survivor pensions), using the risk rating model most appropriate.
- 2) Evaluate the financial and policy feasibility of including commuting accidents in the EIS either in the current phase or as part of a future expansion and identify potential funding sources or mechanisms for such coverage.
- 3) Identify potential sources of funding available to finance the national EIS and outline legal and policy recommendations for the EIS national framework.
- 4) Assess options for financial governance and fund oversight, ensuring transparency, accountability, and alignment with good practices in public social insurance management.
- 5) Initiate reflection on funding and investment policies that balance short-term liquidity needs and long-term sustainability, based on a gradual scheme expansion.

Throughout the workshop, participants remained highly engaged with the expert presentations and actively shared their suggestions, questions, and practical insights in response to the discussions and session-specific topics.

## 6. METHODOLOGY AND FLOW OF THE WORKSHOP

The workshop followed an interactive and evidence-based approach, combining flash-focus expert presentations, deep-dive technical analyses, and group-led discussions to ensure both conceptual clarity and practical application. Real sector data from the RMG industry were used for financial modelling, complemented by reflections on international experiences to contextualize best practices within Bangladesh's framework. The sessions were organized over two days: Day 1 focused on building technical understanding of financial governance, funding and investment policies, cost estimates for the RMG sector,

and risk-rating systems, while Day 2 emphasized sustainability and strategic expansion through exploration of funding sources, legal pathways, and group discussions on funding scenarios. Each session included technical presentations, Q&A and facilitated discussions, and group reflections to foster progressive learning and consensus-building.

The summary agenda is presented below.

## 7. AGENDA

| Time                | 27 September 2025 (Saturday)   |
|---------------------|--|
| 02:30 – 03:00 PM    | a) Opening Session<br>b) Takeaways from Workshop 1 and 2<br>c) Objectives of Workshop 3<br>d) Technical framing: rationale and objectives of financing EIS       |
| 03:00 – 03:30 PM    | Session-1: Flash focus Session<br><b><i>Financial oversight and Governance</i></b>   |
| 03:30 – 04:00 PM    | Session-2: Flash focus Session<br><b><i>Investment and Funding Policies</i></b>  |
| 04:00 – 04:15 PM    | Health Break   |
| 04:15 – 06:15 PM    | Session-3: Deep dive Session<br><b><i>Cost projections and industry/experience rating – Focus on long-term benefits</i></b>                                      |
| Time                | 28 September 2025 (Sunday)   |
| 09:30 – 10:15 AM    | a) Welcome Remarks (Secretary, MoLE)<br>b) Takeaways from Workshop 1 and 2<br>c) Workshop 2 report validation<br>d) Recap of Day 1                               |
| 10:15 AM – 12:15 PM | Session 4: Deep dive Session<br><b><i>Funding Sources (Available and New), Revenue Scenarios &amp; Legal Pathways for Long-Term Benefits and Admin Costs</i></b> |
| 12:15 – 12:30 PM    | Health Break   |
| 12:30 – 01:00 PM    | Way Forward and Summary Conclusion   |

## 8. WORKSHOP SESSIONS AND KEY TAKEAWAYS

### 8.1. DAY 1 PROCEEDINGS

The workshop commenced with an opening session led by Ms. Fahmida Akhter, Additional Secretary (Labour) of the MoLE of Bangladesh. She confirmed Government's commitment for designing and implementing a National EIS and that Ministry of Labour and Employment will lead the process in line with National Social Security Strategy (NSSS). She appreciated support from national stakeholders and development partners and requested them to actively participate in the design discussion. Dr. Anne Marie La Rosa, Senior Adviser from the ILO, presented the agreed principles from the first two (2) workshops.<sup>1</sup> She also outlined the objectives, expectations, and methodology of the third workshop. She reminded that the EIS Pilot was a proof of concept and stood as a powerful example of tripartite dialogue in action, and a true reflection of the ILO's core values- bringing together governments, employers, and workers to shape policies that leave no one behind.

<sup>1</sup> See Annex 11b.

Day 1 comprised three (3) sessions featuring two (2) international experts — Mr André Picard, Head of the Actuarial Department, ILO-Geneva, and Mr Raffaello Marcelloni, actuarial expert from the Workers' Compensation Institution in Italy (INAIL) — who jointly presented on the technical aspects of financing the EIS, including financial oversight and governance, funding and investment policies, and cost estimation for long-term benefits. Dr. Mohammad Abdur Razzaque, Chairman of RAPID, facilitated and summarized the expert-led technical sessions, to guide the group discussions in reaching consensus.

Apart from technical presentations, all discussions were conducted in a bilingual format (Bengali and English) to ensure maximum participation from national stakeholders and facilitate the sharing of their feedback and inputs on each agenda item. Interpretations were arranged for the non-Bengali speakers.

### 8.1.A. Technical Framing – Rationale and Objectives of Financing EIS

The presentation by actuarial expert Mr André Picard explored the principles and approaches to financing social insurance systems, emphasizing their role in promoting sustainability, social solidarity, and economic stability. Mr Picard explained that social insurance financing aims to pool risks collectively, spreading the financial burden of unpredictable events such as illness, unemployment, or workplace injury. Well-designed financing mechanisms will ensure sustainability by maintaining adequate contributions and governance while fostering social redistribution—both vertically (from higher to lower earners) and horizontally (i.e. from employed to unemployed). This structure also supports political and economic stability, as a stable system can act as an automatic stabilizer during crises.

Mr Picard outlined several financing approaches used in social insurance. The Pay-As-You-Go (PAYG) system matches annual contributions to expected benefit costs, suitable mainly for short-term benefits. Partially funded systems, such as the General Average Premium or Scaled Premium methods, accumulate reserves during early phases to balance costs as the system matures, allowing for intergenerational redistribution. Meanwhile, fully funded systems are designed for long-term benefits, accumulating reserves equal to the present value of accrued liabilities—ensuring that if the scheme ends, all obligations can still be met.

Finally, Mr Picard discussed financing for Employment Injury Insurance (EII), typically funded entirely by employers. This structure reinforces the principle that employers bear responsibility for workplace safety, while risk-based contribution systems—where rates depend on industry risk or safety records—encourage safer practices. EII financing combines full funding for long-term benefits with PAYG for short-term ones, ensuring both timely compensation and long-term financial security. By pooling risks across employers and maintaining adequate actuarial reserves, such systems not only protect workers but also enhance economic stability and productivity.

Following his presentation, Dr. Mohammad Abdur Razzaque summarized the key technical points from the session. He noted that Bangladesh's current benefit system primarily relies on lump-sum payments, whereas the EII framework requires a long-term commitment. Therefore, the national EIS should include provisions for long-term benefits and implement a proper funding mechanism, ensuring that the accumulated funds for future use are accurately calculated.

During the Q&A session, the participants mentioned that BLWF and CF are already disbursing worker benefits in certain areas. The number of applications has been steadily increasing, suggesting that a similar trend could occur once the national EIS is implemented. Therefore, they emphasized the importance of reserving sufficient accumulated funds to meet future demands. They also expressed interest in understanding how the institution would manage both long-term and short-term benefits concurrently. In response, the ILO expert explained that all financial calculations are based on ILO Convention C-121, which determines the full pension amount for beneficiaries considering their life expectancy, age and last gross salary. The EIS-PSU Senior Advisor added that as of August 2025, 138 death and disability cases have been approved under the EIS Pilot, with the total compensation amount already reserved. He further noted that

the administrative cost of the EIS-PSU remains minimal and can be covered within the reserved amount. The same financial management approach can be applied when scaling up to the national EIS.

### 8.1.B. Session-1: Financial Oversight and Governance

The session began with a reflection on the EIS Pilot's own Governance Rules,<sup>2</sup> focusing on specific sections related to terms of reference (Rule 1), financial governance rules (Chapter IV - rules 15 to 22), including accounting (Rule 18), budget (Rule 20), current business reporting (Rule 21), and financial reporting and auditing (Rule 22). Mr André Picard highlighted that lessons from the EIS Pilot demonstrate that its financial governance relies on three key pillars: integrity, accountability, and transparency. The Pilot operates through a separate bank account, ensuring complete auditing and proper documentation of all transactions. The EIS-PSU prepares an annual EIS Pilot budget for discussion and approval by the EIS GB. The Unit also produces quarterly business oversight reports and an annual financial statement, including an audit report, which are reviewed and approved by the EIS GB. The approved EIS annual financial statement is then shared simultaneously with participating brands, relevant stakeholder groups, and the MoLE. An electronic version of the financial statement is also made publicly available. Each year, an actuarial valuation is prepared to assess its financial sustainability. During his presentation, Mr Picard observed that the Pilot's financial control should definitely serve as the basis for the financial control of the national EIS scheme. He concluded the session by stating that the sound financial policy of any social insurance scheme depends on maintaining the right balance between funding policy, investment policy, and benefit policy, topics to be addressed in the following session.

The participants had no observations or queries regarding the session; all points were well-received and clearly understood.

### 8.1.C. Session-2: Investment, Funding and Benefit Policies

The presentation by actuarial expert Mr André Picard focused on the interconnection between funding, investment, and benefit policies within social security schemes, emphasizing the importance of actuarial valuations in maintaining long-term equilibrium. Mr Picard explained that every social protection scheme is governed by three key elements: contributions (funding policy), investment returns (investment policy), and benefits (benefit policy). The balance among these determines the scheme's sustainability. For example, in pure *Pay-As-You-Go* systems, contributions equal benefits and investment returns are negligible; however, as a scheme becomes more funded, investment policies significantly influence both contribution levels and benefit adequacy.

He stressed the need for a formal written Funding Policy, in line with ISSA-ILO Guidelines on Actuarial Work for Social Security<sup>3</sup>, to ensure clarity, consistency, and accountability. Such a policy should define the scheme's funding objectives, outline key risks and volatility factors, and set out mechanisms for managing deficits and surpluses over time. In the case of long-term benefits—such as employment injury insurance—schemes are typically fully funded to guarantee benefit security. The Funding Policy also serves as an actuarial guide for selecting valuation methods and assumptions, ensuring that contribution rates remain stable and benefits remain adequate and affordable.

The Investment Policy governs how funds are managed and invested to achieve the scheme's long-term objectives while maintaining prudent risk management. It establishes rules for governance, strategic asset allocation, risk tolerance, monitoring, performance evaluation, and ethical standards. Importantly, the

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<sup>2</sup> See Annex 11c.

<sup>3</sup> [Introduction | International Social Security Association \(ISSA\)](#), Guideline 45.

investment strategy must align with the funding and benefit policies: for example, a longer amortization period for deficits allows for greater investment risk-taking. The governing body of the national EIS scheme should formally approve and periodically review both the funding and investment policies, ensuring their alignment with legal and financial frameworks.

Finally, Mr Picard highlighted that the Benefit Policy is primarily defined by law and substantive commitments, setting the level of compensation and benefit adequacy provided to beneficiaries. While funding and investment policies can be adjusted based on actuarial or financial factors, the Benefit Policy establishes the legal entitlements and guarantees—such as the level of pensions, indexation, or compensation rates—that the system must uphold. Because benefit provisions often have long-term fiscal implications, they must be carefully integrated with the funding and investment frameworks to ensure both benefit security and system sustainability over time.

Dr. Razzaque summarized the session by stressing the importance of carefully managing investment risks to maintain a balance between funding, investment, and benefit delivery.

In the Q&A session, participants asked about investment and benefit policies, particularly whether beneficiaries would be at risk of losing EIS benefits if an industry closes and how to handle any investment shortfalls. They also inquired about ISSA's role and available tools for implementing national EIS. ILO expert responded that beneficiaries of the EIS Pilot will continue receiving their benefits after the Pilot ends, as their lifetime compensation is already secured, and recommended following the Pilot's approach for the EIS national scheme. Even if an industry closes and no further investments are possible, existing beneficiaries from that industry will still receive their compensation. On the other hand, ISSA mainly offers policy guidance, capacity building, peer-to-peer knowledge sharing, and sets of guidelines to manage social security institutions and funds. It is suggested that government institutions explore the possibility of an ISSA membership to access these resources and engage in the knowledge exchange process.

#### **8.1.D. Session-3: Cost estimates and industry/experience rating – Focus on long-term benefits**

The presentation by Mr Raffaello Marcelloni, actuarial expert from the Workers' Compensation Institution in Italy (INAIL), provided an in-depth exploration of rating systems and cost valuation methods for long-term benefits (LTB) within employment injury insurance schemes. Mr Marcelloni outlined how different rating models influence the fairness, sustainability, and responsiveness of financing mechanisms. He began by contrasting uniform rating systems, where all employers pay a uniform contribution rate regardless of risk, with differential rating systems, where contribution levels vary according to the level of occupational hazard associated with specific industries or activities. Using the Italian experience (INAIL model) as an example, he demonstrated how differential rating can enhance fairness by aligning premiums with actual risk exposure.

He then discussed experience rating systems, in which premiums are adjusted based on an industry and an individual company's past injury record. Experience rating assigns an initial rate to each industry, which can later be adjusted based on experience. For industry-based experience, premiums rise or fall depending on the industry's history of injuries. For company-specific experience, a company's premium may be adjusted according to its own injury record, rewarding safer companies with lower premiums and penalizing those with higher accident rates. These approaches not only strengthen the financial balance of the system but also encourage preventive behaviour and workplace safety improvements. Mr Marcelloni also mentioned mixed models, which combine uniform, differential, and experience-based elements. These hybrid systems offer flexibility — for instance, applying uniform rates to smaller or low-risk groups while allowing risk-adjusted or experience-rated premiums for larger or more hazardous sectors.

Finally, Mr Marcelloni emphasized that demographic, economic, and actuarial factors significantly influence the cost of long-term benefits. Key parameters include population ageing, injury severity and frequency, longevity (which extends the duration of benefits), inflation, and investment returns. Mr Marcelloni emphasized the importance of data in determining industry ratings. As an example, he presented data from Italy's textile manufacturing sector, showing 2024 workplace accident compensation for 110,000 workers across 12,000 companies. Through this actuarial lens, Mr Marcelloni underscored the delicate balance between equity, affordability, and solvency in designing and managing employment injury insurance systems.

After this presentation, Dr. Razzaque added that determining the risk-based premium rate would require extensive data from the industries. However, even if the premium varies across industries, a single institution will oversee the overall management of the fund to ensure cost-effectiveness.

The participants raised a query regarding the example from Italy's textile sector, where annuities were paid at 16–20% in some cases and over 20% in others. Mr Raffaello explained that for disabilities up to 20%, the annuity was provided in the form of a lump sum, whereas for disabilities exceeding 20%, it was provided as a pension for the duration of the contingency. Dr. Razzaque noted that the EIS Pilot also provides for a lump-sum payment when the pension amount is small.

In his presentation, actuarial expert Mr André Picard provided a detailed cost analysis of long-term benefits (LTB) under the EIS Pilot for RMG sector. Drawing on data observed since June 2022 (including pending and incurred-but-not-reported cases up to June 2025), Mr Picard evaluated multiple scenarios — with and without commuting accidents, and with varying levels of compensation deductions. His analysis highlighted that the cost of LTB as a percentage of wages remains low compared to international benchmarks, which may reflect the relatively lower risk profile of the RMG sector and improved accident prevention over the past decade. With commuting accidents, the estimated cost for RMG amounted to 0.042% of wages, equivalent to approximately BDT 86 per worker per year, based on the current average monthly wage of BDT 17,000. In contrast, excluding commuting accidents reduces the estimated cost to about 0.014% of wages or BDT 29 per worker per year, based on the current average monthly wage of BDT 17,000. However, he also cautioned that the number of partial permanent disability (PPD) cases appears underreported relative to death cases, particularly for commuting accidents, suggesting possible data or reporting limitations. Taking this into consideration, he presented a possible adjusted costs of 0.083% of wages.

Mr Picard emphasized the importance of avoiding benefit duplication once a national EIS is in place—specifically, ensuring that employer obligations under the Bangladesh Labour Act (BLA) and contributions to the Central Fund do not overlap with EIS benefits. Preliminary estimates suggest potential annual savings if such duplications are eliminated. To ensure the scheme's financial sustainability, Mr Picard outlined possible funding sources post-2027, including modest wage-based contributions, accumulated surpluses from the Central Fund and other funds, and potentially government subsidies or EIS Pilot own reserve.

He also touched on the administrative costs, with ILO estimates suggesting approximately 15% of total accident-related expenditures, consistent with international norms (Italy's benchmark being 13%). Finally, due to limited experience data in the leather and footwear sector, cost projections for that industry were extrapolated proportionally from RMG figures. Overall, Mr Picard's presentation underscored the importance of accurate data, actuarial modelling, and coordinated policy integration to ensure the EIS remains equitable, sustainable, and well-calibrated across sectors

The participants discussed the appropriateness of deducting lump sums paid by CF or BLWF. ILO expert emphasized that the March 2022 Tripartite Framework provided for the deduction of the CF lump sum because it was considered a payment made for work-related injury, and duplication needed to be avoided. Participants also mentioned that the EIS Pilot has not yet received all cases from the export-oriented sectors, which may affect the accuracy of the cost projections due to underreporting. The EIS-PSU Senior Advisor explained that the actuarial valuations already include a 15% contingency and an additional 10% allowance for incurred but not reported (IBNR) cases, thus minimizing potential risk for cost estimation due to underreporting. Finally, the employers' representatives expressed strong reluctance to include commuting accidents in the calculation, and this was discussed at length on the second day.

The session concluded with Dr. Razzaque's summary, and he emphasized that the second day will focus on a detailed discussion related to possible funding sources for the national EIS.

## **8.2. DAY 2 PROCEEDINGS**

Dr. Md. Sanwar Jahan Bhuiyan, the Secretary of Ministry of Labour & Employment (MoLE), joined the second day of the workshop. With his presence, Dr. Anne Marie La Rosa delivered an overview of the EIS Pilot, summarized the key agreements from the previous two workshops, and reflected on the discussions from Day-1 of the current workshop.<sup>4</sup> The participants validated the reports and agreements from the previous workshops. On this day, the participants were engaged in discussing their views on potential funding opportunities and discussed ways to leverage existing financial streams to ensure effective national EIS coverage.

### **8.2.A. Session-4: Funding Sources (Available and New), Revenue Scenarios & Legal Pathways for Long-Term Benefits and Admin Costs**

To introduce the discussion on financing options, the ILO expert outlined several potential sources of funding for consideration. The first option involves establishing a minimum employer contribution rate, to be formally stipulated in the legislation. The second option proposes the use of accumulated and ongoing surpluses from existing funds (CF and BLWF) to support the scheme's financing needs. A third approach would combine both mechanisms—introducing a modest employer contribution while leveraging available surpluses. Finally, the expert noted that government subsidies and potential surpluses from the EIS Pilot could also be explored as supplementary funding sources.

In his presentation, DG CF, Mr Md. Monir Hussain Khan provided a detailed overview of the financial position of the CF and BLWF, focusing on their respective accumulated surpluses and annual results. The DG reported that the CF had accumulated a total surplus of approximately BDT 3.5 billion as of mid-2024–2025 fiscal year, reflecting steady contribution inflows and prudent fund management in prior years. However, during the same fiscal year, the CF recorded a negative annual balance due to a large one-time payment made to compensate workers for unpaid wages from two factories that had ceased operations.

The DG then presented the financial status of the BLWF, which had achieved a total accumulated surplus of BDT 12.53 billion by mid-2024–2025. He noted that four key sectors accounted for approximately 74% of total contributions—namely textiles and apparel (35%), mobile network and telecommunications (23%), pharmaceuticals (8%), and tobacco (8%). These figures highlight the potential of these resources to support the future EIS national scheme at the outset.

Despite these strong financial positions, the DG CF emphasized several challenges and constraints associated with utilizing the CF and BLWF surpluses to finance the EIS national scheme. He pointed out that

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<sup>4</sup> See Annex 11e for full text.

legal amendments may be required to authorize such reallocations, as both funds were established for distinct statutory purposes. He also warned of risks related to overlapping mandates, funding uncertainty, and increasing financial demands associated with a growing number of covered workers and beneficiaries. In conclusion, the DG CF stressed that while the CF and BLWF represent valuable financial foundations, any decision to use their surpluses for the EIS national scheme should be based on comprehensive legal review, actuarial analysis, and long-term sustainability planning, ensuring transparency and fiscal responsibility in the management of social protection resources.

## 8.2.B. Discussion Session

Participants held a transparent and in-depth discussion on the financing modalities of the national EIS, including the specific consideration of incorporating commuting accidents within its scope. From the outset, participants expressed a shared commitment to ensuring the continuation of the good practices established under the EIS Pilot beyond June 2027, supported by national sources of funding. Employer representatives indicated their intention to maintain the provision of protection within the export-oriented Ready-Made Garment (RMG) sector and reaffirmed their willingness to sustain and perpetuate the results achieved through the EIS Pilot, based on their own calculations to be made before the EIS Pilot ends.

### ***Inclusion of Commuting Accidents***

The question of including *commuting accidents* in employment injury coverage has generated stimulating discussions. From the outset, all participants agreed that the EIS Pilot experience has been highly valuable in highlighting both the scale of the challenge and the distinctly national dimension of the urgent need to improve transport and road safety in Bangladesh. There was also broad consensus on recognizing the inclusion of so-called *road-duty accidents*—that is, accidents occurring on the road in the course of a worker's duties—as well as *commuting accidents* occurring when the means of transport is provided by the employer. However, participants expressed divergent views regarding the inclusion of additional commuting accidents. In light of the broad implications of the issue, employer representatives firmly opposed such inclusion, contending that it falls outside the mandate of an EIS scheme as well as the employers' scope and mandate, to address what is essentially a national concern requiring systemic responses involving all road users. In all cases, they insist that further data is required. Conversely, worker representatives emphasized that the inclusion of commuting accidents under the RMG would not entail a significant increase in the cost of coverage, which remains comparatively modest as per ILO calculations. Government representatives, for their part, encouraged the social partners to continue discussions on the matter with a view to finding a solution that ensures effective protection while remaining financially sustainable. Government representatives acknowledged the importance of coordinating efforts on this issue with other competent entities, including the BRTA.

### ***Possible Funding Sources***

On the issue of funding, several participants recalled that the responsibility for ensuring worker protection lies with employers, as it is part of their obligation to provide a safe and healthy working environment. It was therefore emphasized that the law should, at a minimum, establish a contribution rate, which could be calculated based on the level of risk associated with each industry, as presented by the Italian expert the previous day. They suggested conducting a sectoral mapping and risk assessment exercise to support a phased approach for including different sectors. Furthermore, participants stated that the national EIS fund should be managed by a single institution.

While not excluding the option discussed above, other participants expressed interest in further exploring the possibility of using the accumulated and annual surpluses from the CF and BLWF. Some raised concerns about such use, recalling that these funds were originally designed to support broader welfare measures

for workers. Others, however, stressed the importance of establishing mechanisms that guarantee effective protection in the event of death or permanent disability, stating that “we cannot compromise on this.”

All participants agreed on the importance of a gradual approach—both in terms of the sectors to be covered and the range of benefits to be provided—as this will have a direct impact on the financial viability of the scheme. Beyond employer contributions and the potential use of existing reserves, participants also explored innovative financing options for the scheme, such as models based on a percentage of company profits, voluntary contributions to the CF or BLWF, profits from investments, or introducing new provisions in the BLA to allow voluntary contributions from brands. However, worker representatives expressed reservations about this approach, noting that the voluntary nature of some of these measures or the presence or absence of profits or investments could make the protection too unpredictable.

The facilitator emphasized the importance of examining practices in comparable national contexts—such as India, Indonesia, Malaysia, and other countries reviewed during Workshop No. 2—to inform the development of a viable funding model. Additionally, the facilitator invited the Government to explore the possibility of covering the administrative costs of the scheme through public funding, in order to support its long-term sustainability and efficient implementation. The Facilitator noted that decisions regarding the funding source, governance structure, and institutional arrangements will be finalized through further consultations among tripartite stakeholders after the national elections, based on the tripartite technical framework that reflects the discussions and consensus reached during the three workshops.

### **Next Steps**

As a next step, participants agreed to begin preparing a tripartite technical framework that will address all the technical components of the national EIS. This framework will identify both the areas where consensus has already been reached during the series of technical workshops and high-level political discussions and those that remain open and will require further national tripartite social dialogue.

## **9. IMPACT OF THE DISCUSSIONS ON THE NATIONAL FRAMEWORK FOR AN EIS**

The discussions highlighted several key technical elements to be incorporated into the national EIS technical framework and resource planning, which are:

- a) The EIS national scheme should be fully funded for long-term benefits and use PAYG for short-term ones.
- b) Industry rating should be used for the EIS national scheme, where each industry bears the costs of its own risks.
- c) Integrity, accountability and transparency should be the pillars of the EIS national scheme’s financial governance, as set by the EIS Pilot’s experience and governance documents.
- d) Funding policy (contributions) and investment policy (investment returns) will need to be adopted under the EIS national scheme.
- e) National stakeholders should explore the possibility of an ISSA membership to access its resources and engage in knowledge-exchange processes.
- f) Duplication between national EIS and other schemes or welfare funds should be avoided, and coordination ensured.
- g) Further discussions are required to identify the EIS national sources of funding for all sectors of activities/industries in Bangladesh, with a commitment of employers’ organizations in the export-oriented RMG sector to ensure the continuity of funding beyond June 2027 in this sector.

- h) On-duty Road Traffic Accidents and commuting accidents when the means of transportation is provided by the employer should be covered by the EIS national scheme at the outset. The coverage of other commuting accidents needs further data and in-depth discussions with relevant authorities, including BRTA.
- i) EIS national scheme should have a gradual extension approach to both the coverage of sectors and range of benefits to be provided.
- j) A tripartite technical framework will be developed through further consultations amongst national stakeholders.

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## 10. PHOTOS FROM THE WORKSHOP



## 11. ANNEXES

### 11a. List of Participants

| SL. | Name                             | Designation  | Organization  |
|-----|----------------------------------|--|---|
| 1.  | Dr. Md. Sanwar Jahan Bhuiyan     | Secretary  | Ministry of Labour & Employment (MoLE)                              |
| 2.  | Md. Humayun Kabir                | Additional Secretary (IO)  | Ministry of Labour & Employment (MoLE)                              |
| 3.  | Fahmida Akhter                   | Additional Secretary (Labour)  | Ministry of Labour & Employment (MoLE)                              |
| 4.  | Md. Abdus Samad Al Azad          | Joint Secretary  | Ministry of Labour & Employment (MoLE)                              |
| 5.  | S.M Anamul Haque                 | Director   | Department of Labour (DoL)  |
| 6.  | Omar Md. Imrul Mohsin            | Inspector General  | Department of Inspection for Factories and Establishments (DIFE)    |
| 7.  | Mohammad Mashooqur Rahman Sikder | Joint Secretary  | Ministry of Labour & Employment (MoLE)                              |
| 8.  | Dr. Mohammad Hossain Sarkar      | Joint Secretary  | Ministry of Labour & Employment (MoLE)                              |
| 9.  | Mohammad Kuddus Ali Sarker       | Joint Secretary  | Ministry of Labour & Employment (MoLE)                              |
| 10. | Md. Jahangir Hossain             | Joint Secretary  | Ministry of Labour & Employment (MoLE)                              |
| 11. | Md. Monir Hussain Khan           | Director General   | Central Fund (CF)   |
| 12. | Tahmina Begum                    | Director   | Central Fund (CF)   |
| 13. | Shamima Sultana Hridoy           | Assistant Director   | Central Fund (CF)   |
| 14. | Magfurul Awwal                   | Assistant Director   | Central Fund (CF)   |
| 15. | Marufa Parvin                    | Assistant Director   | Central Fund (CF)   |
| 16. | Sarwar Kamal                     | Deputy Secretary (Coordination & Reforms)                                    | Cabinet Division  |
| 17. | Md Nazmul Islam Bhuiyan          | Additional Executive Director (Enterprise Services and Industrial Relations) | Bangladesh Export Processing Zone Authority (BEPZA)                 |
| 18. | Farooq Ahmed                     | General Secretary  | Bangladesh Employers Federation (BEF)                               |
| 19. | Moslem                           | ASG  | Bangladesh Employers Federation (BEF)                               |
| 20. | ANM Saif Uddin                   | Chair of Standing Committee ILO and Labour Affairs                           | Bangladesh Garment Manufacturers and Exporters Association (BGMEA)  |
| 21. | Md Towhidur Rahman               | President/ Representative  | BAWF/ IndustriALL Bangladesh Council (IBC)                          |
| 22. | Razekuzzaman Ratan               | President/ Representative  | SLF/ National Coordination Committee for Workers' Education (NCCWE) |

|     |                       |   |  |
|-----|-----------------------|---|--|
| 23. | Md Rafiqul Islam      | Finance Secretary                           | Bangladesh Jatiotabadi Sramik Dal (BJSD)                                       |
| 24. | Raffaello Marcelloni  | Actuary Expert                              | Istituto Nazionale per l'Assicurazione contro gli Infortuni sul Lavoro (INAIL) |
| 25. | Dr M.A. Razzaque      | Chairman                                    | RAPID  |
| 26. | Sharaf Wamia          | Project Officer                             | RAPID  |
| 27. | Dr Anne Marie La Rosa | Technical Specialist on EIS                 | ILO Geneva   |
| 28. | André Picard          | Head of Actuarial Department                | ILO Geneva   |
| 29. | Saad Gilani           | Chief Technical Advisor, EIS Project        | ILO Bangladesh   |
| 30. | Noushin Shah          | National Project Coordinator, EIS Project   | ILO Bangladesh   |
| 31. | Mosrat Jahan          | M&E Officer, EIS Project                    | ILO Bangladesh   |
| 32. | Ayesha Khatun         | Admin Assistant, EIS Project                | ILO Bangladesh   |
| 33. | Syed Moazzem Hussain  | Senior Technical Advisor, Social Protection | GIZ Bangladesh   |
| 34. | Anab Anwar            | Communication Specialist, GIZ InS           | GIZ Bangladesh   |
| 35. | Shafiqul Islam        | Senior Advisor                              | EIS Pilot Special Unit   |
| 36. | Sujana Tabbasum       | Coordinator                                 | EIS Pilot Special Unit   |
| 37. | Faruque Hasan         | Technical Coordinator MIS                   | EIS Pilot Special Unit   |
| 38. | MD Salah Uddin Kader  | Verification & Documentation Officer        | EIS Pilot Special Unit   |

#### 11b. Agreed principles from workshop 1 and 2



## Institutionalization Process

**1<sup>st</sup> Workshop on benefits and coverage (May 2025):**

- All workers in formal sectors are covered, with implementation to be rolled out progressively
- A comprehensive national Employment Injury Scheme (EIS) will be established in the long term. Immediate implementation will focus on long-term benefits, while short-term benefits will be introduced in phases
- Cost of protection will be calculated for each industry separately depending on its risks.
- Precedents set by EIS Pilot for coverage & benefits will be followed

## Institutionalization Process

### 2<sup>nd</sup> Workshop on governance and institutional arrangements (July 2025):

- Governance Board should be composed of 11 to 15 members, ensuring equal representation from the government, employers, and workers, with economic sectors of national significance duly represented
- Continued oversight by MoLE and establishment of a review process
- A new administrative entity needs to run the EIS national scheme.
- Leverage institutional linkages with relevant stakeholders (such as DIFE, MoHFW, CF, BLWF, BRTA, etc.) is vital, with specific arrangements still to be defined
- Concrete investment approach is needed for the national EIS to ensure long-term sustainability and expansion

► [ilo.org](http://ilo.org)

### 11c. Rules of EIS GB

|   |   |
|---|---|
| <p>Revised after 3<sup>rd</sup> meeting of EIS Governance Board held on 11<sup>th</sup> April 2023</p> <p>EIS Pilot Governance Board Rules for the Management and Operation of the Employment Injury Insurance Scheme in Bangladesh (RMG)</p> <p><i>'As approved in 4<sup>th</sup> EIS Governance Board meeting – held on 10<sup>th</sup> May 2023'</i></p> <p style="text-align: center;">Page 1 of 11</p> | <p><b>PREAMBLE</b></p> <p>The Governance Rules are in line with the 'Framework for a sustainable employment injury insurance scheme in Bangladesh' embedded in BLA and BLR, which was endorsed by national stakeholders on 10 March 2022. In line with Convention 121, compensation is paid in case of work-related injury resulting in permanent disability or death to all workers contributing to ready-made garments sold to international buyers in Bangladesh (app. estimated at 4 million workers), or their eligible dependents. The detailed calculation of this compensation is included in a separate document.</p> <p><b>CHAPTER I</b></p> <p><b>RESPONSIBILITIES AND DUTIES OF THE EIS GOVERNANCE BOARD</b></p> <p><b>1) TERMS OF REFERENCE</b></p> <p>a) The Employment Injury Insurance Scheme (EIS) as defined in the "Framework for a sustainable employment injury insurance scheme in Bangladesh (February 2022)" was endorsed by national stakeholders on 10 March 2022.</p> <p>b) The objective of the EIS Pilot "Compensation" is to provide top up payment for long term benefits in case of work-related injury to all workers contributing to ready-made garments sold to international buyers in Bangladesh (hereinafter called "EIS Pilot").</p> <p>i) In conformity with the Bangladesh Labour Rules and relevant Government Notifications, a board, (hereinafter "EIS Governance Board") is responsible to oversee the management and administration of the EIS Pilot by a Special Unit of the Central Fund (hereinafter the "EIS Pilot Special Unit").</p> <p>ii) The EIS Governance Board sets out policies and procedures in all relevant business areas – including communication, information, case handling, financial oversight, compliance, risk management, actuarial assessment, auditing, and reporting.</p> <p>iii) While pursuing its functions and duties, the EIS Governance Board shall amongst others establish and approve:</p> <ul style="list-style-type: none"> <li>o its basic working methods and guiding principles and adopt any procedures for its working methods, including on decision-making, as may be necessary and appropriate;</li> <li>o its financial governance rules;</li> <li>o the procedure for satisfactory delivery of benefits;</li> <li>o the design of personalised benefit statement to victims;</li> <li>o the arrangement for counselling of beneficiaries to ensure meaningful understanding of their entitlements;</li> <li>o efficient appeal and complaint procedures;</li> <li>o efficient data-collection procedures on workplace accidents, potentially eligible for compensation from the EIS-Pilot</li> <li>o credible mechanism for assessment of permanent disability level</li> <li>o the process for rehabilitation support for permanently disabled workers</li> </ul> <p>iv) Responsibilities of the EIS Governance Board include but are not limited to the following:</p> <ul style="list-style-type: none"> <li>(1) Review for endorsement the EIS Pilot compensation provisions proposed by the ILO experts;</li> </ul> <p style="text-align: right;">Page 2 of 11</p> |
|---|---|

(2) Review, for endorsement, the periodic reports on award decision and delivery provided by the EIS Pilot Special Unit with support if necessary from the ILO Technical Adviser(s) and authorise the transfer of required amounts to beneficiaries' bank account or mobile banking tools.

(3) Ensure that all benefit awards are supported by the required documentation and are verified:

- (4) Ensure adequate and robust business processes in all areas;
- (5) Ensure a complete audit trail and complete case documentation for all transactions;
- (6) Ensure that eligible cases are compensated, and that potential mismanagement and fraud are investigated, terminated and sanctioned;
- (7) Ensure adequate data collection, protection and preservation;
- (8) Adopt quarterly financial reports and externally audited annual financial statements for the EIS Pilot;
- (9) Adopt the EIS Pilot annual budget.

(10) Take any steps relevant to serve the best interest of the EIS Pilot.

(11) The EIS Governance Board has the competence to establish sub-committees to expedite its work on specific issues, such as investment, disability, notice of awards approval, etc.

(12) Designate seven of its members (equal number from Employers, and Workers and three from Government) to approve, on a monthly basis, the new beneficiaries and their respective benefits, pending the endorsement above. EIS Governance Board will authorize designated officials to sign the personalised benefit statements necessary for the payment of benefits. Quorum for sub-committee meeting will be four members – with at least one member from each of tripartite groups;

## CHAPTER II

### FINANCIAL CALCULATION FOR TOP UP PAYMENTS

#### 2) TOP UP PAYMENT

- a) All workers contributing to ready-made garments sold to international buyers in Bangladesh who become permanently disabled or die as a result of a work-related injury occurring from 21 June 2022 are covered under the EIS Pilot.
- b) The benefits payable under the EIS Pilot are pensions payable for the lifetime of the disabled worker in case of permanent disability, and for as long as there are eligible dependents in case of death. The detailed calculation of EIS Pilot pensions is included in the document entitled *Detailed calculation of the Employment Injury Scheme (EIS) Pilot Top Up Benefits* endorsed by the Governance Board.
- c) The detailed calculation document mentioned above is guided by ILO Convention No. 121 on Employment Injury Benefits, after consultation with national tripartite constituents and national and international stakeholders concerned.
- d) The eligible dependents of the deceased worker are as defined in S. 2(30) of the Bangladesh Labour Act.

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## CHAPTER III

### BASIC WORKING MODALITIES OF EIS GOVERNING BOARD

#### 3) Composition of the EIS Governing Board

- a) Based on the principle of tripartism, the EIS Governance Board is composed of Government, employer and workers members. Each member organization will freely nominate a representative to serve on the EIS Governance Board.
- i) All board members must meet fit and proper standards.
- ii) All board members must be able to contribute to the work of the EIS Governance Board.
- iii) A member of the EIS Governance Board must leave the board if fit and proper requirements are compromised.
- b) A member of the EIS Governance Board can be terminated if the assessment of a majority of the board including the Chairperson is that the board member no longer fulfills the criteria for being appointed as an EIS Governance Board member. The replacement of this member will follow the same procedure than for nomination.
- c) The members of the EIS Governance Board shall:
  - (1) avoid all conflicts of interest, financial or personal, existing at the time of appointment or arising in the course of the EIS Governance Board's mandate;
  - (2) provide all necessary cooperation and assistance to the EIS Governance Board to ensure its decisions are taken in an informed, representative, and democratic manner, by consensus wherever possible;
  - (3) Respect as final the decisions taken by the EIS Governance Board in its capacity as an administrative ad-hoc body;
  - (4) Respect the personal data and privacy of the beneficiaries concerned.

#### 4) Chairperson of the EIS Governance Board

- a) The EIS Governance Board is chaired by the Government of Bangladesh acting through the Secretary Ministry of Labour & Employment or his/her substitute at the level Additional Secretary. The responsibilities of the Chairperson include but are not restricted to the following:
  - a. Call and plan the meetings of the EIS Governance Board;
  - b. Ensure that all matters relevant to the EIS Governance Board are presented to the board for consideration in due course;
  - c. Ensure that all matters presented to the EIS Governance Board are adequately documented and presented to the board for consideration;
  - d. Ensure that policies and other instructions to be adopted by the EIS Governance Board are set out and presented to the board for consideration;
  - e. Ensure that the documentation of benefit awards to be confirmed by the EIS Governance Board is adequate and correct;
  - f. Direct EIS Governance Board debates, ensure all members enjoy equal opportunity to be heard, maintain order and put questions for decision and, where necessary, a vote;
  - g. Ensure that documentation requested by the EIS Governance Board is provided and is adequate.
  - h. If necessary, the Chairperson of the EIS Governance Board has the determining vote.

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#### 5) Secretary of the EIS Governance Board

- a) The responsibilities of the Secretary include the following:
  - i) Recommend the list of new eligible claim application for the endorsement of the GB-EIS Subcommittee
  - ii) Along with Chairman, sign the Payment Authorization Sheet, Payment instruction/bank advice and Notice of Awards for new approved cases by the GB - EIS.
  - iii) Sign meeting minutes of EIS Governance Board on behalf of the Chairman.
  - iv) Develop procedures, monitor and administer the regular work of the EIS - Pilot Special Unit.
  - v) Approve regular HR, administration, training, office equipment, meeting and other expenditure of EIS Pilot Special Unit.
  - vi) Review and recommend budget for approval of the EIS Pilot special unit.
  - vii) Process fund transfer request.
  - viii) Any other assignment given by Governance Board

#### 6) Participation of Contributing Brands

- a) The agenda of each EIS Governance Board regular meeting will include a "brands' participation" item.
- b) This item should serve to discuss and evaluate the implementation, performance, and use of the EIS Pilot funds.
- c) Further, it serves to define, consider - and adjust if relevant – performance indicators and other data relevant to assessing EIS Pilot's activities' implementation.
- d) The duly designated (senior, preferably Country Head) representative of the contributing brands will receive the meeting agenda and relevant meeting material, included but not limited to assessment material, financial information, short term financial statements, audited annual financial statements presented to the Governance Board.

#### 7) Standing Observers

- a) The ILO and GIZ are standing observers to all EIS Governance Board meetings.
- b) In their quality as standing observers, the ILO and GIZ will receive the same documents than the members of the EIS Governance Board.
- c) The role and functions of the ILO and GIZ as standing observers is to provide technical support to the EIS Pilot and, in particular, to the EIS Governance Board in the realisation of its duties and responsibilities. Furthermore, the ILO and GIZ should assist in gathering, analysing and sharing the lessons learnt during the implementation of the EIS Pilot with the view of developing the fully nationally owned EIS.

#### 8) Regular Meetings

- a) The EIS Governance Board will meet on a regular basis and at least once every three months.
- b) A meeting schedule for the coming year will be adopted at the first regular meeting of each calendar year.
- c) The meetings shall be convened by the Chair of the EIS Governance Board.
- d) Attendance fees shall follow the Central Funds practice.

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#### 9) Extraordinary Meetings

- a) The Chair of the EIS Governance Board may call extraordinary meetings if relevant to address specific identified issues to serve the interests of the EIS Pilot.
- b) The Chair of the EIS Governance Board must call extraordinary meetings if requested to do so by written request from at least 4 board members from at least 2 of the tripartite groups. This request must indicate the subjects to be included on the agenda.
- c) The formalities and time limits for convening meetings may be waived in relation to extraordinary board meetings if necessary or if all members agree.

#### 10) Agenda

- a) The agenda for each meeting and the meeting material for the meeting must be distributed to the board members at least 7 working days before the meeting
- b) Meeting material is distributed electronically by e-mail or by setting up a shared access point for the EIS Governance Board.

#### 11) Attendance

- a) The Chairperson of the EIS Governance Board must ensure that meetings are held with the view that all members of the EIS Governance Board can participate in person or by video-link if necessary.
- b) Only persons appointed as members of the EIS Governance Board, the designated representative of contributing brands (for the specific agenda item) and the standing observers can participate in the meetings of the EIS Governance Board.
- c) A member cannot be absent for more than Three (3) consecutive meetings. The absence is a cause for considering that the member is no longer fitted for purpose.

#### 12) Decision-making

- a) At the beginning of each meeting of the EIS Governance Board the Chairperson must ensure that there are no conflicts of interest in relation to the agenda.
- b) Individual board members subject to potential conflicts of interest must bring the matter to the attention of the board.
- c) Individual board members subject to conflicts of interest will not participate in the discussion of and decision making on the relevant items.
- d) The Chairperson of the EIS Governance Board must lead board meetings with the view to reach agreement and take decisions by consensus without a vote.
- e) Consensus means there is no objection to moving forward, even if another route may be preferred by a member.
- f) If agreement to move forward has not been reached without a vote, voting by simple majority shall be by show of hands unless otherwise indicated by the Chair.
- g) The EIS Governance Board may decide matters electronically (by email) where urgent decisions in between meetings is required.
- h) The Chairperson of the EIS Governance Board must ensure that board members are afforded adequate time to consider any matter put to decision by e-mail.
- i) Where decision-making is conducted by e-mail, opinion will be based on a reply or non-objection within the time frame announced.

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j) Quorum requires that at least six members including at least two members from each of the tripartite member groups must be present – or participates via video-link – and can participate in the voting for decisions to be taken, unless board members have registered their non-objection to moving forward on the subject matter.

13) Record-keeping

- a) Minutes of each meeting will be recorded and circulated for adoption by the EIS Governance Board members present;
- b) Resolutions of the EIS Governance Board shall be authenticated by signature of the Chair on behalf of the EIS Governance Board before transmission for external purposes;
- c) The following documents will not be made public except where the EIS Governance Board has specifically decided otherwise:
  - i) Meeting documents presented for discussion and decision;
  - ii) Resolutions and decisions;
  - iii) Documents containing personal and financial information of beneficiaries with a reasonable expectation of privacy; and
  - iv) Information generally recognized as covered by legal or medical privileges.

14) Secretariat of the EIS Governance Board

- a) The EIS Special Unit shall act as the secretariat of the EIS Pilot Governance Board with support from the ILO.

CHAPTER IV

FINANCIAL GOVERNANCE

15) Guiding Financial Governance Principle

- a) The EIS Governance Board should ensure that the EIS Pilot remains accountable and transparent. This is critical to sustain credibility and to earn and retain the trust of all stakeholders. Therefore, the EIS Pilot must be subject to adequate financial rules and meet the highest possible standards as regards its financial regulation.

16) The financing of the EIS Pilot

- a) As specified in BLR 214 (1) (d), the EIS Governance Board has been authorized to open a separate account within the Central Fund. This separate account shall be administered with transparency and accountability in accordance with *ISSA good governance rules*.
- b) Income of the EIS-Pilot separate account is from voluntary contributions transiting through the ILO.
- c) This EIS Pilot separate account can be used only and for the sole purpose of financing the documented and approved benefits of the EIS Pilot and documented operating costs including any fees or other payments to external service partners and consultants.

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17) Right to sign

- a) The EIS Governance Board must set out rules determining the right to sign on behalf of the EIS Governance Board. This policy may be layered in reference to the involved amounts. Rules on the rights to sign must be approved by the EIS Governance Board.

18) Accounting

- a) The EIS Governance Board must ensure that EIS Pilot funds and their use remain clearly identifiable, documented, and subject to a complete audit trail throughout.
- b) The EIS Governance Board must ensure adequate accounting standards and practices for the EIS Pilot separate account. As part of this the EIS Governance Board must ensure a complete audit trail and documentation on all EIS Pilot transactions.

19) Control and risk management

- a) The EIS Pilot Special Unit must identify key risks in relation to the EIS Pilot and set out a risk management strategy as to how they will be addressed. The risk management strategy will be approved by the EIS Governance Board.
- b) The EIS Pilot Special Unit must ensure adequate independent compliance control. Compliance control reports are presented directly to the EIS Governance Board for evaluation.
- c) Compliance control - including targeted random sample case checks - can be facilitated through the assistance of an external service provider at the request of the EIS Governance Board. The EIS Pilot Special Unit ensures immediate access to all data and documentation required in relation to compliance control efforts.

20) Budget

- a) No later than three months before the start of the financial year, the EIS Pilot Special Unit will present a complete EIS Pilot budget for the coming year to the EIS Governance Board for discussion and subsequent approval.
- b) The EIS Pilot budget must be based on prudent assessments of the expected case load and its composition, benefit costs, administration costs and any other contingencies as relevant.

21) Current business reporting

- a) The EIS Pilot Special Unit must prepare a standardised quarterly business oversight report for the EIS Governance Board.
- b) The EIS Governance Board must instruct the EIS Pilot Special Unit as regards contents, standards and other requirements for the standardised recurring business report, and it must set out the reporting tenure and specify the deadline for the report.
- c) The recurring business oversight report must include timely and accurate information on assessed cases, awarded benefits by type, duration and size of benefits, total benefit costs, incurred administration costs broken down by type of cost and an assessment of the current financial status in view of the budget. Also, the report must include any other information requested by the EIS Governance Board.
- d) The recurring business oversight report is distributed electronically unless otherwise requested by the individual member of the EIS Governance Board.

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e) The EIS Governance Board can require the EIS Pilot Special Unit to prepare and present other financial information as it sees fit to support its oversight responsibility and assessment of the EIS performance, business and impact.

22) Financial reporting and auditing

- a) The financial year of the EIS Pilot follows the financial year of Government, starting 1<sup>st</sup> July and ending 30<sup>th</sup> June.
- b) For each financial year, the EIS Pilot Special Unit will prepare an annual financial statement.
- c) The annual financial statement must – as a minimum – include the following items:
  - i. Management report.
  - ii. Management attestation.
  - iii. Annual account including a balance sheet, an income statement, and a cash flow statement.
  - iv. Relevant notes.
  - v. Description of the applied accounting standard.
- d) The EIS annual financial statement - less the management statement - must be audited and certified by an independent external auditor approved by the EIS Governance Board. The auditing must comply with acknowledged national and international standards.
- e) The annual financial statement – including the auditor's report – will be presented to the EIS Governance Board for approval. The deadline for submission of the audited financial statement is three months after the closure of the financial year.
- f) The EIS annual financial statement is adopted and signed by the EIS Governance Board with submission requiring dated signature from all board members. All individual board members are responsible for ensuring that the annual financial statement is timely and adequate, provides a prudent assessment of the current EIS state of affairs – including risks and outlook – and that it is drafted in compliance with all relevant standards and regulations.
- g) The EIS annual financial statement is submitted simultaneously to the participating brands, relevant stakeholder groups and the Minister of Labour and Employment for orientation. An electronic version of the EIS annual financial statement is made public.

CHAPTER V

EIS SPECIAL UNIT

23) Duties and functions of EIS Special Unit

- a) An EIS Special Unit within the Central Fund operating under the EIS Governance Board instructions and supervision shall be responsible for day-to-day EIS Pilot operations.
- b) In particular, the EIS Special Unit shall perform the following duties amongst others:
  - i) Report on EIS activities to the EIS Governance Board as instructed by the Board, including a standardised quarterly business oversight;
  - ii) Prepare the EIS Pilot budget;
  - iii) Prepare for approbation by the EIS Governance Board a risk management strategy;
  - iv) Prepare and submit standardised periodic reports on award decisions and the delivery of benefits in collaboration with the ILO Technical Adviser(s);

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- v) Prepare data and any other input to assist the work of the EIS Governance Board as it sees relevant, as requested by the EIS Governance Board itself or by the Chairperson of the EIS Governance Board;
- vi) Prepare the quarterly financial reports and annual financial statements for auditing;
- c) To assist Director General Central Fund as the Secretary of the Governance Board in following:
  - i) Prepare the agenda and notices of meetings in collaboration with the Chairperson of the EIS Governance Board;
  - ii) Take minutes after each meeting;
  - iii) Keep the archives and official documents.
- d) any other tasks assigned by the EIS Governance Board.

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### COMPOSITION OF THE EIS GOVERNANCE BOARD

| EIS Governance Board members      |   |
|-----------------------------------|---|
| <b>Government</b>                 | <ul style="list-style-type: none"> <li>• Secretary, Ministry of Labour &amp; Employment (Chair)</li> <li>• Additional Secretary (IO Wing), Ministry of Labour &amp; Employment</li> <li>• Inspector General, DIFE</li> <li>• Director General, DOL</li> <li>• Director General, Central Fund (Secretary)</li> </ul> |
| <b>Employers' organizations</b>   | <ul style="list-style-type: none"> <li>• Representative, Bangladesh Employers' Federation</li> <li>• Representative, BGMEA</li> <li>• Representative, BKMEA</li> </ul>  |
| <b>Workers' organizations</b>     | <ul style="list-style-type: none"> <li>• Representative, NCCWE</li> <li>• Representative, IBC</li> <li>• Representative, UFGW</li> </ul>  |
| Non-member participants           |   |
| <b>Observers</b>                  | <ul style="list-style-type: none"> <li>• ILO</li> <li>• GIZ</li> <li>• Brands Representative</li> </ul>   |
| <b>For special agenda item</b>    |   |
| <b>For secretarial assistance</b> | • EIS Special Unit  |

## 11d. Speeches at the opening of day-2

### i. Speech of the Secretary, MoLE

#### National Consultation on Institutional and Funding Framework of the National Employment Injury Scheme (EIS)

Secretary, MoLE

- Respected representatives from Employers and Workers Organizations
- Government representatives from Central Fund, Department of Labour, DIFE, Ministry of Labour and Employment
- ILO Country Director ~~Mr~~ Max Tunon
- Representatives from Brands
- Development Partners
- Officials from ILO and GIZ

Good morning.

- It is my pleasure to join you today for the National Consultation on Institutional and Funding Framework of the National Employment Injury Scheme (EIS). On behalf of the Ministry of Labour and Employment, I extend my gratitude to our partners — the Bangladesh Employers' Federation, the National Coordination Committee for Workers' Education, the ILO, GIZ, EIS Unit and the members of the EIS Pilot Governance Board - whose continuous effort has made it possible to successfully continue the EIS Pilot for the past three years with significant achievements.]
- The mission of the Ministry of Labour and Employment is to ensure decent work, safeguard workers' rights, and promote productive and sustainable industrial relations in Bangladesh. The vision is to build a labour market that is fair, inclusive, and resilient. With technical support from the ILO and GIZ, as well as the collaborative efforts of the Ministry of Labour and Employment, Employers' Organizations, and Workers' Organizations have come a way for a transformative change: protecting the workers from employment injury. Since 2015 to present, from discussion to EIS Pilot launching to its implementation, today, we witness some tangible outcomes including replicating EIS Pilot beyond RMG sector, such as Leather and Footwear, covering commuting accidents, expansion of Pilot in EPZ; showing us on how collective effort can bring positive change in the lives of workers.

- The lessons learned from the Pilot give us confidence to take the next step — towards establishing a national scheme on employment injury, as envisioned in the National Social Security Strategy. This is not only a social protection measure; it is a milestone in Bangladesh's broader journey toward building a comprehensive social insurance system.
- Through our earlier two consultations, we have already explored international standards and best practices from different countries on EIS. We: the government, employers and workers- have agreed some points on how the national EIS should be designed including the criteria for benefit, coverage, and governance mechanism, suitable for Bangladesh.
- This 3<sup>rd</sup> consultation workshop is an important step in that journey. Our discussions will focus on the cost projections, funding mechanisms, and financial governance for the national scheme. I am confident that the insights generated through these three workshops will help us to design a framework for national EIS which will be efficient, affordable and sustainable for the country.
- The Ministry is fully committed to leading this effort, ensuring that the National Employment Injury Scheme reflects Bangladesh's aspirations — a scheme that protects workers, supports employers, and strengthens confidence in our industries globally.
- I wish to thank our development partners — the Netherlands, Canada, Germany, the European Union, and the international brands — whose contributions and trust have been vital in turning vision into reality.
- Together, let us continue this journey with determination, as we work towards a national scheme that will serve as a foundation for social justice.

Thank you!

## ii) Speech of Dr. Anne Marie La Rosa, Technical Specialist on EIS, ILO-Geneva

### Honourable Secretary,

Good morning, and welcome once again to the Secretary of Labour and Employment. It's an honour to brief you today on one of the country's most innovative and forward-looking initiatives — the **Employment Injury Scheme (EIS) Pilot**.

SLIDE 2 At its core, the EIS Pilot aims to provide **income security to workers and their families** in the event of **work-related accidents**, in line with ILO Convention 121 and the **Bangladesh Labour Act**.

This Pilot, launched in **June 2022**, was the result of a truly **tripartite effort** — bringing together the Ministry of Labour, employers' and workers' organizations, the ILO, GIZ, and now over **85 international brands**. It was formally **endorsed by MoLE in March 2022**, and since then, it has grown into a **model of active collaborative tripartite governance**.

What makes this initiative particularly remarkable is that it's **entirely financed through voluntary contributions** from international brands — **0.019% of their sourcing volume from Bangladesh**. In other **words** this minimal contribution of brands allows effectively cover all exported RMG workers — close to 4 M — against work-related injury.

In the EIS Pilot national constituents are truly walking the talk.

In just over three years, the EIS Pilot has already approved **98 death cases** and **41 permanent disability cases**, providing real support to the families who need it most. Initially launched in the **RMG sector**, the Pilot has **replicated in 2025 in the Leather & Footwear**, and is now operational in **EPZ factories** following an agreement with BEPZA.

What began as a pilot is now setting the **precedent for a permanent, national Employment Injury Scheme** — the first **government-led social insurance initiative in Bangladesh**, aligned with the **National Social Insurance Strategy**.

SLIDE 3 You can see here some of the key milestones achieved by the Pilot, but most importantly you can see that the work has started a long time ago now, with some of us having been involved in the post Rana Plaza set up.

SLIDE 4 To institutionalize the national scheme, **three national tripartite workshops** have been planned under the leadership of your office this year.

The purpose of **these workshops** are to address all technical components of the national scheme and build a national consensus to be able to propose a **tripartite national technical framework** to the incoming elected government on which the law can be built:

For the first and second workshops level of consensus was high.

### 1. On Benefits and Coverage (May 2025)

- All workers in formal sectors are covered, with implementation to be rolled out progressively

- A comprehensive national Employment Injury Scheme (EIS) will be established in the long term. Immediate implementation will focus on **long-term benefits**, while short-term benefits will be introduced in phases (MEDICAL CARE, REHABILITATION, short term income replacement)

- Cost of protection will be calculated for each industry separately depending on its risks.

- Precedents set by EIS Pilot for coverage & benefits will be followed

SLIDE 5

### 1. On Governance and Administration (July 2025):

Governance Board should be composed of 11 to 15 members, ensuring equal representation from the government, employers, and workers, with economic sectors of national significance duly represented

Continued oversight by MoLE and establishment of a review process

A new administrative entity needs to run the EIS national scheme.

Leverage institutional linkages with relevant stakeholders (such as DIFE, MoHFW, CF, BLWF, BRTA, etc.) is vital, with specific arrangements still to be defined

Concrete investment approach is needed for the national EIS to ensure long-term sustainability and expansion

### SLIDE 6

#### 2. On Funding and Sustainability:

Since yesterday, the 3<sup>rd</sup> workshop is in progress.

Day 1 We have started to discuss yesterday about the costs.

The estimated cost to ensure protection for all workers in the RMG exported sector is modest — only **BDT 86 per worker annually** when commuting accidents are included, and **BDT 29** without.

### SLIDE 7

Today, we will discuss the possible sources of funding using **evidence based** information provided by the CF and BLWF.

Honourable Secretary,

this is more than a labour policy — it is a **signal to all including global brands** that Bangladesh is committed to **ethical and sustainable labour practices** and is really a step toward effective **social protection**.

Your role as Chair of the Tripartite Governance Board of the EIS Pilot places you in a strategic position to **shape the future** of employment injury protection in Bangladesh.

The **path ahead includes:**

- **Designing the national-level scheme**
- **Defining national governance structures**
- **Establishing a sustainable funding model**
- **Ensuring inter-ministerial and stakeholder coordination**

This is exactly what we have been working on for the last few years.

**In Closing Sir**

What is being done here is a **platform** for systemic reform.

With your leadership, the Employment Injury Scheme can become a reality, protecting the workers of Bangladesh against work related injury, building

investor and buyer confidence, and reinforcing Bangladesh's reputation as a global leader in labour reforms.

Thank you, and the ILO is looking forward to your guidance and support in taking the Pilot to its next stage, a fully nationally owned employment injury scheme.

## e. Presentations

Presentations used are available on the EIS website at this link:

[https://eispilot-my.sharepoint.com/:p/g/personal/mis\\_eis-pilot-bd\\_org1/EZfjybBbt0ZLqWKm83s3msMByp7DEzILwXkY8Tg53V6rJQ?e=tpn1qu](https://eispilot-my.sharepoint.com/:p/g/personal/mis_eis-pilot-bd_org1/EZfjybBbt0ZLqWKm83s3msMByp7DEzILwXkY8Tg53V6rJQ?e=tpn1qu)