

Title: Call to Action Progresses at the National Level (June 2021)

The need for a coordinated response to address the vulnerability of garment workers is the reason the International Organization of Employers, International Trade Union Confederation, and IndustriALL launched [COVID-19: Action in the Global Garment Industry](#). The ILO is one of the signatory organisations and plays the role of convenor.

The Call to Action is currently focused on advancing activities in each of the targeted countries as well as progressing a joint approach on the respective roles of all actors in strengthening national social protection systems.

Updates from prioritized countries as of June 2021 are below:

Bangladesh. The National Working Group last met in January to discuss progress in implementation of the Euro113M fund donated by EU and German Government (KfW), which is committed to support cash transfers for unemployed and destitute workers in the garment sector. The Ministry of Labour and Employment (MoLE) has issued a gazette on an implementation guideline for the fund. As of mid-April 2021, funds totalling US\$ 640,476 had been provided to 6031 beneficiaries each of whom received 3 payments of approximately US\$ 36. A further 200 claims are were received and in process. As the implementing agent, MoLE, is engaged with manufacturers and the EU to unblock bottlenecks in disbursing funds including access data to facilitate faster identification of retrenched workers and potential beneficiaries.

The German Federal Ministry of Economic Cooperation and Development (BMZ), funded “Income protection for the workers in the RMG sector,” now includes 2.4M Euro for cash transfers. MoLE is urging employers for their final feedback on a Wage Subsidy Disbursement Mechanism first shared in the 2nd tripartite meeting in January 2021. A plan has been developed with BKMEA to disburse funds by July 2021 to workers of smaller factories (200-500 workers) which have been more severely affected. Elections within BGMEA have delayed this process.

One important element of future social protection measures in Bangladesh is the evolution of the Employment Injury Scheme, proposals for which have been developed by ILO and GIZ in consultation with national constituents. In recent weeks, IOE has facilitated consultation on the design of this scheme with the business group in the Call to Action including on the potential role and engagement of business signatories of the Call to Action to support it. The Ministry of Labour and Employment has established a tripartite committee to guide the Employment Injury Scheme and is expected to meet in late May to examine final proposals and agree next steps to implement this Scheme

Cambodia. The German Federal Ministry of Economic Cooperation and Development (BMZ) funded “Income protection for the workers in the RMG sector” includes 1.95M Euro for cash transfers for the garment sector in Cambodia. The National Working Group, with support from the IOE, ITUC and IndustriAll, has been in on-going discussions regarding disbursement and oversight of the funds. Significant discussion has focused on establishing a criteria for which category of workers should receive funds and means to identify workers and verify receipt of funds. After consultations with the MoLVT, a decision was made that the National Social Security Fund will make the disbursements. An implementation agreement for ILO to transfer the funds is with NSSF for approval and signature; however the process of engagement with NSSF has been delayed as a result of the current COVID-19 outbreak. Alternative options to disburse the funds without further delay are under discussion and will be shared with national working groups.

Ethiopia. The German Federal Ministry of Economic Cooperation and Development (BMZ) funded project, now known as the “MoLSA-ILO job retention programme,” includes Euro 4.9 for the garment

sector in Ethiopia. The job retention programme is part of an emergency assistance programme to reduce vulnerabilities of workers in the textile and garment sector in Ethiopia as a result of the pandemic. The programme supports business continuity and job retention for eligible employers by subsidizing, for up to three months, the wages factories pay their workers while retaining them on the job.

The Ethiopian Ministry of Labour and Social Affairs (MoLSA) is leading the tripartite Steering Committee and Technical Working Group in Ethiopia, which has finalized a web-portal, <https://saving-jobs.org/> that outlines eligibility criteria, selection and registration processes. To date 22 domestic factories registered and their applications are being processed. The disbursements target domestic manufacturers and is complemented by another direct-cash-transfer programme targeting workers in export factories. Additionally, the Call to Action National Working Group commissioned the development of a strategy and work-plan for the Call to Action, including priorities for the sector on long-term social protection.

Haiti. National partners in Haiti have finalized a joint statement outlining priorities for the garment sector. This statement includes the role of both unions and employers and lays out the financial impacts and immediate needs of both workers and employers of the pandemic. The partners are seeking support from the Call to Action to help meet the identified needs through new or existing commitments from IFIs.

Indonesia. The German Federal Ministry of Economic Cooperation and Development (BMZ) funded “Income protection for the workers in the RMG sector” initiative was launched in January 2021 and provided wage subsidies to 7 factories in the BWI programme, covering 9,000 workers, with a total amount of USD 73,000,00. A rapid review identified reasons that has contributed to the low uptake of the programme, including the improvement in the economic outlook for manufacturers, leading to changes in the kind of assistance workers and manufacturers need and requests from employers to administratively simplify the reimbursement mechanism.

Following further consultations on the evolving situation, an income replacement fund for workers made unemployed in the period March 2020 - May 2021 was agreed. This will target approximately 20,000 potential beneficiaries and provide a one-off payment, made directly to qualifying workers. ILO is working closely with the tripartite constituents to finalize and operationalize the scheme. Factories that participate in the Better Work Indonesia programme, the Indonesian Social Protection Agency (BPJS), and garment sector trade unions will have a role in identifying and reaching out to workers. Trade unions in particular will take a prominent role in supporting their membership to register for the scheme. Data collection is expected to start in June 2021 and payments to workers should commence in July 2021 and be made progressively until funds are exhausted.

The joint statement by Indonesian garment unions and employer associations (APINDO/API) continues to be on hold given the changing priorities by the social partners and the overall sense of improvement of conditions in the garment sector. Attention has been shifted to the Omnibus Law discussion and issues around minimum wages and payment of festivity allowance for the 2021 Eid celebration.

Myanmar. The ILO office in Myanmar is currently waiting for the Country UN Executive Committee to provide operating guidance to UN agencies in the country given the current political situation. The ILO has been finalizing two studies looking at the impacts of COVID-19 on wage losses and experience of redundant workers. Fieldwork on a situational analysis of the sector was conducted in December.

Pakistan. The National Working Group met on 29 April 2021 to consider research presented on the impact of Covid-19 on enterprises in Pakistan. The research demonstrated a less severe short term financial impact on enterprises than had been anticipated, taking into account export figures and the responses of enterprises and business leaders. Nonetheless, the Group registered continued concern about the impact on some groups of workers, which is understood to be more severe and the resilience of the sector to future shocks. Field research on the impacts on workers has been undertaken and the findings will be presented and discussed at the next Working Group meeting, expected to take place in the coming month. This meeting will settle the priorities of the Working Group to address the changing needs of the industry as the pandemic evolves.