

# Quarterly Business Oversight and Financial Report of EIS Pilot Special Unit

Period: 01 January to 30 September 2023

Date: November 3, 2023



Submitted by

**Employment Injury Scheme (EIS) Pilot Special Unit**

Sromo Bhaban (9<sup>th</sup> Floor), 196, Sahid Syed Nazarul Islam Soroni, Bijoy Nagar, Dhaka-1000.

Contact: 01886-921030, E-Mail: [specialunit@eis-pilot-bd.org](mailto:specialunit@eis-pilot-bd.org)

Website: [eis-pilot.bd.org](http://eis-pilot.bd.org)

## **Table of Content**

Abbreviations.....	3
1. Executive Summary.....	4
2. Introduction.....	4
3. Objectives of the EIS_PSU Quarterly Report.....	4
4. Chronology of Events of EIS_PSU.....	4
5. Business Process of the EIS_PSU.....	6
6. Template of Required Documents.....	7
7. Draft Policy Documents.....	8
8. HR and Administration Management .....	8
9. Management Information System (MIS).....	9
10. Disability Assessment .....	9
11. EIS_GB and EIS_GB Sub-committee Meeting.....	9
12. Data Analysis of Approved Cases.....	10
13. Analysis of All Death and Disability Files Received from CF .....	13
14. Quarterly Financial Report .....	13
15. Challenges and Way Forward of the EIS_PSU.....	15
17. Conclusion .....	15
18. Annexure.....	16
19. Photographs of few Important Events.....	16

## Abbreviations

BLA	Bangladesh Labour Act
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
BKMEA	Bangladesh Knitwear Manufacturers and Exporters Association
CF	Central Fund
DG	Director General
DG_CF	Director General Central Fund
DIFE	Department of Inspection for Factories and Establishments
EIS_PSU	Employment Injury Scheme Pilot Special Unit
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
EIS_GB	Employment Injury Scheme Governance Board
ILO	International Labor Organization
ITC-ILO	International Training Centre of the ILO
IEC	Information Education Communication
MoLE	Ministry of Labour and Employment
MIS	Management Information System
NOA	Notice of Award
PPD	Partial Permanent Disability

## **1. Executive Summary**

The 1<sup>st</sup> quarterly business oversight and financial report encompasses all activities from the inception of the Employment Injury Scheme Pilot Special Unit (EIS\_PSU) on January 01, 2023<sup>1</sup>, until September 30, 2023. This comprehensive report contains a chronology of significant undertakings, a detailed description of the business process for case approval, a compilation of policy and template documents, HR matters, and a summary of the key decisions made by the Governance Board (GB) and its Sub-committee. A data analysis chapter is also included to give an insight about various critical issues for further study and improvements. Efforts have been made to identify hurdles/challenges from day-to-day work including a way ahead road map.

This report includes the requirements found in EIS Pilot Governance Board Rules adopted at the third meeting of the Board in April 2023.

## **2. Introduction**

This is the 1st quarterly business oversight and financial report of the EIS\_PSU covering the period from 1st January 2023 to 30th September 2023. EIS\_PSU's financial activities commenced in July 2023; thus, quarterly report had not been compiled earlier, due to the lack of activities of the pilot in relation to compensation. Going forward, quarterly reports will be compiled every three months as required by the EIS Pilot Governance Board Rules.

The 1st quarterly report may seem a bit comprehensive as it includes a chronological events diary, templates of required documents, policy list, and business process flow. Subsequent regular report will primarily focus on case approval, beneficiaries' profiles, payment information and the decisions of the EIS\_GB and its Sub-committee. We hope that this report proves valuable to our stakeholders.

## **3. Objectives of the EIS\_PSU Quarterly Report**

The report's main goal is to share information with stakeholders about approved beneficiaries and the related financial transactions. Additionally, it aims to improve these activities by analyzing data, identifying obstacles, and implementing corrective measures to support the EIS Pilot's overall objectives.

## **4. Chronology of Events of EIS\_PSU**

The EIS\_PSU started its journey on January 1, 2023, with a dedicated team of five members. From January to September 2023, the EIS\_PSU has achieved several noteworthy milestones, which are outlined below:

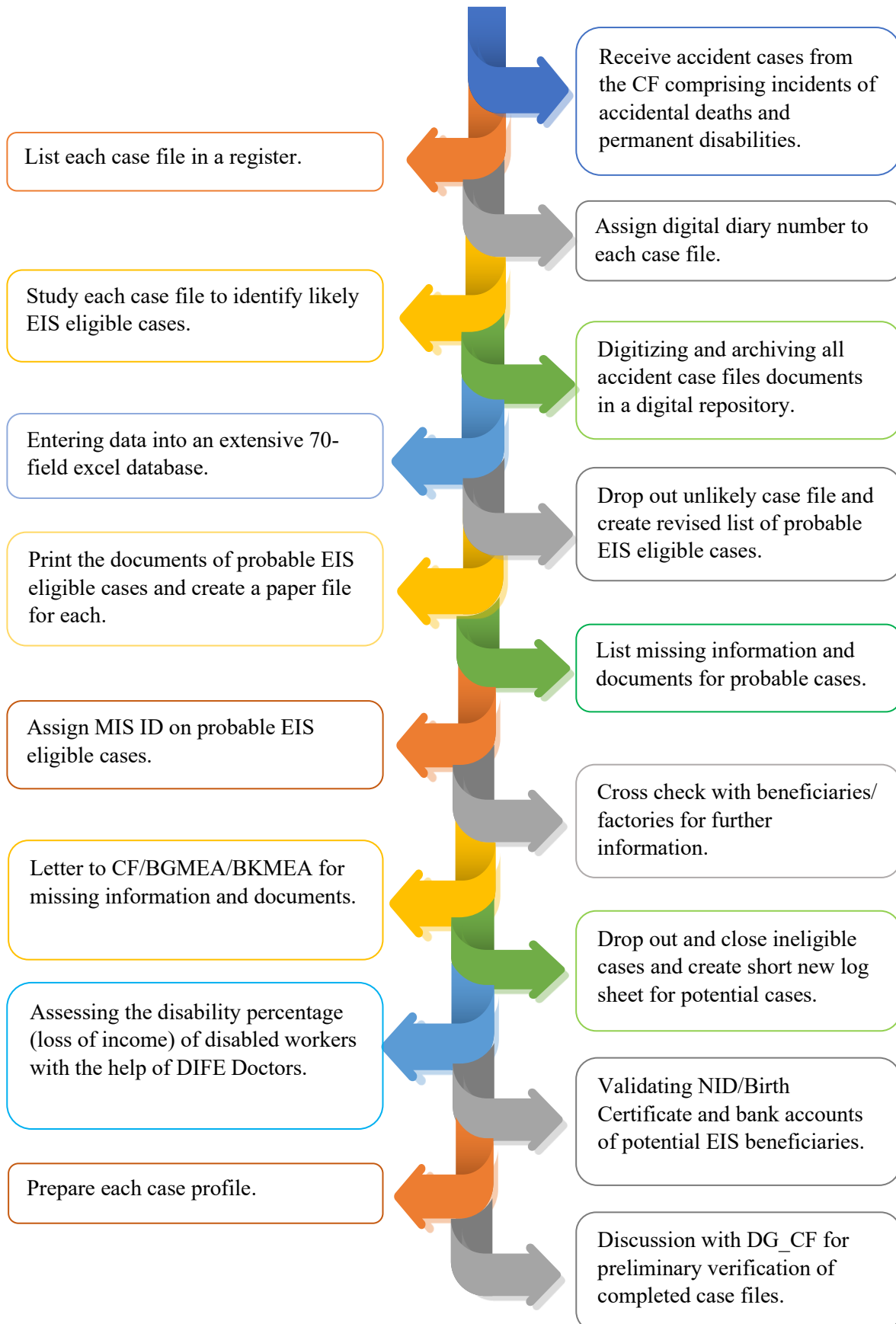
---

<sup>1</sup> The pilot project was initiated on June 21, 2022, and reached full operational capability upon the establishment of the Special Unit on January 1, 2023.

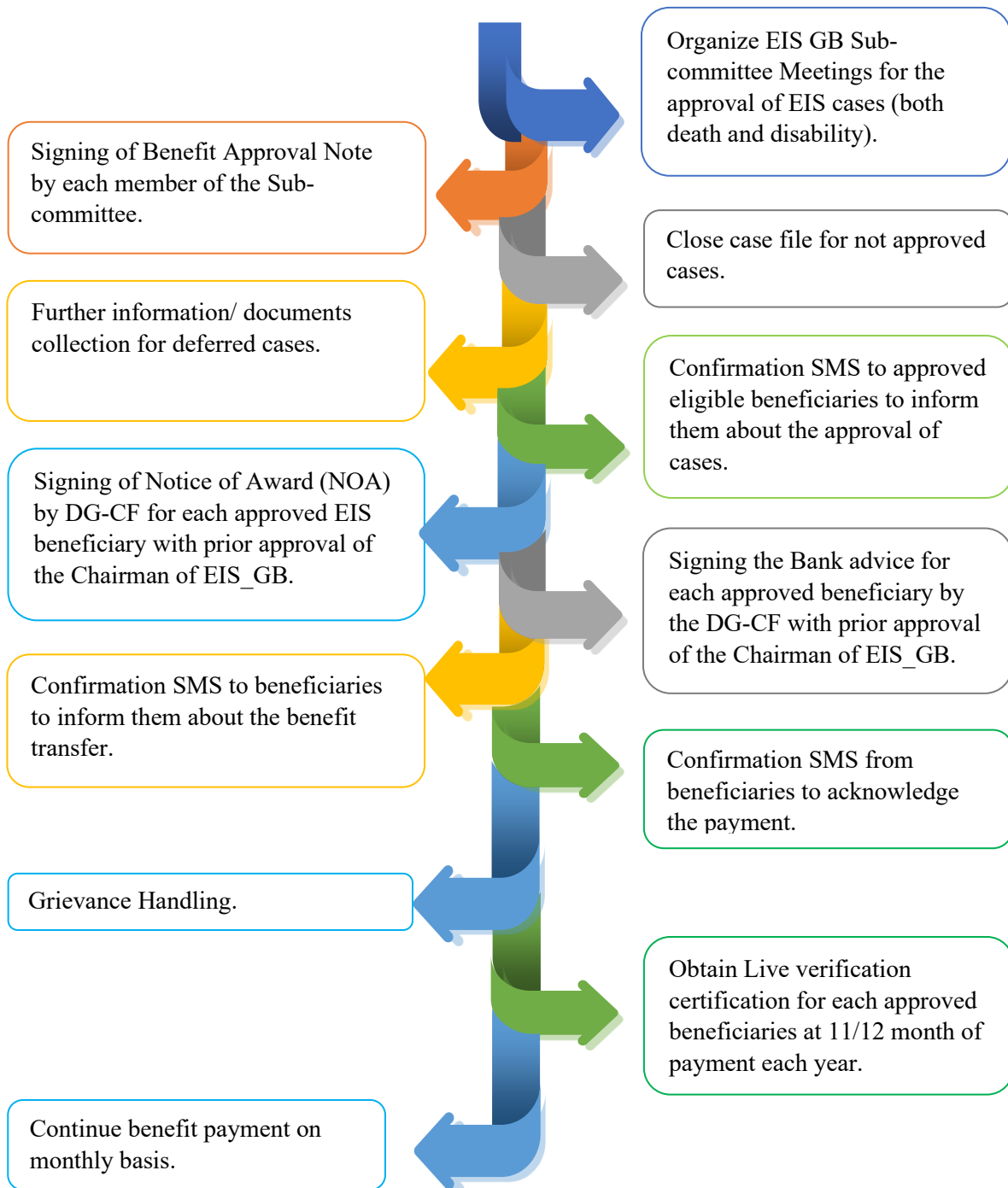
<b>January 1, 2023</b>	Deployment of the EIS_PSU
<b>January 1-5, 2023</b>	Orientation / Onboarding Training
<b>January 9, 2023</b>	The EIS_PSU started its official functions at the DIFE Office following an introduction meeting with the DG-CF under the MoLE
<b>January 16, 2023</b>	For the 1 <sup>st</sup> time received 157 accidental death case files from CF for scrutinizing probable EIS cases
<b>March 20, 2023</b>	Workshop with Central Fund to update EIS_PSU process and activities
<b>April 11, 2023</b>	The 3 <sup>rd</sup> EIS_GB meeting held and approved the opening of a separate bank account for the EIS Pilot
<b>May 7-11, 2023</b>	Received guidance to streamline the business process of EIS_PSU from ILO Technical Mission to Bangladesh
<b>May 10, 2023</b>	Separate account was opened under Central Fund with DG-CF and the secretary, MoLE as the cheque signatories
<b>May 17, 2023</b>	Information Sharing with BGMEA and BKMEA
<b>June 1, 2023</b>	The 1 <sup>st</sup> meeting of the Sub-committee held and approved 4 cases of death with 10 beneficiaries for the EIS top-up benefit
<b>June 23 – June 7, 2023</b>	EIS_PSU team members attended training for capacity development on “Employment Injury Schemes and the Prevention of Occupational Accidents and Diseases” at ITC-ILO in Turin, Italy
<b>July 9, 2023</b>	The 1 <sup>st</sup> fund transfer from ILO of USD 4133.99 equivalent BDT 425,282 credited in EIS Pilot Account
<b>August 3, 2023</b>	For the first time disability assessment conducted with the help of DIFE doctors
<b>August 6, 2023</b>	8 Notices of Award (NOA) were signed for EIS benefit beneficiaries
<b>August 6, 2023</b>	1 <sup>st</sup> instalment of top-up benefit was paid to the 8 beneficiaries of the death cases
<b>August 17, 2023</b>	2 <sup>nd</sup> Sub-committee meeting held and approved 4 death cases with 11 beneficiaries and 6 permanent disability cases
<b>August 28, 2023</b>	The 2 <sup>nd</sup> fund transfer from ILO of USD 36,910.37 equivalent to BDT 3,857,925 was credited to the EIS Pilot Account
<b>September 14, 2023</b>	The 5 <sup>th</sup> EIS_GB meeting was held and approved the annual budget and endorsed the decision of the 1 <sup>st</sup> and 2 <sup>nd</sup> Sub-committee meetings. Also leaflet and poster for information sharing with factories was endorsed

## 5. Business Process of the EIS\_PSU

The EIS\_PSU adheres to the following workflow to process the EIS-eligible claim cases:



Continued



## 6. Template of Required Documents

To ensure the seamless execution of the business process mentioned above, the following document templates were developed:

- Succession Certificate: Included as Annex A
- Factory Certificate: Included as Annex B
- Yearly Life Verification Certificate: Included as Annex C
- Benefit Approval Note: Included as Annex D

- Notice of Award (NOA): Included as Annex E
- Bank Advice: Included as Annex F
- Quarterly Financial Report: Included as Annex G
- Disability Assessment Form: Included as Annex H
- Short Log sheet: Included as Annex I

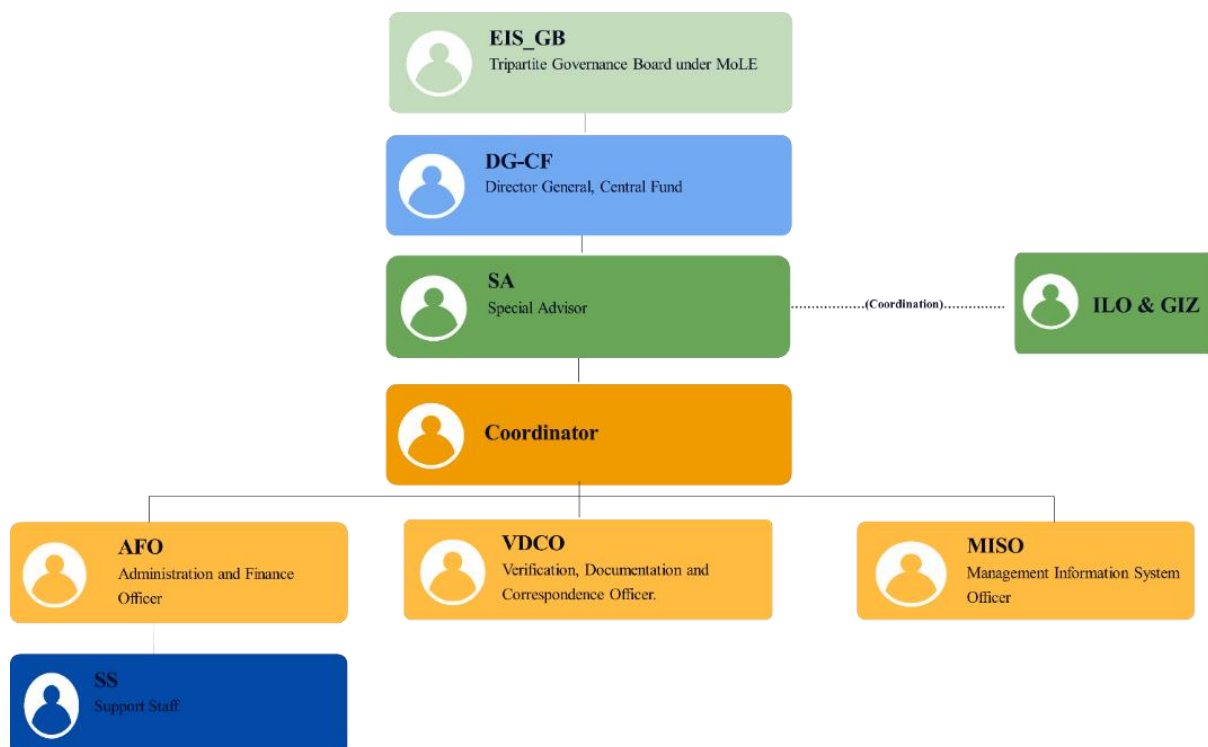
## 7. Draft Policy Documents

To maintain the uniformity, transparency, and effectiveness of EIS\_PSU operations, we have formulated the following policies, currently undergoing the approval process by the EIS\_GB:

- Accounting Policy for EIS\_PSU
- Human Resource (HR) Policy
- Office Management and IT Policy

## 8. HR and Administration Management

For smooth operations and delivery of the EIS benefit; GIZ recruited and placed the below mentioned organogram and personnel with their own cost. GIZ also catered for initial office setup cost, administration cost including office equipment, stationery and furniture for the operationalization of the EIS\_PSU (costs that should normally be borne by the EIS\_PSU). The outline organogram of EIS\_PSU is given below.





## 9. Management Information System (MIS)

To enhance the efficiency, effectiveness, and seamless operation of EIS\_PSU, we are currently in the process of developing a MIS that will enable digital record-keeping, smart operations, and contribute to an environmentally friendly and sustainable workspace.

## 10. Disability Assessment

Comprehensive disability assessment is comparatively a new paradigm in Bangladesh. The first successful attempt was the assessment of Rana Plaza survivors. Since then, very little has progressed in creating professionals' teams for the purpose. For the required task of EIS\_PSU two doctors of DIFE has been nominated and after inception meeting and briefing the team successfully conducted two sessions, examined 7 PPD workers and ascertained loss of income capacity as per the provision of First Schedule of the BLA 2006.

## 11. EIS\_GB and EIS\_GB Sub-committee Meeting

After the operationalization of the EIS\_PSU, three EIS\_GB meetings and two EIS\_GB Sub-committee meetings were held until September 30, 2023. The dates and associated actions are appended below:

<b>GB - EIS Meeting</b>		
<b>Title</b>	<b>Date</b>	<b>Major Decisions</b>
3 <sup>rd</sup> EIS Governance Board Meeting	April 11, 2023	<ul style="list-style-type: none"><li>• Instruction was given to open a bank account under the Central Fund</li></ul>
4 <sup>th</sup> EIS Governance Board Meeting	May 10, 2023	<ul style="list-style-type: none"><li>• “EIS Pilot GB Rules for the Management and Operation of the Employment Injury Insurance Scheme in Bangladesh (RMG)” were approved by the Board.</li><li>• “Detailed Calculations of the Employment Injury Scheme (EIS) Pilot top-up benefits” were approved by the Board.</li><li>• The GB endorsed the formation of the EIS_GB Sub-committee for the EIS case approval.</li></ul>
5 <sup>th</sup> EIS Governance Board Meeting	September 14, 2023	<ul style="list-style-type: none"><li>• The Board endorsed the report of the 1st and 2nd Sub-committee meetings.</li><li>• The budget for 2023-2024 was approved.</li><li>• IEC materials of the EIS Pilot were approved (leaflet &amp; poster).</li></ul>

<b>GB - EIS Sub-committee Meeting</b>									
Title	Date	Presented Cases		Approved Cases		Approve Beneficiaries		Not Approved Death Cases	Further Investigation
		Death	PPD	Death	PPD	Death	PPD		
1 <sup>st</sup> Sub-committee Meeting	June 01, 2023	5	0	4	0	10	0	0	1
2 <sup>nd</sup> Sub-committee Meeting	August 17, 2023	8	6	4	6	11	6	2	2

## 12. Data Analysis of Approved Cases

- a. The below table shows the death cases by quarterly time period, dependents number, gender, average monthly payments per death case<sup>2</sup> and total paid amount till Sep 2023.

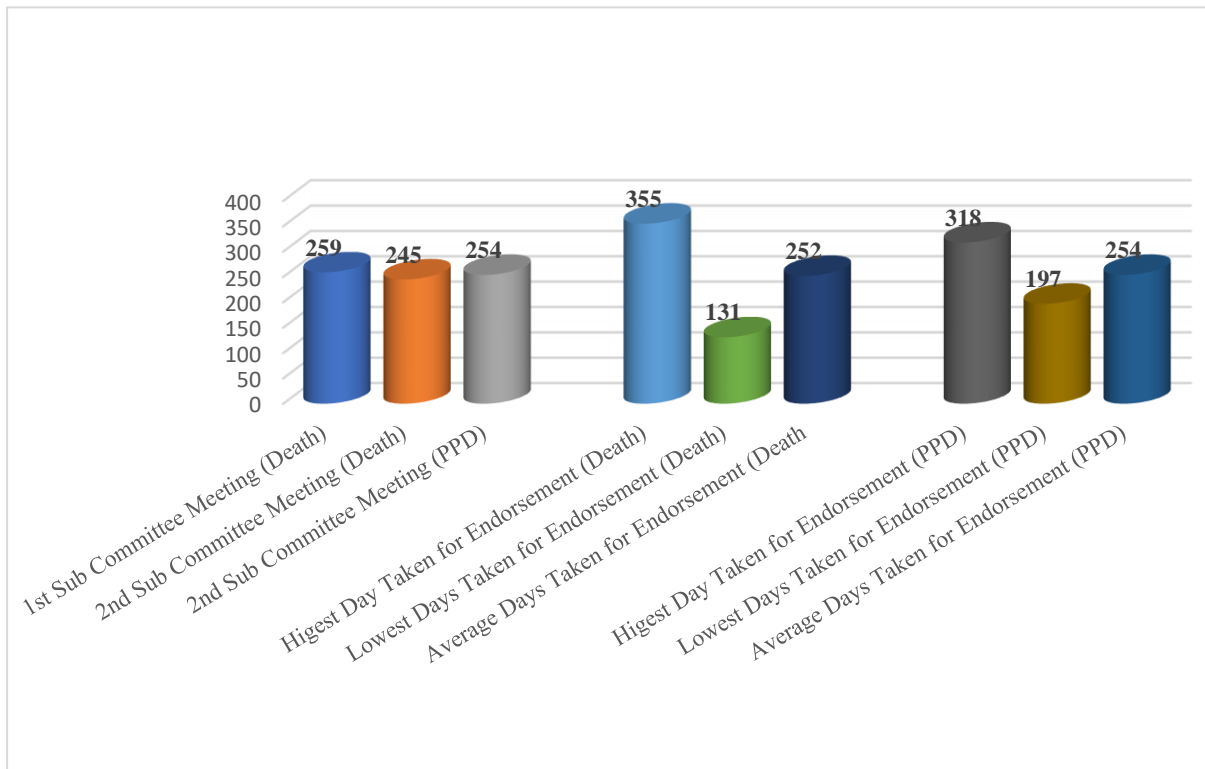
Date of Accident	Total number of cases	Male	Female	Total number of dependents	Male	Female	Average benefit per case per month in BDT	Total benefit paid out up to September 2023
22.06.2022 - 31.09.2022	3	3	0	9	5	4	6,990.07	261,926.44
01.10.2022 - 31.12.2022	3	3	0	7	4	3	5,995.47	182,672.1
01.01.2023 - 31.03.2023	2	2	0	5	1	4	3,309.32	39,315.54
Total	8	8	0	21	10	11,	5,696.90	483,914.08

<sup>2</sup> This information doesn't cover accidents that happen during commuting."

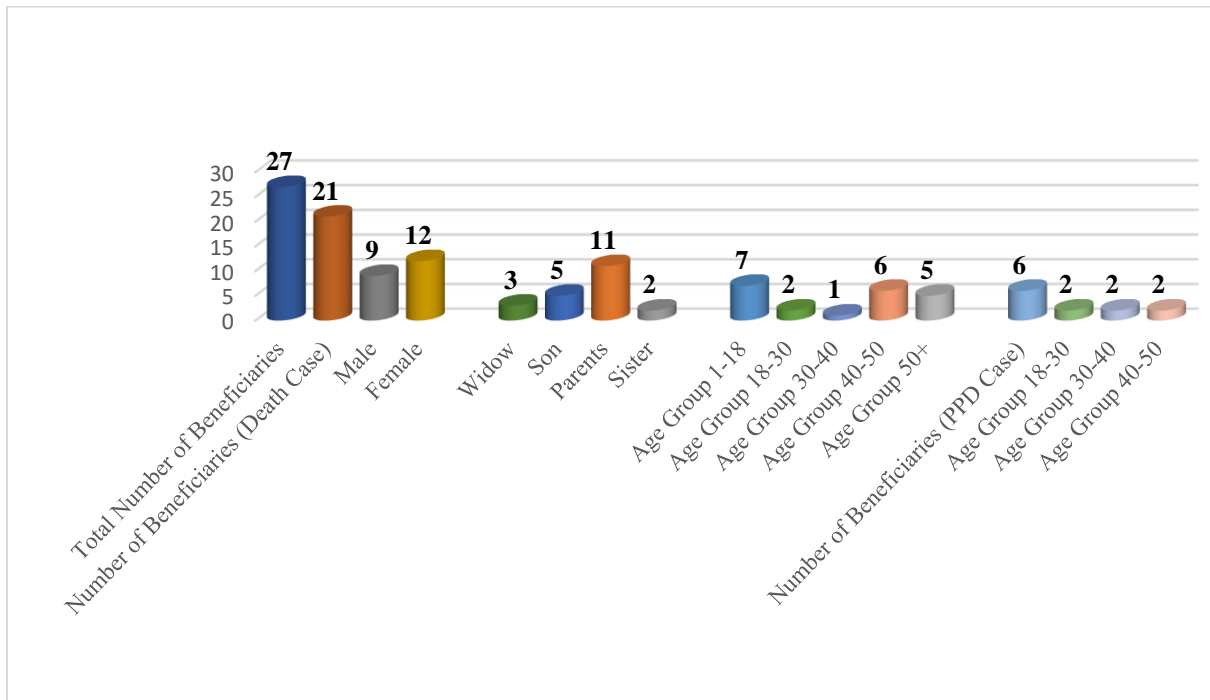
b. The below table shows PPD cases by quarterly time period, gender, average monthly benefit and total paid amount till 30 September 2023.

Date of Accident	Total number of cases	Male	Female	Average benefit per case per month in BDT	Total benefit paid till 30 Sep 2023 in BDT
01.10.2022 - 31.12.2022	4	4	0	2,539.17	172,131.27
01.01.2023 - 31.03.2023	2	2	0	1,672.84	21,070.36
Total	6	6	0	2,250.39	193,201.63

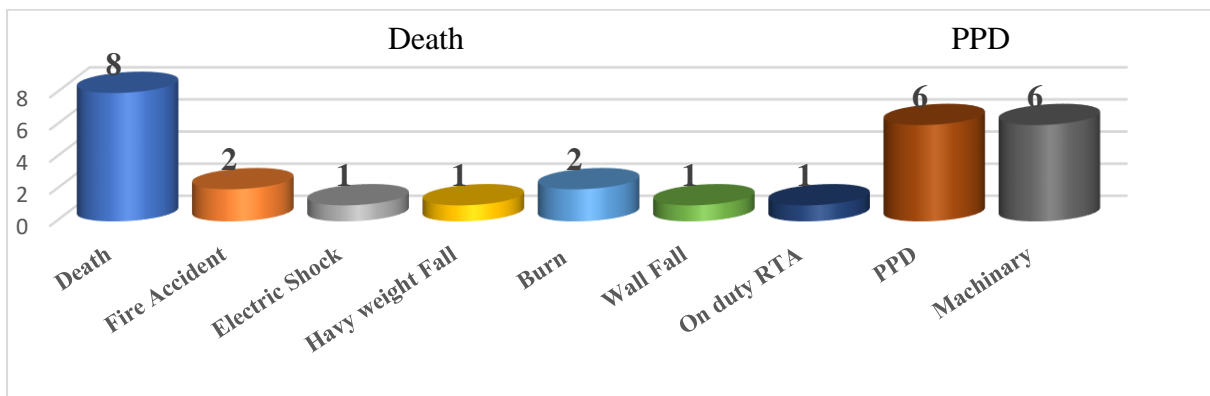
c. The below graph shows the days taken from accident date to EIS approval by subcommittee, highest/lowest/average days taken for death and disability case.



d. The below graph shows beneficiary analysis by gender, relationship with workers, and age group.

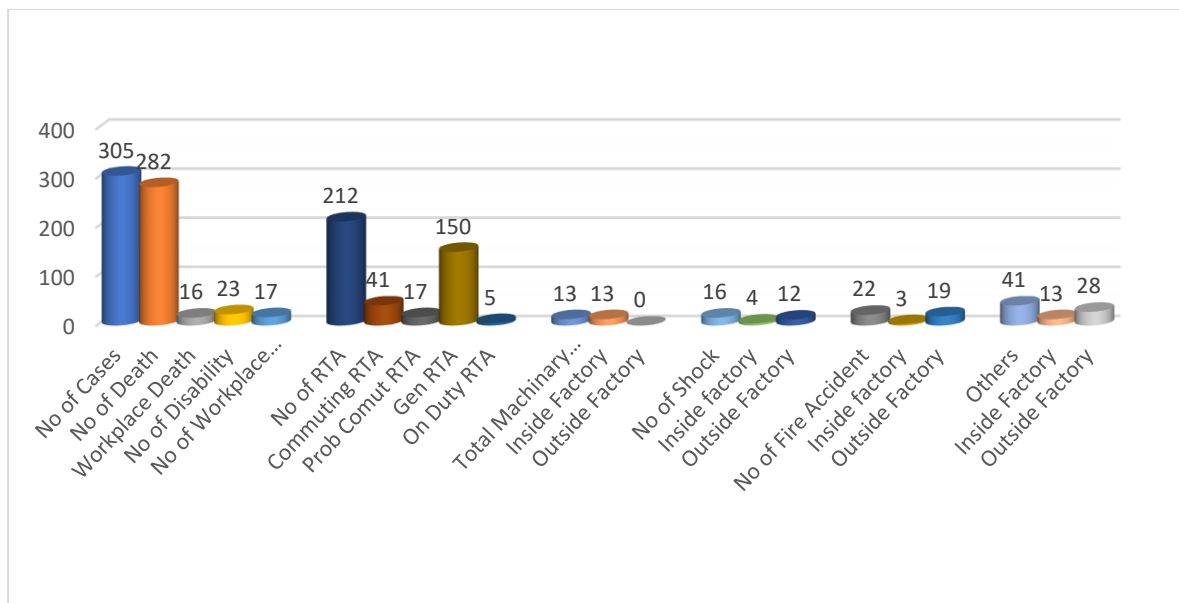


e. The below graph shows the number by the cause of accidents.



### 13. Analysis of All Death and Disability Files Received from CF

- a. The below graph shows the analysis of 305 accidental death and disability case files received from CF by the type of accident.



### 14. Quarterly Financial Report

The quarterly financial report is prepared based on the actual receipt, expenditure, and balance in the bank account. So far, all the transactions are done through the bank, and no cash balance is maintained. The expenditure is guided by the approved annual budget. In the budget HR and Program support costs are also included. So far, no expenditure has been incurred on HR, as GIZ is covering the costs from their own sources. The program support cost is also very insignificant because the initial office setup cost, office equipment, furniture and stationery were met.

### Quarterly Financial Report

For the period of 1 July 2023 to 30 September 2023

Expenses:							
Date	Payment Voucher#	Account Code	Expenditure Details	Payment Due (BDT)	Paid (BDT)	Payable (BDT)	Remarks
07. Aug. 23	PV#1	510	Top-up benefit payment up to May 2023. Total paid to 4 beneficiaries (Death 4) Total 1 case (death 1)	48,845.94	48,845.94		
07. Aug. 23	PV#2	510	Top-up benefit payment up to May 2023. Total paid to 4 beneficiaries (death 4). Total 2 cases (death 2)	116,020.84	116,020.84		
31. Aug. 23	PV#3	5314	Bank Charge of checkbook issue	150.00	150.00		
03. Sep. 23	PV#4	510	Top-up benefit payment up to August 2023 Total paid to 23 beneficiaries (death 17 & PPD 6). Total 14 cases (death 8 & PPD 6)	512,248.93	512,248.93		
07. Sep. 23	PV#5	5311	1st Disability Assessment meeting	10,480.00	10,480.00		
07. Sep. 23	PV#6	5307	2nd EIS Sub-committee meeting	21,710.00	21,710.00		
20. Sep. 23	PV#7	531	5th EIS Governance Board Meeting	36,080.00	36,080.00		
20. Sep. 23	PV#8	5311	2nd Disability Assessment meeting	6,012.00	6,012.00		
30. Sep. 23	JV#1	510	Top-up benefit payment September 2023. Total paid to 22 beneficiaries (death 17 & PPD 5). Total 13 cases (death 8 & PPD 5)	58,126.69		-58,126.69	Will be paid on 1st week of October, 2023
30. Sep. 23			Total Expense	809,674.40	751,547.71	58,126.69	

Receipt:					
Date	Receipt Voucher#	Account Code	Particulars	Received (BDT)	Remarks
01. Jul. 23	-	-	Opening Balance	-	
09. Jul. 23	RV#1	22012	Fund received from ILO (USD 4,133.99)	425,282.00	
28. Aug. 23	RV#4	22012	Fund received from ILO (USD 36,910.37)	3,857,925.00	
30. Sep. 23			Total Received	4,283,207.00	

Bank Reconciliation:			
Date	Particulars	Amount (BDT)	Remarks
30. Sep. 23	Balance (Total Received - Total Payment Due)	3,473,532.60	
30. Sep. 23	Add: Payable amount (To up benefit payment will be paid on 1st week of October 2023)	58,126.69	
30. Sep. 23	Deduct: Not Adjusted Advance (3rd Sub-committee meeting which will be held 1st October 2023)	26,330.00	
30. Sep. 23	Ledger Balance	3,505,329.29	
30. Sep. 23	Bank Balance as per Bank Statement	3,505,329.29	

Total cost of top-up benefit at Present Value at the date of death and date of permanent disability:

Particulars	Total estimated lifetime top-up benefit (BDT)
Total 27 beneficiaries for 6 PPD & 8 Death Cases	16,473,236

## **15. Challenges and Way Forward of the EIS\_PSU**

### **Challenges**

- Dealing with beneficiaries in the event of a death case is typically a highly emotional situation, and obtaining information related to accidents can be particularly difficult.
- There are instances where communication with beneficiaries becomes challenging due to network or phone-related issues.
- Occasionally faced communication difficulties with a beneficiary due to factors like language barriers, age, health issues.
- No accidents have been reported through DIFE.
- Lack of comprehensive accident data within factories.
- Inadequate accident information is in the Central Fund Application document.
- Prolonged response time for inquiries related to missing information and documents.

### **Way Forward**

- Showcase the advantages of the EIS Pilot benefit to all stakeholders (government, employers, employees, trade unions, families of workers, civil society organizations).
- Disseminate EIS Pilot information through dialogue, IEC materials, workshops, training sessions, and national dialogue.
- Collect and preserve alternative mobile numbers with contact details of close relatives/neighbors of the beneficiaries.
- Sensitize related stakeholders (CF, BGMEA, BKMEA, factories) about the timely submission of the claim with all required documents and also prompt response for any requirement by EIS\_PSU.
- Highlights the importance of accident reporting through DIFE.
- Improved claim process and collection of documents to avoid prolonged response due to missing information.

## **17. Conclusion**

This is the 1<sup>st</sup> quarterly business oversight and financial report of the EIS\_PSU. It covers the period from 1st January 2023 to 30th September 2023 since there was no financial activity before.

As the first report encompasses process flow, templates, policy documents and other issues which will not be there in future quarterly reports. We acknowledge with gratitude the contribution and guidance of all stakeholders. We hope the report has reflected our comprehensive activities and desire to further develop the report with the reader's feedback.

## 18. Annexure

As attachment

## 19. Photographs of few Important Events



On-boarding Meeting of EIS-PSU at GIZ on 02 January 2023



Introductory meeting with DG\_CF, ILO, GIZ & DIFE on 09 January 2023



4th EIS\_GB Meeting on 17 May 2023





Information sharing meeting with BGMEA & BKMEA on 17 May 2023



1st Sub-committee Meeting on 01 June 2023



1st Anniversary of EIS-PSU on 21 June 2023



Training on “Employment Injury Schemes and the Prevention of Occupational Accidents and Diseases” at ITC-ILO in Turin, Italy



1st Preparatory Meeting with DG-CF about PPD assessment on 16 July 2023



Coordination Meeting with DIFE doctors for PPD assessment on 25 July 2023



1st PPD Assessment on 03 August 2023



2nd Sub-committee Meeting on 17 August 2023