

**Bangladesh**

**Technical note**

Employment Injury

Comparison between employment injury provisions  
in the Labour Act and standard provisions  
of an employment injury insurance scheme

Social Protection Department  
Public Finance, Actuarial and Statistical Services Branch

**International Labour Office, Geneva**

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## Acknowledgements

Following the Rana Plaza accident of April 2013, the Government of Bangladesh and social partners as well as international brands, unions and NGOs have been making efforts to provide compensation to injured workers and dependants of those workers who died, based on the principles and standards of the ILO Employment Injury Benefits Convention, 1964 (No. 121). The ILO has been acting as neutral Chair of the Rana Plaza Coordination Committee (RPCC) and providing technical assistance in designing and implementing the compensation scheme.

The Government and social partners in Bangladesh feel the need to establish a mechanism to provide in timely and adequate compensation to victims of employment injuries and occupational diseases, and the Government has requested the ILO to provide assistance in establishing such a mechanism.

The ILO mission, composed of Anne Drouin, Hiroshi Yamabana, Markus Ruck, Gilles Binet and Andre Beauchemin, went to Dhaka from 17 to 30 January 2015, conducting a tripartite workshop on 24 January 2015 and holding individual consultations with major stakeholders<sup>1</sup>. The mission was facilitated by the ILO Office for Bangladesh in Dhaka. It was concluded that a feasibility study should be conducted by the ILO in consultation with tripartite partners, so that the Government as well as the social partners will be able to make informed decisions on the form and implementation of a mechanism to provide compensations.

This note was prepared by the ILO Social Protection Department with contributions of Gilles Binet, Andre Beauchemin and Andre Picard under the supervision of Anne Drouin and Hiroshi Yamabana of the Public Finance, Actuarial and Statistics Branch of the ILO (ILO SOC/PFACTS). The report has been reviewed by Ms Emmanuelle St-Pierre Guilbault for standards-related issues.

The note analyses the current Labour Act of Bangladesh from the viewpoint of the design of a standard employment injury insurance scheme in line with the ILO social security standards dealing with employment injury benefits, namely the Social Security (Minimum Standards) Convention, 1952 (No. 102) and the Employment Injury Benefits Convention, 1964 (No. 121) and its accompanying Recommendation (No. 121). It is intended that this note may serve as a reference for furthering consultations and discussions in Bangladesh for an introduction of a mechanism to provide timely and adequate compensation to victims of employment injuries and occupational diseases.

<sup>1</sup> Individual consultations were held with the Permanent Secretary, the Joint Secretaries, the Director of Inspection and Additional Director of Labour of the Ministry of Labour and Employment in Bangladesh, the Senior Secretary of the Ministry of Commerce, the Additional Secretary of the Bureau of Statistics, the BEPZA, the Vice President of the BGMEA, the NCCWE, national agencies and partners (IndustriALL Bangladesh, RPCA, BRAC, NITOR, Delta Insurance) and international stakeholders (Embassy of the Federal Republic of Germany, GIZ, JICA, DFID, Canada High Commissioner, European Delegation, UNDP, WHO).



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## 1. Introduction

Schemes providing compensation to workers suffering employment injuries or to the dependants of deceased workers are the oldest and the most widespread social insurance measures in the world. They have been widely acknowledged for many decades and in some countries such systems have been in place for over a century<sup>1</sup>.

Although there are substantial differences between the various schemes around the world, these can be roughly classified into two main categories: (1) schemes based on the individual responsibility of the employer (employers' liability scheme, EL) to directly provide compensation to their workers or their workers' dependants, or to purchase private insurance coverage which will provide compensation; and (2) employment injury insurance schemes (EII) based on the collective responsibility of employers to support a social insurance programme offering compensation to all covered workers.

The purpose of this note is to compare the scheme currently in place in Bangladesh with a standard EII scheme, in particular in terms of their objectives, features, limitations and expected results, and to show the advantages and disadvantages of each scheme from the point of view of workers, employers and the Government.

The EL schemes contain minimal provisions for benefits and services to workers suffering occupational injuries or diseases, and they do not meet the standards of the ILO standards on social security such as the Social Security (Minimum Standards) Convention, 1952 (No. 102) and the Employment Injury Benefits Convention, 1964 (No. 121) and its accompanying Recommendation (No. 121)<sup>2</sup>. Countries with the EL schemes generally have difficulties in effectively covering all employees in accordance with the law, and many injured workers or dependants of deceased workers do not receive proper compensation in response to their needs.

For this reason, many developed countries and numbers of developing countries in Asia and Africa have made their choice to establish an EII scheme or are currently considering adopting this option. No country has gone in the opposite direction. Most Asian countries which rely on exporting goods, such as Cambodia, China, Malaysia, the Philippines and Thailand, have already established EII schemes. As these mainly cover formal economy workers, there is still a coverage gap to be filled, but measures are being taken to increase coverage.

In Africa, many countries still have an EL scheme. However, countries such as Ethiopia, Malawi and Tanzania, have recently introduced EII schemes or are in the process of introducing them. The establishment of an EII scheme is considered to be a solution to chronic problems of coverage and benefit inadequacy in relation to injured workers or dependants of deceased workers.

After the consultations with the national stakeholders during the mission conducted from 17 to 30 January 2015, it was decided that the ILO should conduct a feasibility study

<sup>1</sup> In this report, the term "employment injury" includes work accidents and occupational diseases unless otherwise stated.

<sup>2</sup> See Annex 3: Main requirements of ILO social security standards on employment injury protection.

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of a mechanism to provide timely and adequate compensation to victims of employment injuries and occupational diseases. In spite of its fundamental policy stance of recommending the EII as a new mechanism, the ILO is open to carrying out a feasibility study on several policy options, including an EII scheme as well as a private insurance mechanism.

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## **2. The employment injury compensation system in Bangladesh**

### **2.1. Employers' liability (EL) scheme**

According to the Labour Act of Bangladesh, each employer should provide compensation to workers suffering employment injuries or to their dependants in case of work-related deaths. The Act also includes provisions dealing with occupational health and safety (OSH) aiming at reducing occurrences of employment injuries <sup>1</sup>.

### **2.2. Coverage**

Government employees and certain enterprises such as firms with fewer than ten employees are excluded from the application of the Labour Act. Chapter XII of the Labour Act defines workers specifically covered for employment injury compensation in a list of 31 occupations, leaving those not included in the list without compensation. It is thus difficult to assess even the extent of legal or statutory coverage from the list. Workers of non-listed industries suffering from employment injuries must seek compensation through other mechanisms under general legislation <sup>2</sup>.

According to an amendment to the Act in 2013, employers with establishments of at least ten workers must purchase group insurance to cover the financial consequences of employment injuries. However, the Act is silent on the monitoring of compliance with this requirement.

In EL systems, the protection of workers and employers from the financial consequences of employment injuries is insufficient unless an insurance market and the financial supervisory system are well developed. The compliance monitoring of private insurance is complex. The insurance market needs to be well developed so that all employers, regardless of their risk profiles, would be able to purchase insurance at a reasonable cost. Employers of riskier industries as well as small employers with little negotiating power are vulnerable, as private insurance companies may reject the applications of such employers. It is also difficult to secure fairness among injured workers and dependants of deceased workers, as claims management practices may vary widely among different insurers. The system may lead to high numbers of court cases and may divert necessary financial resources for compensation to judicial costs.

<sup>1</sup> The Act also covers two other branches of social protection: maternity benefits and provident funds. Apart from the Labour Act, no social protection mechanism is available to workers in Bangladesh.

<sup>2</sup> An example in the employment list is the following: (xx) employed otherwise than in a clerical capacity, on any estate, which is maintained for the purpose of growing coffee, rubber or tea, and in which twenty-five or more persons are so employed.

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## 2.3. Benefits

The Bangladesh Labour Act provides for lump sum compensation amounts in case of death or permanent disability resulting from labour accidents, and monthly payments in case of temporary disability after a four-day waiting period for a maximum of one year (two years in cases of occupational disease).

Monthly payments for temporary disability are paid at the rate of 100 per cent of monthly wages for the first two months, two-thirds of monthly wages for the following two months and 50 per cent for the subsequent months.

Compensation for death resulting from injuries, and for permanent disability, are fixed at the amounts prescribed in the Labour Act. In the case of deaths resulting from injuries, the amount is BDT 100,000, while for permanent total disability it is BDT 125,000. For partial permanent disability, the amount is a percentage of the permanent total benefit, depending on the nature of injury. Percentages are specified in the Act for more than 50 different injuries.

Lump sum benefits do not meet the standards of ILO Conventions which require, in principle, the provision of periodic payments during the disability period or the dependency duration of survivors of a worker who has died due to an employment injury<sup>3</sup>. Periodic payments must be periodically adjusted in order to maintain the purchasing power of the benefit<sup>4</sup>. Individual employers cannot set up a mechanism to pay periodic payments for a long time, and insurance companies generally prefer to settle claims with lump sums rather than providing periodic payments over long periods, especially when cost-of-living adjustments must be made.

The ILO Conventions allow for exceptions to provide lump sums instead of periodic payments only for such cases where it is difficult to administer periodic payments or where payments are too small and administratively complex to administer. In these cases, lump sum amounts should be calculated so as to represent the actuarial equivalent of the periodic payment<sup>5</sup>.

The compensation amounts provided under the Labour Act are relatively small and do not meet the standards of the ILO Conventions. For example, according to Convention No. 121, a widow with two children should receive a periodic benefit equal to 50 per cent of the deceased worker's wage at the time of accident, subject to a possible ceiling on wages<sup>6</sup>. For a deceased worker with the RMG sector minimum wage of BDT 5,300 at the time of accident, a lump sum amount of at least BDT 1,060,000 would be required to provide a periodic benefit to a spouse aged 25 with two children aged 5 and 3, while the compensation amount in case of death under the Labour Act is equal to only BDT 100,000.

<sup>3</sup> Convention No. 102, Art. 36 (1) and (2); Convention No. 121, Art. 14 (2) and (3), and Art. 18 (1).

<sup>4</sup> Convention No. 102, Art. 65 (10) and Art. 66 (10); Convention No. 121, Art. 21 (1); Recommendation No. 121, para. 15.

<sup>5</sup> Convention No. 102, Art. 36 (3); Convention No. 121, Art. 14 (4) and Art. 15.

<sup>6</sup> Convention No. 121, Art.19, in conjunction with Schedule II.

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Employers must provide medical care to injured workers according to Labour Act regulations. While this provision is probably sufficient to ensure the proper treatment of light injuries and more severe ones requiring care over a limited period of time, it does not ensure adequate medical treatment of severe injuries requiring comprehensive treatment and allied services, such as drugs, appliances and constant care for longer periods. Physical and vocational rehabilitation services to enable workers with permanent disabilities to return to work are not explicitly mentioned in the Labour Act or in the regulations.

## **2.4. Funding**

Compensation amounts under the Labour Act are borne exclusively by employers, either directly through their own assets or through private insurance premiums if they comply with the provision of group insurance purchase.

## **2.5. Institutional and administrative framework**

The enforcement of the legislation is under the authority of a Director of Labour and a Chief Inspector appointed by the Government. Their powers and functions are described in the legislation. The Government may also appoint “such number of Additional Directors of Labour, Joint Directors of Labour, Deputy Directors of Labour and Assistant Directors of Labour as it thinks fit for the purposes of this Act” and a “requisite number of Deputy Chief Inspectors, Assistant Chief Inspectors or Inspectors as it thinks fit for the purposes of this Act”. These officials, however, seem to have little power in the matter of compensation of injured workers and in the compliance monitoring of the group insurance purchase of employers. The Labour Court is actively involved in the determination of awards to injured workers or the survivors of deceased workers.

The Government may also constitute a National Council for Industrial Health and Safety composed of representatives of government (8), employers (7) and workers (7). The Council must prepare the national policy on occupational health and safety and guidelines on its implementation.

## **2.6. Occupational health and safety at work**

Four chapters of the Labour Act deal with occupational health and safety (OSH) at work. These are Chapter V - Health and Hygiene, Chapter VI - Safety, Chapter VII - Special provisions related to health, hygiene and safety, and Chapter VIII - Welfare.

A provision on the notice of accidents stipulates that any accident causing bodily injury resulting in absence from work for more than 48 hours must be entered in a register in a prescribed form. Copies of entries must be sent to the Chief Inspector every six months. In case of an occupational disease, the worker or the employer and the medical practitioner attending a person must report to the Chief Inspector. Such provisions are essential for the development of OHS policies. However, they are of limited use unless information regarding the severity of injuries is also made available. This is not often possible in an EL system where OHS and compensation are managed by different bodies. It would be necessary to see whether the information is sufficiently reliable to be used for the cost estimate of an employment injury insurance (EII) scheme. It seems that the Department of Inspection for Factories and Establishments has started to systematically collect and organize the information captured in injury reports only since 2014. The intention is to publish the information in order to raise awareness among employers and the public in general. The Department is willing to share the data if it can be useful for the development of the EII scheme.

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### **3. Main design of the EII scheme**

Although the designs of employment injury insurance schemes differ from country to country, reflecting their socio-economic status and the level of the development of social security policies, they all have common features as described below.

#### **3.1. Basic principles (the no fault principle)**

Employers collectively finance a workers' compensation scheme against the risk of work injuries and occupational diseases, and thus they are free from individual compensation responsibilities and court cases over compensation for work-related injuries or diseases.

Employees abandon the right to sue their employer when an employment injury case occurs, but are automatically entitled to benefits of the compensation scheme.

#### **3.2. Administration**

Administration of the EII scheme is usually under the responsibility of a specific public institution; in some countries, it is a department of an institution with wider responsibilities in other social security benefits such as sickness, maternity and unemployment benefits.

This specific public body has to administer operations with regard to financing (e.g. registration of employers and employees, collection of contributions, investment of reserves) and compensation (e.g. processing claims from workers or their dependants, payments of cash benefits to beneficiaries and to health-care service providers, physical as well as vocational rehabilitation services). In many countries, the institution is also mandated to promote various activities to prevent work injuries and occupational diseases by integrating prevention, compensation and rehabilitation.

In all jurisdictions, employers have the obligation to maintain a safe working environment, and officers of the public institution have powers of inquiry to verify reports and claims of employers and workers and to inspect working sites to ensure that company practices are in accordance with safety standards stipulated in regulations.

The responsible public institution is usually under the general supervision of the Ministry of Labour and its direction is supervised by a board of directors composed, in accordance with the principles enshrined in ILO standards, of members representing the government, the workers and the employers<sup>1</sup>. This tripartite board is responsible for the strategic planning of the institution; its financial statements; its policies relative to

<sup>1</sup> ILO social security standards, including Conventions Nos. 102, Art. 72, and 121, Art. 24, lay down fundamental principles for the governance of social security schemes and systems such as: supervision of the social security system or schemes by a public authority or joint administration by employers and workers; participatory management, involving representatives of the persons protected; and the general responsibility of the State for the administration of the institutions and services concerned.

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financing, compensation and prevention; concluding agreements with other institutions; and making recommendations to the Ministry of Labour on regulation issues.

### **3.3. Financing**

The employers are usually the sole contributor to the scheme. Sometimes the government pays a small part of the costs, for example to cover a part of administrative expenses at the start of the programme or to cover the expenses of inspection services. Workers are not assumed to contribute. The insurance is mandatory for all employers, as set down in the legislation.

The employers' contribution is calculated as a percentage of wages and is paid monthly to the scheme. The rate may depend on the risk of each employer assessed through past experiences; it is annually determined and depends upon the funding method. One of the most common approaches is to use the pay-as-you-go (PAYG) method for short-term benefits (temporary disability benefits and medical care) and the terminal funding method for periodic payments of permanent disability benefits for injured workers and survivors' benefits for dependants of workers who have died from an employment injury. The contribution rate must cover annual payments of short-term benefits in a year and the present value of future periodic payments of permanent disability and survivors' benefits newly awarded in a year.

Various methods are used to determine the contribution rate of each employer. In some countries, a fixed rate is charged to each employer regardless of its economic activity, its size or its experience of injuries.

In many countries, the employer's contribution rate reflects the risk associated with its economic activities. These countries apply insurance principles targeted to the different risks of employers in various economic activities.

In many developed countries contribution rates are adjusted taking into account past experiences of injuries in each company in order to provide incentives for employers to prevent accidents and occupational diseases.

### **3.4. Entitlement**

The EII scheme is a no-fault programme; a victim of an injury during his/her work is entitled to the benefits of the programme with no need to demonstrate the responsibility of anybody. A usual exception is an injury due to a worker's voluntary actions<sup>2</sup>. In many countries, injuries causing an interruption of work for less than two or three days are excluded in order to avoid administrative complexity.

Workers suffering an occupational disease typical in that work, in a disease list recognized by law or regulation, or with medical proof, is entitled to the benefits of the programme if they can demonstrate that they are engaged in a job for which this disease is

<sup>2</sup> Convention No. 121, Art. 22 (e), allows workers' entitlement to a benefit to be suspended "where the employment injury has been caused by voluntary intoxication or by the serious and willful misconduct of the person concerned".

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recognized or that they were engaged in such a job in the past. In line with ILO standards<sup>3</sup>, they keep the right to benefits even if they do not hold that job for an indefinite time.

The worker is entitled to the benefits of the programme even if the employer does not respect his obligations. For example, if the worker is not registered or the employer does not pay the contribution, the worker is still entitled to benefits. The social security institution will take action to recover unpaid contributions from the employer.

### 3.5. Benefits

Workers suffering an employment injury are entitled to receive all the medical services they need, including hospitalization, surgery, medical treatment, drugs and appliances, for as long as they need them<sup>4</sup>. The institution administering the scheme either pays directly to medical providers, i.e. hospitals, clinics or professionals who are providing services, or reimburses the worker, if for example he/she has paid for necessary drugs.

During temporary disability the victim receives periodic cash benefits after the waiting period, if any, and up to recovery or to the maximum payment period. It is worth noting that ILO Conventions Nos. 102 and 121 allow for a maximum three-day waiting period in respect of incapacity for work<sup>5</sup>.

The amount of these benefits is a percentage of the worker's average wage for the months preceding the injury. ILO Conventions Nos. 102 and 121 stipulate that initial or temporary incapacity to work, as well as disability resulting in permanent incapacity to work, be compensated by periodic benefits corresponding to 50 and 60 per cent respectively of the reference wage<sup>6</sup>. In many countries with EII schemes the percentage is higher, often reaching around 70 or 75 per cent. It is usual that the wages for contributions as well as benefit calculations are subject to a maximum amount, fixed at such a level that salaries of a large majority of the workers, for example, 85 to 90 per cent of workers, fall under this maximum.

<sup>3</sup> This is implicit from the definition of the contingency that must be covered according to Convention No. 102, Art. 31 and Convention No. 121, Art. 6. This should be reflected in the definition of "industrial accidents" and in the list and criteria of what constitutes an occupational disease that countries must adopt in application of these standards. See also Recommendation No. 121 regarding the presumption of the occupational origin of a disease following exposure (para. 6).

<sup>4</sup> ILO Conventions No. 102, Art. 34, and 121, Art. 10, require the provision of comprehensive medical and allied care with a view to maintaining, restoring or improving the health of the person protected and his/her ability to work and attend to his/her personal needs.

<sup>5</sup> Convention No. 102, Art. 38; Convention No. 121, Art. 9(3).

<sup>6</sup> Convention No. 102, Articles 36 and 65 or 66, in conjunction with Schedule to Part XI; Convention No. 121, Articles 13, 14, 19 and 20, in conjunction with Schedule II. Under these Conventions, the reference wage used as the basis for calculating the benefit may be the worker's former earnings, subject to a ceiling (for earnings-related benefit schemes) or the wage of an ordinary male labourer, i.e. the wage of a person deemed typical of unskilled labour (for flat-rate benefit schemes).

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At the end of the period of temporary disability, a worker with permanent disability will continue to receive periodic cash benefits for the rest of his/her life<sup>7</sup>. Total permanent disability benefits are paid at the same rate as temporary benefits, and the amount of partial permanent disability benefits are reduced proportionately in line with the degree of disability<sup>8</sup>. When the degree of disability is relatively small, for example around 20 per cent or less, the periodic payments can be converted into a lump sum representing the present value of the benefits<sup>9</sup>. The amount of benefits is periodically adjusted, often annually, to maintain the real benefit value against inflation<sup>10</sup>.

A worker suffering a permanent disability is entitled to physical as well as vocational rehabilitation benefits. The objectives of these measures are to help the worker so that he/she will be able to go back to work following training and rehabilitation<sup>11</sup>.

If a worker dies because of an employment injury, survivors' benefits are paid to his/her dependants. Survivors' benefits are calculated as a percentage of the worker's average wage for the months preceding the injury<sup>12</sup>. This percentage depends on the structure of the family: usually, the amount allowed to a widow or widower with two young children is higher than 50 per cent, which is the percentage prescribed by ILO Convention No. 121. Since the purpose of the survivors' benefit is to replace the financial support previously provided by the deceased worker to his/her dependent family members, periodic benefits to a widow or widower are paid for life (but can be made conditional on a means test) or until a remarriage, and benefits to children are usually paid until they reach majority, working age or school-leaving age, in line with ILO standards<sup>13</sup>. Some EII schemes have provisions stipulating that a part of survivors' benefits is paid to other dependants, such as parents who were mainly supported by the worker preceding his

<sup>7</sup> Convention No. 102, Art. 38; Convention No. 121, Art. 9(3) require the benefit to be paid throughout the contingency, i.e. as long as the worker is incapacitated to work, or as long he/she suffers a loss of earning capacity or corresponding loss of faculty.

<sup>8</sup> Convention No. 102, Art. 36(2); Convention No. 121, Art. 14(3) and (5).

<sup>9</sup> Convention No. 102, Art. 36 (3); Convention No. 121, Art. 14 (4) and Recommendation No. 121, para. 10 (1).

<sup>10</sup> Convention No. 102, Art. 65 (10) and 66 (8); Convention No. 121, Art. 21 (1).

<sup>11</sup> Convention No. 102, Art. 34 (2f) and (4); Convention No. 121, Art. 10 (1f) and (2), as well as Art. 26 (b) and (c).

<sup>12</sup> Convention No. 102, Art. 36 (1) and Art. 65, in conjunction with the Schedule to Part XI; Convention No. 121, Art. 14 and Art. 19, in conjunction with Schedule II. See note 15 above for an explanation of the reference wage and the possibility to put a ceiling on the amount of the benefit or the earnings taken into account for its calculation. See also Recommendation No. 121, Art. 14, which recommends that the amount of the survivor's benefit should not be less than that stipulated for total loss of earning capacity.

<sup>13</sup> Convention No. 102, Art. 1(d) and (e), 32(d), 38 and 69 (j); Convention No. 121, Art. 1(d) and (e), 6, 18 (1) and 22 (g).

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death<sup>14</sup>. Usually, survivors also receive a funeral benefit in order to cover the expenses of an average funeral arrangement<sup>15</sup>.

In exceptional circumstances, or in countries lacking the necessary administrative facilities for periodic payments, all or part of the periodic payments may be converted into a lump sum corresponding to the actuarial equivalent when the competent authority has a reason to believe that such lump sum will be utilized in a manner which is particularly advantageous<sup>16</sup>.

<sup>14</sup> This possibility is foreseen by Recommendation No. 121, para. 13.

<sup>15</sup> This is required by Convention No. 121, Art. 18 (2).

<sup>16</sup> Convention No. 102, Art. 36 (3); Convention No. 121, Article 18 (3).

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## **4. EI and EII schemes: A comparison**

From the point of view of government, workers and employers, an EII scheme contains many advantages over the EL scheme now in force in Bangladesh.

### **4.1. Administration**

The tripartite composition of the board of directors makes it possible for workers' and employers' associations to be involved in the adoption and the review of the policies regarding management, financing and claims processing. It is a great opportunity for them to make sure that the scheme is properly administered.

The Government may consider the creation of a new entity dedicated to the EII to be a burden, since it could be difficult to find all the competent staff it requires. However, it should be noted that even a better EL programme requires additional specialized staff to ensure compliance on the part of employers and the effectiveness of the insurance market.

### **4.2. Financing**

Employers, or at least those belonging to a specific group or category, may oppose the compulsory nature of the EII scheme. As the EL programme should also force them to purchase group insurance, the difference between the EII and the EL is that, in an EII scheme, employers do not have the choice of their insurer and are obliged to contribute to the public institution. An important advantage of the EII scheme for employers is that they cannot be sued and do not face excessive costs, especially in a catastrophic accident. One may be concerned that the cost of the public insurance could be higher, given that benefits of the EII scheme are better. It should also be noted that private insurers have additional specific expenses including marketing and lawsuits, and that they are profit-seeking organizations while an EII scheme is a non-profit organization.

### **4.3. Entitlement**

It is certain that employees have better access to benefits in an EII scheme: workers can be entitled to benefits even if their employer does not meet his obligations, and in the case of occupational diseases, they can be entitled to benefits even if they are no longer doing the job for which the disease is recognized. Workers do not have to prove the responsibility of their employer. In EII schemes, the treatment of claims is usually fast and without delays.

Employers may oppose the fact that they cannot demonstrate they are not responsible for the accident or the disease, but they generally have an interest in being safeguarded against costly lawsuits with a view to determining responsibilities. Governments can also be satisfied that there are disputes, lawsuits and court cases. In general, it is considered that an EII scheme contributes to fostering better industrial relations.

### **4.4. Benefits**

Employees, in particular victims of severe injuries, should clearly prefer the benefits of an EII scheme, among other things for their permanent nature: they receive periodic cash benefits as long as they suffer economic losses; they will have medical treatment, services and supplies as long as they need them, even many years after the occurrence of

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the injury; and the survivors of deceased workers will receive periodic payments for the complete duration of their dependency. Injured workers with no earnings capacity will have physical rehabilitation services to enable them to carry out their personal activities again; those who cannot resume the job they occupied at the time of accident, but still have some earning capacity, will receive vocational rehabilitation services to enable to work in a new job. Benefits paid for a long period will be adjusted by taking into account cost of living increases. The benefits of an EII scheme in accordance with ILO standards are generally higher than those usually provided under EL schemes.

Employers, as well as the Government, should also be interested in the fact that employees are entitled to a better programme, and the fact that following recovery from their injuries fewer victims would still have to live with no or few financial and medical resources.

#### **4.5. Prevention**

In an optimal EII scheme, all staff members involved in the health and safety department and in the insurance programme administration can be integrated into the same public institution. This will increase the efficiency of labour inspection and prevention activities. The structure of the organization enables better collection and utilization of data on injuries and risks in the workplace in order to identify priorities for interventions. International studies have revealed that modern compensation programmes for workers are more effective when they are closely related to good practices in health and safety at the work site, in particular to good prevention measures <sup>1</sup>.

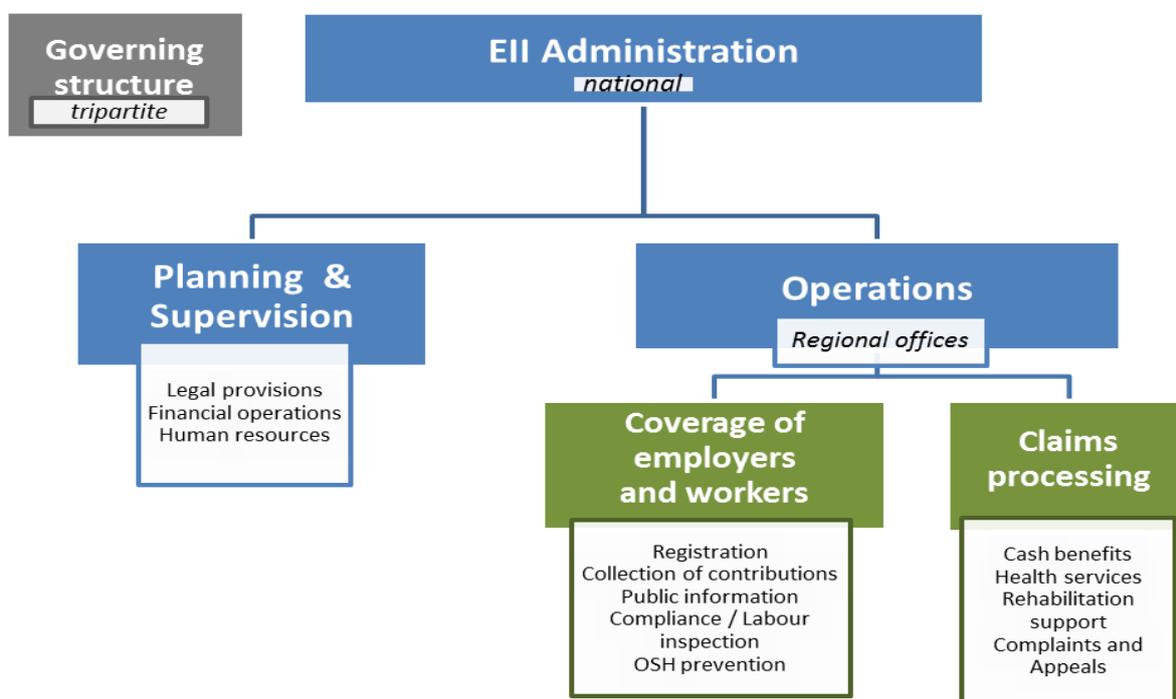
<sup>1</sup> See ILO: *Strengthening the role of employment injury schemes to help prevent occupational accidents and diseases* (Geneva, 2013).

## 5. Institutional structure of an EII scheme

Figure 1 shows the typical institutional structure of an EII scheme. The structure assumes that OSH and labour inspection are administered by the same institution, as recommended by the ILO in similar situations:

The ILO has stated that an effective employment injury scheme is one that adopts a holistic approach, linking the functions prevention (reducing the number of workplace accidents and diseases), rehabilitation (ensuring that individuals affected by employment injury can return to work, if possible) and compensation (where affected workers are unable to return to work). This is in line with the present-day approach of social security, which is not merely curative (only providing compensation) but also preventive and re-integrative <sup>1</sup>.

Figure 1. Employment injury insurance scheme: Institutional structure



<sup>1</sup> L. G. Mpedi and M. A. T. Nyenti: *Employment injury protection in Eastern and Southern African countries* (University of Johannesburg, 2014).

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## 6. Conclusions and recommendations

After discussions and consultations held with stakeholders in Bangladesh during the ILO mission between 17 and 30 January 2015, it was concluded that a feasibility study will be carried out in consultation with stakeholders. The feasibility study includes the coverage of the scheme, the benefit package, including income protection for injured workers and dependants of deceased workers as well as medical care and rehabilitation of injured workers, and the financing modalities as well as estimates of the required contribution rates. Assessments also include the human and physical capacities of medical care providers and the establishment of a proper disability assessment mechanism in Bangladesh. Draft terms of reference for the feasibility study are shown in Annex 1 below.

The creation of the institution is an important step in the implementation of the scheme. It is the result of a process that must respect a logical sequence and requires the involvement of stakeholders, mainly in the development of the legal framework and the design of the scheme, and of technical experts in the implementation of the administrative facilities.

The ILO proposes the development of the new scheme in two developmental phases, a preparatory phase and an operational phase. Following the feasibility study (Outcome 1.1), Phase 1 consists of two further outcomes: the development of a sound legal framework, and the design of a sustainable, affordable and self-financed EII scheme. Phase 2, the operationalization phase, focuses on just one outcome: the building up of competent administrative capacity.

Each outcome is composed of a detailed list of activities, as shown in Annex 2 below.

### ***Outcome 1.2: Development of a sound legal framework***

The objective is to draft the law and certain regulations. This will be achieved through the consultation process on social protection and good practices at the international level, based on policy briefs developed by experts. The issues to be analysed include the scope of coverage, the benefits design, the financing and administrative provisions and the interlinkage with OSH policies and labour inspection policies. Though this covers the financial aspects, detailed financial projections and recommended contributions would be completed in the subsequent design (Outcome 1.3). The involvement of all stakeholders is very important for the development of a scheme that meets the objectives and respects the economic and social environment.

### ***Outcome 1.3: Design of a sustainable, affordable and self-financed EII scheme***

The objective is to determine the detailed financial provisions based on a formal actuarial valuation and to identify the partners and institutions to be involved in the administration of the scheme. The initial contribution rate(s) would be set and the key partners in the medical and rehabilitation matters would be identified. An assessment of the nature of experts needed for the administration of the scheme would be made.

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**Outcome 2.1: Building of competent administrative capacity**

The objective is to define the complete administration process, including the development of the IT system required for the application of the legislation. Necessary manuals are produced and training is provided to the staff and medical partners. There is a large number of tasks to accomplish before the institution is ready to collect contributions and compensate workers. Certain important decisions must be made in the initial phase regarding the opportunity to outsource the realization of certain activities.



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## Annex 1

### Feasibility study of the introduction of an employment injury compensation scheme in Bangladesh: Terms of reference

#### 1. Objectives

The major objective of the feasibility study is to present possible design options on coverage and the benefit package; a financing mechanism and an estimate of the contribution rates corresponding to different options; a possible legal framework; and an institutional design for the administration of the scheme. The options presented in the study will serve as a basis for discussions and agreements among tripartite partners of the design of a new employment injury insurance scheme in Bangladesh.

The study examines relevant ILO Conventions and Recommendations on social security, notably Nos. 102 and 121; international practices of employment injury insurance schemes, especially those practised in Asian middle- and low-income countries (e.g. Cambodia, China, Malaysia, Thailand, Viet Nam); and laws and practices in Bangladesh on employment injury compensation with the aim of carrying out financial assessments for different options and developing a legal as well as institutional framework for the new scheme.

##### 1.1. Coverage

The feasibility study presents design options for the coverage of the new employment injury insurance scheme and a possible coverage extension strategy for the scheme. The major coverage options include selected industrial sectors (e.g. ready-made garments – RMG), regions, and sizes of enterprises to be covered, aiming at a comprehensive coverage of at least all wage earners in Bangladesh. Options also address a phased-in extension of the coverage by specifying a time horizon for the extension and referring to different coverage elements such as industries, regions and the sizes of enterprises.

##### 1.2. Benefits

The feasibility study presents a standard benefit package comprised of temporary disability benefits, permanent disability and survivors' benefits, and health care for injured and disabled workers as well as physical and vocational rehabilitation programmes. The design options of the benefit package include major parameters of cash benefits (e.g. replacement rates for temporary and permanent disability benefits and survivors' benefits, range of dependants of deceased workers) and health care and rehabilitation packages. The study includes the establishment of a disability assessment methodology taking into account the employability situation of disabled workers in Bangladesh.

##### 1.3. Financing mechanism and contribution rates

A standard financing mechanism for the employment injury insurance scheme, namely the terminal funding method, will be presented and agreed upon among stakeholders. Preliminary actuarial assessments will be carried out for different design options of the coverage and benefit packages. Substantial efforts will be devoted to collection of data of incident rates for employment-related deaths and disabilities. Efforts will be also made to assess the possibilities of using existing data (e.g. Bangladesh Garment Manufacturers and Exporters Association (BGMEA) data, data obtained from existing projects (e.g. ILO and GIZ projects, MOLE data) as well as international

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data on countries with a similar industrial structure (e.g. the Cambodia/Thailand garment sector in case RMG workers are the first to be covered in Bangladesh)<sup>1</sup>.

#### 1.4. Legal framework

The current legal framework, including existing labour law and related regulations and the Bangladesh legal system in general, will be thoroughly examined in order to propose an amended law or a new law for the employment injury insurance scheme. Legislation in other countries, especially Asian countries, as well as recent new legislation on social security in Bangladesh (e.g. the draft health insurance law) will serve as references in proposing a legal framework suitable for Bangladesh.

#### 1.5. Institutional arrangements

Options on institutional arrangements include the establishment of a new social insurance institution and an autonomous social insurance fund. This will require considerations of the legal basis and status for the new institution within the current government system, the financing of the institution, necessary human resources and infrastructure including the IT system, and cooperation and capacity building of associated professional groups such as medical doctor associations to be involved in the disability assessment, medical care and rehabilitation of disabled workers.

### 2. **Activities**

The following activities will be carried out:

#### 2.1. Data collection and mapping of the current situation

This activity will include basic data for the design options and financial assessments of the scheme, for example:

- number of employees, classified by industry, region, size of enterprise, age and sex of employees;
- average wage of employees, classified by industry, region, size of enterprise, age and sex of employees;
- number of employment injuries in a year, classified by industry, region, size of enterprise, age and sex of employees;
- number of employment injuries resulting in permanent injuries in a year, classified by industry, region, size of enterprise, age and sex of employees;
- number of employment injuries resulting in deaths in a year, classified by industry, region, size of enterprise, age and sex of employees;
- collection of laws related to employment injury compensation; and
- mapping of groups for the implementation, including professional organizations such as doctors' associations.

<sup>1</sup> See for example ILO Sub-regional Office for East Asia in Bangkok: *Cambodia: Report to the Government on employment injury insurance in Cambodia: Legislation, financing and administration* (Bangkok, 2005). Available at: [http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms\\_bk\\_pb\\_276\\_en.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_bk_pb_276_en.pdf).

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- 2.2. Consultations with stakeholders to decide on the several options for coverage and benefits
  - 2.3. Establishment of a disability scale
  - 2.4. Pilot data collection by applying the proposed disability scale
  - 2.5. Financial assessments of different options for proposing contribution rates
  - 2.6. Consultations on the legal framework of the new employment injury insurance scheme
  - 2.7. Establishment of an institutional blueprint for the new scheme

### **3. *Outputs***

- 3.1. A feasibility study report
- 3.2. Seminars for presentation and discussion of the feasibility study

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## Annex 2

### Summary of the project proposal

#### International Labour Organization and the Government of Bangladesh

#### Supporting national constituents in their policy decisions and operationalization of a national employment injury insurance (EII) scheme with a tripartite governance structure<sup>1</sup>

##### Phase 1

**Preparatory phase on the design, the legislative and the operational framework of a national EII scheme**

##### Outcome 1.1

Feasibility study of a national EII scheme conducted as a base for advancing discussions and consultations among stakeholders

##### Outcome 1.2

A sound legal framework for a national EII scheme developed

##### Outcome 1.3

A sustainable, affordable and self-financed EII scheme designed

##### Phase 2

**Operationalization of a national EII scheme**

##### Outcome 2.1

A competent EII administrative capacity built up

<sup>1</sup> In the case that this approach is retained for implementing a national EII scheme. If another approach is taken, this proposal will be modified accordingly.

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## **Phase 1**

### **Preparatory phase on the design, the legislative and the operational framework of a national EII scheme**

#### **Outcome 1.1**

#### **Feasibility study of a national EII scheme conducted as a base for advancing discussions and consultations among stakeholders**

##### **Output 1.1.1**

Recommendations on the structure of the new law on employment injury insurance in the context of the labour code and other national legislation

##### **Activity 1.1.1.1**

Appointment of national stakeholders, namely among social partners for the EII national dialogue and formalization of the consultative process at the national level existing tripartite mechanisms

##### **Activity 1.1.1.2**

National dialogue for the national stakeholders on the relevant ILO standards (e.g. Conventions Nos. 102 and No. 121), critical dimensions of the employment injury insurance law, and examples of national legislation of other countries and related laws of the country

The specific dimension and issues include:

- scope of contingencies covered and their definition;
- coverage and registration of workers by enterprise type, geographical area and size of employer;
- benefits provided: short-term and long-term benefits, such as income replacement in case of temporary and permanent disability, medical benefits, constant attendance support, physical and vocational rehabilitation benefits, dependants' benefits and funeral benefits;
- EII services for OSH and prevention;
- eligibility conditions for beneficiaries;
- financing legal provisions; and
- administrative provisions, such as compliance, complaints and appeals.

##### **Activity 1.1.1.3**

Expert consultations with the Government, professional associations, employers, trade unions and other stakeholders on the structure of the new employment injury insurance law and associated regulations

##### **Activity 1.1.1.4**

Workshops on the structure of the employment injury insurance law in the country

##### **Activity 1.1.1.5**

Drafting a summary report on the structure of the employment injury insurance law in the country

##### **Output 1.1.2**

Disability assessment criteria and methodologies proposed

##### **Activity 1.1.2.1**

Research of disability assessment criteria and methodologies of employment injury insurance schemes of developed and developing countries

##### **Activity 1.1.2.2**

Consultations with national stakeholders and experts on disability assessments that are reasonable, realistic and feasible in the national context

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**Activity 1.1.2.3**

Drafting a report which includes a proposal of criteria and methodologies of employment injury disability assessments

**Output 1.1.3**

Benefit package for health care of disabled workers and payment methods to medical doctors proposed

**Activity 1.1.3.1**

Research of health care provided to disabled workers and the payment mechanism of developed and developing countries

**Activity 1.1.3.2**

Consultations with national stakeholders and experts on health-care provisions and a medical care payment mechanism that is reasonable, realistic and feasible in the national context

**Activity 1.1.3.3**

Drafting a report which includes a proposal for health-care provisions and medical care payment mechanism

**Output 1.1.4**

Benefit package for physical and vocational training of disabled workers and payment methods to training institutions proposed

**Activity 2.1.5.1**

Research of physical and vocational training for disabled workers and the payment methods of developed and developing countries

**Activity 2.1.5.2**

Consultations with national stakeholders and experts on physical and vocational training of disabled workers and medical care to provide payment methods to training institutions that are reasonable, realistic and feasible in the national context

**Activity 2.1.5.3**

Drafting a report which includes a proposal for physical and vocational training of disabled workers and payment methods to training institutions

**Output 1.1.5**

Framework developed on the interlinkages between the EII scheme with national policies and programmes for occupational safety and health (OSH) and labour inspection

**Activity 1.2.2.1**

Feasibility study on OSH and prevention policies as part of the EII national scheme

**Activity 1.2.2.2**

Consultation workshop of experts

**Activity 1.2.2.3**

Drafting a report on the framework on OSH and prevention as a part of the new employment injury insurance law and regulations on contributions

**Activity 1.2.2.4**

Feasibility study on labour inspection and compliance requirements in the context of an EII scheme

**Activity 1.2.2.5**

Consultation workshop of experts

**Activity 1.2.2.6**

Drafting a report on the framework on compliance and linkages to existing mechanisms for labour inspection as part of the new employment injury insurance law and regulations on contributions

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### **Output 1.1.6**

Recommendations on the financing strategy of the new law on employment injury insurance

#### **Activity 1.1.6.1**

Feasibility studies, data collection for the actuarial costing of the EII and its financial framework.

#### **Activity 1.1.6.2**

Seminars for national stakeholders on the principles and practices of financing employment injury insurance schemes, including specific country examples

The specific issues to be included are:

- funding methodologies such as terminal funding and pay-as-you go and associated level of reserves;
- uniform/industry-specific/enterprise-specific experience-based contribution rates, prerequisites for introducing different mechanisms of setting contribution rates and their consequences on employers' incentives for the prevention of employment-related accidents and occupational diseases;
- accounting and investment rules; and
- investment practices

#### **Activity 1.1.6.3**

Expert consultations on the financing principles to be adopted in the country

#### **Activity 1.1.6.4**

Drafting a summary report on the financing principles to be adopted in the country

### **Output 1.1.7**

Actuarial projections of the EII based on the design and the financing principles to be adopted in the country<sup>2</sup>

#### **Activity 1.1.7.1**

Collection of data and setting assumptions

#### **Activity 1.1.7.2**

Calibration and fine-tuning of the ILO actuarial projection model for the EII scheme corresponding to design options

#### **Activity 1.1.7.3**

Drafting an actuarial assessment report

#### **Activity 1.1.7.4**

Seminar on the financial assessment of design options

#### **Activity 1.1.7.5**

Drafting a report on the financial assessment of design options

### **Output 1.1.8**

Institutional feasibility of the EII scheme in the context of national public and private organizations linked to the EII scheme

#### **Activity 1.1.8.1**

Inventory of actors, programmes and institutions

<sup>2</sup> Contributions for EII schemes are less than 1 per cent of wages for many Asian countries.

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**Activity 1.1.8.2**

Review of linkages with the EII administration

**Activity 1.1.8.3**

International best practices

**Activity 1.3.8.4**

Seminar on institutional feasibility and alternatives

**Activity 1.3.8.5**

Drafting a summary report on institutional feasibility of the national EII scheme

**Outcome 1.2**

A sound legal framework for a national EII scheme developed

**Output 1.2.1**

New employment injury insurance law and set of regulations on financing strategy (e.g. contributions), benefits and the administration of the new EII scheme

**Activity 1.2.1.1**

Drafting a new employment injury insurance law and regulations on contributions, benefits and the administration of the new EII scheme

**Activity 1.2.1.2**

Expert consultations on a new employment injury insurance law and regulations on contributions, benefits and the administration of the new EII scheme

**Activity 1.2.1.3**

Seminar on a new employment injury insurance law and regulations on contributions, benefits and the administration of the new EII scheme

**Activity 1.2.1.4**

Drafting a final report on the new employment injury insurance law and regulations

**Outcome 1.3**

A sustainable, affordable and self-financed EII scheme designed

**Output 1.3.1**

Contribution rates established based on the design adopted, and actuarial projections of the employment injury insurance scheme based on the financing principles to be adopted in the country

**Activity 1.3.2.1**

Collection of additional necessary data

**Activity 1.3.2.2**

Calibration and fine-tuning of the ILO actuarial projection model for the employment injury insurance scheme corresponding to the design adopted

**Activity 1.3.2.3**

Drafting an actuarial valuation report

**Activity 1.3.2.4**

Seminar on the financial assessment of the design adopted

**Activity 1.3.2.5**

Drafting a final report on the financial assessment of the design adopted

**Phase 2****Operationalization of a national EII scheme**

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## **Outcome 2.1**

### **A competent EII administrative capacity built up**

#### **Output 2.1.1**

Recommendations on the governance and institutional structure of the employment injury insurance scheme

##### **Activity 2.1.1.1**

Drafting a report on the principles and international good practices in the governance and institutional structure of social insurance and employment injury insurance schemes

##### **Activity 2.1.1.2**

Expert consultations on the governance and institutional structure of the employment injury insurance scheme

##### **Activity 2.1.1.3**

Drafting a final report on the governance and institutional structure of the employment injury insurance scheme

#### **Output 2.1.2**

Proposal for the administration process in the registration of enterprises and workers, contribution collections, benefit claims, appeal procedures and inspections

##### **Activity 2.1.2.1**

Expert consultations on the administration process

##### **Activity 2.1.2.2**

Drafting a report on the administration process

#### **Output 2.1.3**

Manuals produced for disability assessments to be used by medical doctors and administrative staff of the new scheme and training of medical doctors and administrative staff

##### **Activity 2.1.3.1**

Drafting an operations manual for disability assessments

##### **Activity 2.1.3.2**

Training conducted for medical doctors and administrative staff on disability assessments

#### **Output 2.1.4**

Manuals produced for health-care provisions and medical provider payments, and training of medical doctors and administrative staff

##### **Activity 2.1.4.1**

Drafting an operational manual for health-care provisions and medical provider payment

##### **Activity 2.1.4.2**

Training conducted for medical doctors and administrative staff on health-care provisions and medical provider payment

#### **Output 2.1.5**

Manuals produced on the benefit package for physical and vocational training of disabled workers and payment methods to training institutions and training of medical doctors and administrative staff

##### **Activity 2.1.5.1**

Drafting an operational manual for physical and vocational training of disabled workers and payment methods to training institutions

##### **Activity 2.1.5.2**

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Training conducted for medical doctors and administrative staff on physical and vocational training of disabled workers and payment methods to training institutions

**Output 2.1.6**

IT system established for the administration process on the registration of enterprises and workers, contributions collection, benefit claims and accounting, and training of administrative staff on IT system

**Activity 2.1.6.1**

Drafting an IT system specification and a flow chart based on the proposed administration process

**Activity 2.1.6.2**

Software developed for the IT system and tested based on sample data inputs

**Activity 2.1.6.3**

Drafting an operations manual for administrative staff on IT system

**Activity 2.1.6.4**

Training conducted for administrative staff on IT system

**Output 2.1.7**

Statistical reporting system established, and training of the administrative staff on statistical reporting system

**Activity 2.1.7.1**

Assess necessary statistical reports by paying attention to administrative as well as financial and actuarial purposes, and draft statistical reporting requirements and a report of necessary statistics

**Activity 2.1.7.2**

Software developed for producing statistical reports necessary for administrative and financial management of the scheme

**Activity 2.1.7.3**

Drafting an operations manual for administrative staff on statistical reporting system

**Activity 2.1.7.4**

Training conducted for administrative staff on statistical reporting system

**Output 2.1.8**

Coverage extension plan produced

**Activity 2.1.8.1**

Assess the administrative capacity and consult the national stakeholders on the gradual extension plan with options, taking into account such dimensions as industry, geography and enterprise size

**Activity 2.1.8.2**

Draft a coverage extension plan

**Output 2.1.9**

Human resources plan drafted for the new employment injury insurance scheme

**Activity 2.1.9.1**

Assess the human resources needed for the implementation of the scheme and consult with the Government on the human resources plan

**Activity 2.1.9.2**

Draft a human resources plan taking into account the gradual extension plan of the scheme

**Output 2.1.10**

OSH prevention work plan defined and implemented with regard to the EII scheme

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**Activity 2.1.10.1**

Assess the implementation of the prevention component of the EII scheme and consult with the Government and social partners on OSH policies and implementation

**Activity 2.1.11.2**

Adopt OSH prevention work plan under the EII in consultation with the Government and social partners.

**Output 2.1.11**

Registration and compliance work plan defined and implemented in close collaboration with the other labour inspection capacities

**Activity 2.1.11.1**

Assess the administrative requirements for compliance

**Activity 2.1.11.2**

Adopt compliance work plan under the EII in consultation with government and social partners.

**Output 2.1.12**

Formal launching of EII scheme operations

**Activity 2.1.12.1**

Define public information plan and partnerships

**Activity 2.1.12.2**

Adopt launch framework with key stakeholders

**Activity 2.1.12.3**

Launch events and follow-up – monitoring and evaluation framework, public reporting

### Annex 3. Main requirements: ILO social security standards on employment injury protection

	Convention No. 102 Minimum standards	Convention No. 121 and Recommendation No. 121 Higher standards	Recommendation No. 202 Basic protection
<b>What should be covered?</b>	Ill health; and incapacity for work due to work-related accident or disease, resulting in suspension of earnings; total loss of earning capacity or partial loss at a prescribed degree, likely to be permanent, or corresponding loss of faculty; loss of support for the family in case of death of breadwinner	<b>C.121:</b> Same as C.102.	Basic income security for those who are unable to earn a sufficient income due to employment injury
<b>Who should be protected?</b>	At least 50% of all employees and their wives and children	<b>C. 121:</b> All public and private sector employees including members of cooperatives and apprentices; in case of death, spouse, children and other dependants as prescribed <b>R.121:</b> Coverage should be extended progressively to all categories of employees and other dependent family members (parents, brothers and sisters, and grandchildren)	At least all residents of active age, subject to international obligations
<b>What should the benefit be?</b>	<i>Medical care and allied benefits:</i> general practitioner, specialist, dental care, nursing care; medication, rehabilitation, prosthetics etc., with a view to maintaining, restoring or improving health and ability to work and attend to personal needs <i>Cash benefits:</i> Periodic payments: at least 50% of reference wage in cases of incapacity to work or invalidity; at least 40% of reference wage in cases of death of breadwinner Adjustment of long-term benefits following substantial changes in general level of earnings and/or cost of living Lump sum if incapacity is slight and competent authority is satisfied that the sum will be used properly	<b>C.121: Medical care:</b> Same as C. 102; also at the emergency and follow-up treatment at place of work <i>Cash benefits:</i> Periodic payments: at least 60% of reference wage in cases of incapacity for work or invalidity; at least 50% of reference wage in case of death of breadwinner Lump sum: same conditions as C.102, plus consent of injured person required <b>R.121:</b> Costs of constant help or attendance should be covered when such care is required Cash benefit: not less than 66.67% of previous earnings; adjustment of long-term benefits taking into account general levels of earnings or cost of living Lump sum allowed where degree of incapacity is less than 25%; should bear an equitable relationship to periodic payments and not be less than periodic payments for three years	Benefits in cash or in kind at a level that ensures basic income security, so as to secure effective access to necessary goods and services; prevents or alleviates poverty, vulnerability and social exclusion; and enables life in dignity Levels should be regularly reviewed
<b>What should the benefit duration be?</b>	As long as the person is in need of health care or remains incapacitated No waiting period except for temporary incapacity to work for a maximum of three days	<b>C.121:</b> As long as the person is in need of health care or remains incapacitated <b>R.121:</b> In addition, cash benefits should be paid from first day in each case of suspension of earnings	As long as the incapacity to earn a sufficient income remains
<b>What conditions can be prescribed for entitlement to a benefit?</b>	No qualifying period allowed for benefits to injured persons For dependants, benefit may be made conditional on spouse being presumed incapable of self-support and children remaining under a prescribed age	<b>C.121:</b> Same as C.102	Should be defined at national level and prescribed by law, applying the principles of non-discrimination, responsiveness to special needs and social inclusion, and ensuring the rights and dignity of the injured people

<sup>a</sup> Employment Injury Benefits Convention, 1964. <sup>b</sup> Employment Injury Benefits Recommendation, 1964.

