



Implementation of the National Employment Injury Insurance Scheme of Bangladesh

Quick Facts

Countries: *Bangladesh*

Final Evaluation: November 27, 2018 –January 31, 2019

Mode of Evaluation: *Independent*

Administrative Office: CO-Dhaka

Technical Office: Global Programme for Employment Injury and Protection (GEIP)

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Project End: 31 December 2018

Project Code: BGD/15/05/DEU

Donor & Project Budget:

BMZ -USD 1,008,009

ILO – USD 214,947

Keywords: *employment injury, employment security, Bangladesh*

Background & Context

Summary of the project purpose, logic and structure

Following successful implementation of the compensation mechanism after the Rana Plaza disaster, the Ministry of Labour and Employment (MoLE) sent a letter to the Director of the ILO Country Office for Bangladesh. In July 2015, asking the ILO to coordinate the initiatives for the implementation of an Employment Injury Compensation Scheme in Bangladesh. A Letter of Intent was signed between the government of Bangladesh represented by the MoLE, ILO and the German government for introducing an Employment Injury Insurance (EII) in Bangladesh.

The project was undertaken to develop sustainable national capacities and systems for a national employment injury scheme with coverage of all workers.

The project focused on national level interventions. It was designed to achieve four distinct outcomes; (1) a commitment by key actors towards the development of a national Employment Injury Insurance (EII) scheme, based on the principles of ILO Convention 121 (C 121) and a mutual consensus with regards to the core elements of the scheme is reached and recorded; (2) a feasibility study of a national EII scheme to serve as a basis for engaging a tripartite national dialogue and for the drafting of a legal framework; (3) a bridging solution is developed for the transition period until the EII scheme is operational; and (4) a sound legal framework for Bangladesh EII scheme is developed.

The project was implemented engaging the tripartite of the government of Bangladesh and the employers' and workers' associations.

Consultations were carried out to obtain views and preferences of the tripartite stakeholders' and other stakeholders, including the major brand and to obtain agreement of the tripartite stakeholders on the design of the EII scheme and the legal framework. Technical support was obtained from the BIDS for a survey to determine the propensity of workplace injury and illnesses, the insurance liability and costs associated with it. ILO Country office in Dhaka managed the project and its activities, while the GEIP of ILO Geneva office provided the necessary technical develop the scheme and the legal framework.

Present Situation of the Project: The project has come to an end in December 2018, with an EII scheme designed and a draft legal framework. There are disagreements between the labour association (NCCWE) and the employers' associations (BEF, BGMEA and BKMEA) about the financing of the EII scheme. There is also a lack of confidence among the workers' and

employers' associations regarding the capacity of the government to implement the EII scheme. However, there is expressed commitment of all stakeholders to continue participation in further consultation to reach a common point of agreement on the design.

Purpose, scope and clients of the evaluation

The final evaluation of the 'Implementation of the National Employment Injury Insurance Scheme of Bangladesh' was designed to serve the purposes of; i) promoting accountability to the tripartite constituents, the donor and key stakeholders, and ii) promoting learning within ILO and among key stakeholders. The key audiences for the evaluation are the ILO constituents at the National level in Bangladesh, ILO ROAP, the donor (BMZ), ILO Decent Work Technical team in New Delhi, and ILO Bangladesh. The specific objectives of the evaluation are to:

- Assess the relevance of the intervention objectives and approaches, particularly in the adoption of a sustainable national EII scheme for workers employed in the formal sector in Bangladesh.
- Assess the project implementation effectiveness including the progress in achieving its intermediate objectives and results (including intended and unintended, positive and negative results), and effectiveness of management arrangements;
- Assess the project implementation efficiency;
- Assess the impact and sustainability and Identify factors (including challenges, opportunities) that enable the sustainability, particularly of the national stakeholders in Bangladesh;
- Provide recommendations and describe lessons learned and good practices that could be replicated.

Methodology of evaluation

The evaluator drew conclusions based on triangulation of evidence from the data from both primary and secondary. Two methods of data collection were used to conduct the evaluation:

1. **Desk Review** of documents including EII current status, EII fact sheet, Technical progress report 2017, Preliminary feasibility study (2015), Completion of feasibility study- ILO Technical memo (2018), briefs and relevant documents of ILO Bangladesh country projects ('SDIR project',

'Sustainability Compact', 'Better Work', 'Migration project'), mission reports.

2. **Key Informant Interviews, following a semi-structured questionnaire** were conducted to get an in-depth image of the achievements, challenges and present state of the project. KIIs have also helped to get to know the project stakeholders' strengths and weaknesses and the challenges faced by them. For selecting the key informants, the evaluator followed purposive sampling method.

Main Findings & Conclusions

In terms of *relevance and strategic fit*, the projects' objectives and interventions are closely aligned with ILO and national strategic and policy frameworks. Significantly, the project was undertaken in order to ensure that industrial workers are protected from the loss of livelihood as a result of any occupational injury or illness. The project rationale was justified based on Bangladesh's commitment to the ILO convention (article 121, in particular), its 'National Social Security Strategy', the provisions of Bangladesh's Labour Law and Bangladesh government's commitment towards the Decent Work Country Programme (DWCP).

Regarding *intervention progress and effectiveness*, project activities were carried out to achieve four inter-related outcomes.

The activities included capacity building of MoLE of GoB, employers' and workers' association officials and representatives; consultations to obtain general preference of tripartite partners and other stakeholders, design of the initial EII scheme – including a bridging solution, and a draft legal framework for operationalising the proposed EII scheme. Design of the scheme, bridging solution and legal framework was done with technical support of the ILO Geneva office and was preceded by an accident incidence survey by BIDS. Following the design process, the proposed scheme and legal framework were shared with the tripartite partners and other stakeholders for their feedback.

These activities have resulted in the realisation of the need for and the commitment to introduce such a protection scheme. There has been an agreement regarding the core elements of the scheme among the

tripartite and other stakeholders, as relevant to the proposed outcome 1 of the project.

Outcomes 2 (feasibility assessment and design of EII scheme), 3 (design of an interim bridging solution) and 4 (development of draft legal framework) have been achieved to the extent that the relevant document drafts have been prepared. There remain some elements of disagreements among the tripartite partners, however, which render the proposed EII scheme and bridging solution not ready for implementation as of the end of the project.

The evaluation identified the need for further consultation, clarity and modification – if necessary, to the design of the proposed EII scheme and legal framework before it can acceptable to all stakeholders and be implemented.

Efficiency of Resource Use has in general been satisfactory although the project's outcomes may be somewhat over-ambitious considering the time, resources and existing commitment of employers. ILO Bangladesh and the head quarter revised the project budget in the second year of the project, making some strategic realignment in the project and its budget. The more investment in local human resources was deemed as needed due to the complexities in the local environment. It is the evaluator's observation that, the project has been able to create a buy in and commitment towards the EII scheme among the tripartite partners and other stakeholders. However, the issue of benefits and financing is quite complex given that each of the downstream actors in the market have progressively weak bargaining power because of the market structure and legal framework. The objective of agreeing upon an EII scheme, setting up an institution for its implementation within the three year time frame was, perhaps, too ambitious.

Regarding *Impact Orientation and Sustainability*, the project has developed local capacities – of relevant government stakeholders, employer and employee representatives. There is an expressed commitment on the part the stakeholders to introduce such a scheme. The major area of differences between the workers and the employers appear to be about the contribution calculation and how the scheme is to be financed. Both the workers and the employers are also apprehensive of the government's capacity to manage and implement the scheme. The institutional arrangement of the

scheme, however, provides for a tripartite committee to oversee its implementation, therefore there is scope for mutually beneficial interventions by all stakeholders. There is a strong willingness on the part of the government to introduce and operationalise the scheme, provided that the other stakeholders in the tripartite are in agreement about all aspects of it.

The proposed EII scheme is deemed not to have any *gender bias*. Any worker, including the dependents of a worker in case of death, whose health and livelihoods have been disrupted by work related illnesses or accident injuries, will have protection and coverage under the scheme. The coverage and benefits are the same for all workers irrespective of their gender.

Similarly, the proposed EII scheme does not, in itself, *discriminate* any worker for her/his disability of any form to the extent they are employed in the industries.

Recommendations & Lessons Learned

Main recommendations and follow-up

Relevance and strategic fit

1. Continue to leverage cost-sharing with other agencies maintaining a high level of pro-active collaboration.
2. Prioritize to prepare a Theory of Change (ToC) and an M&E plan.
3. Involve more pro-actively with the employers' and workers' organisations.

Effectiveness

4. More efforts need to be made for developing understanding and clarity of constituents, especially of workers – to make them better understand the importance of periodical payments.
5. Maintain close relations with MoLE and increase the frequency of PAC meetings whereby decisions on scheme needs to be guaranteed.
6. Future discussions need to identify the differences of opinions among relevant stakeholders, seek to enhance clarity and find points of agreement on issues in the Scheme.

Impact and sustainability

7. MoLE should take the lead in facilitating the process in future, with ILO and other stakeholders providing technical support as required and sought by the MoLE. Efforts need to be strengthened to enhance the current low confidence in the Government in Bangladesh.
8. National as well as international stakeholders have to come to realise that the cost of EII has to be a part of the purchasing prices of goods and services manufactured by the covered local enterprises and their workforces.
9. The proposed scheme needs to take into account and reflect the context of all the sectors where scheme could be implemented.

Social Inclusion

10. Health care including rehabilitation services to disabled workers can solve major issues of long-term financial problems of dependents of deceased workers and financial, health and employability issues faced by the disabled workers, which needs to be emphasised.

Lessons learned

- In spite of the commitment from the highest level of the government, lack of facilitation and leadership from the government has led to non-achievement of project outputs.
- Lack of clarity has resulted in disagreement from employers regarding premium proposed in EII scheme. This acted as a major barrier in reaching tripartite agreement regarding the scheme.

Good practices

- The good practice is the knowledge development of tripartite constituencies through consultation process and exposure tour. The project organized several exposure visits for the representatives with an aim for better and practical understanding of EII scheme in developed and developing countries. These joint visits helped the representatives having better conceptual clarity of the issue.