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ANNEX II

to the Commission Implementing Decision on the financing of the annual action plan in favour of Bangladesh for 2023

Action Document for Advancing Decent Work in Bangladesh

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Advancing Decent Work in Bangladesh OPSYS: ACT-62156 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	Yes Team Europe Initiative on Decent Work, Bangladesh
3. Zone benefiting from the action	The action shall be carried out in Bangladesh (nationwide)
4. Programming document	Multi-annual Indicative Programme (MIP) for Bangladesh 2021-2027
5. Link with relevant MIP(s) objectives / expected results	MIP 2021-2027: Human Capital Development Specific objective 2: Better employment opportunities for Bangladeshi youth, capitalising on the opportunities of the 4th industrial revolution and reducing the mismatch between labour supply and demand Specific objective 3: To enhance commitments for decent work and social protection for all in Bangladesh, covering the life-cycle, and enactment of labour legislation, in line with international labour standards Expected results: 2.1. Legal and policy framework in the area of employment strengthened, in particular in linking the supply and demand sides of labour markets, creation of decent jobs and related international standards, skills development, industry policy and the business climate. 3.1. Improved labour legislation and governance mechanisms aiming to enhance labour standards and social dialogue

PRIORITY AREAS AND SECTOR INFORMATION

6. Priority Area(s), sectors	160 – Other Social Infrastructure & Services			
7. Sustainable Development Goals (SDGs)	<p>Main SDG : SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p> <p>8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.</p> <p>8.5. Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p> <p>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p> <p>Other significant SDGs (up to 9) and where appropriate, targets: SDG 1: End poverty in all its forms everywhere SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. SDG 5: Achieve gender equality and empower all women and girls SDG 09: Industry, innovation and infrastructure SDG 10: Reduce inequality within and among countries SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</p>			
8 a) DAC code(s)	16070 Labour rights 80% 16080 Social dialogue 20%			
8 b) Main Delivery Channel	United Nations agency, fund, or commission (UN) – 41000			
9. Targets	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective

	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	

	education and research	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	<p>Budget line(s) (article, item): 14.020131 (NDICI South and East Asia)</p> <p>Total estimated cost: 10 000 000 EUR</p> <p>Total amount of EU budget contribution EUR 10 000 000</p> <p>Team Europe Initiative on Decent Work (SE, DK, NL)</p> <p>The contribution agreement will be a bilateral document; however, it will be part of the broader joint initiative with TEI on Decent Work, where Member States will provide additional funding to work towards shared objectives.</p> <p>Additional indicative amounts (but treated separately from this Action):</p> <p>Denmark EUR 5 000 000</p> <p>Netherlands EUR 4 000 000</p> <p>Sweden EUR 5 000 000</p>			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.4.2			

1.2 Summary of the Action

Despite notable progress in human development and poverty reduction in the last decade, underpinned by high economic growth, Bangladesh still faces some critical challenges to achieve inclusive and equitable socio-economic development. Creating sufficient and decent employment for the youthful workforce of the country is one of the most critical concerns to be addressed, particularly in the context of the changing nature of jobs and employment driven by new technologies.

Bangladesh has signed several ILO Conventions, among others No. 182 - Worst Forms of Child Labour Convention; No. 138 - Minimum Age Convention; No. 087 - Freedom of Association and Protection of the Right to Organise Convention; No. 098 - Right to Organise and Collective Bargaining Convention; and No. 144 - Tripartite Consultation (International Labour Standards) Convention.¹ However, decent work deficits persist due to recurring challenges related to a lack of labour rules and weak enforcement of labour laws, non-compliant with international labour standards. Additional issues persist: a lack of workplace safety, harassment, physical abuse and discrimination are common. Additionally, workers also often lack access to legal protection and basic rights such as the right to form unions and bargain collectively.

To address these, the Action will pave the way to a modernised labour legislation to support the decent work agenda. It will help the Government to fulfil targets under the EU National Action Plan (NAP) on the

¹ https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200_COUNTRY_ID:103500

Labour Sector in Bangladesh (2021-2025) and the ILO-GoB Roadmap. It aims to support the GoB and national constituents in implementation of legal and administrative reforms to uphold labour rights and workplace safety under NAP. It will consist of 3 specific objectives: 1) support labour law implementation and administration; 2) promote sustainable, responsible and competitive enterprises and 3) support child labour elimination. The Action aligns with the GoB's priorities and supports the country's vision to eradicate poverty and prepare for the Least Developed Country (LDC) graduation in 2026.

Therefore, the Action will tackle the areas of Labour rights (16070) and Social Dialogue (16080). It is expected to make a contribution to the implementation of the SDG 8, and more specifically targets 8.5 related to decent work for all, including the most vulnerable, and equal pay and Target 8.8 related to labour rights protection and promotion of safe working environments for all. It will also be closely linked to the SDG 10, on social inclusion and reduction of inequalities.

The Action might be funded additionally by SE, NL and DK, and potentially other EU Member States and like-minded countries in the future. This will ensure synergies and Team Europe approach, and avoid overlapping or duplication of funding, and ensure a transformative impact.

The Action is aligned with the MIP 2021-2027 (specific objectives 2-3), the EU Action Plan on Human Rights and Democracy 2020-2024, the EU Gender Action Plan 2021-2025 (GAP III) and its thematic area "Promoting economic and social rights and empowering girls and women" and the National Social Security Strategy 2015-2026.

2 RATIONALE

2.1 Context

In the last three decades, Bangladesh has made significant progress in human development and poverty reduction backed up by robust economic growth qualifying it to graduate from LDC status by 2026. Yet, there are numerous hurdles to be overcome not only to attain nationally set development objectives and fulfilling the commitments for sustainable development (SDG 2030), as the distribution of wealth and income became more unequal. Income inequality, measured as a Gini coefficient, increased to 0.438 in 2016 at national level from 0.458 in 2010 and 0.467 in 2005, as found by the Household Income and Expenditure Survey (HIES) 2016, carried out by the Bangladesh Bureau of Statistics (BBS). The challenge remains for utilising a full growth potential of the economy and the productive potential of the country's youthful workforce, without leaving no one behind. Inequality remains a challenge, with a Gini Coefficient Index is of 32.4% (2016).

Bangladesh is one of the world's 10 worst countries for workers, according to the Global Rights Index 2022 of the International Trade Union Confederation (ITUC). There is a prevalence of informal employment (85%) and poor working conditions. Repeated reports reveal low wages, poor working conditions, long working hours, and lack of safety and sanitary measures, along with the restriction on the rights of workers to form unions and engage in collective bargaining. The situation affects particularly young and unmarried women from rural areas. Other areas where inequalities are evident are women's right to organise and bargain equitable wages, availability of SRHR services at the workplace (for example crèches that are operational and fully equipped), access to productive assets and financial resources (including access to finance).² Bangladesh ranks 141st in the economic participation index of the Global Gender Gap Report 2020. Data reviewed shows that 44.0% of adult women have reached at least a secondary level of education compared to 48.2% of their male counterparts. Achievements at the macro level are in contrast with the reality at the micro level.³

² [Gender Country Profile \(GCP\) Bangladesh 2021](#)

³ [Gender Country Profile \(GCP\) Bangladesh 2021](#)

While there are significant challenges in the formal sector, the situation is worse for workers in the informal sector, which represents around 83% of total employment. Many workers in agriculture and domestic work are paid very low wages, and have no access to benefits such as paid leave or social security. According to the Bangladesh Bureau of Statistics, the majority of workers in these sectors are paid less than the minimum wage, and often have no access to benefits such as paid leave or social protection.

Compliance with laws and regulations in the private sector in Bangladesh can be challenging. Issues such as a lack of government enforcement, transparency and inadequate regulations contribute to non-compliance. A survey by the Bangladesh Institute of Development Studies found that only 30% of firms in the country considered themselves fully compliant with laws and regulations, while the 2020 World Bank's Ease of Doing Business ranked Bangladesh only 168th out of 190 countries.

The child labour survey carried out by the Government of Bangladesh in 2015 found that 1.7 million children work as child labourers in Bangladesh. Preliminary results of a new survey report, to be published in 2023, suggest that the current number of children in child labour increased to 1.9 million.

2.2 Problem Analysis

Short problem analysis:

The Bangladeshi government has made some progress with legal and administrative reforms since 2013 to improve labour rights and workplace safety. These include amendments to the Bangladesh Labour Act, the adoption of the EPZ Labour Act, the formulation of Bangladesh Labour Rules, and the Fire Service Gazette. However, Bangladesh still has a weak labour legislative framework and administration.

Overall, the goal is for Bangladesh's labour laws and rules to be aligned with international standards and for effective application of the ratified ILO Conventions by 2026, under the National Action Plan on the Labour Sector. There is a need to increase awareness and build capacity on labour laws and human rights among businesses, regulatory agencies, and workers organisations. Potential preferential agreements linked to trade with the EU will depend on the NAP implementation beyond the LDC graduation.

The Ministry of Labour and Employment (MOLE) is responsible for labour administration through various departments, but services provided by these departments have been criticised for a lack of capacity, efficiency and transparency, particularly in areas such as trade union registration and labour inspection. Additionally, Bangladesh is characterised by weak national and limited sectoral tripartite institutions for social dialogue.

Women workers have achieved some success in achieving concrete socio-economic demands through trade unions despite challenges including social and legal barriers to labour organising and patriarchal dominance the sector. Enforcement of existing labour laws is a challenge to which the EUD will give priority through an EU approach called institutional labour enforcement perspective. This approach includes freedom of association, fight against anti-Unions, power to bargain for workers, and social protection.⁴

Further, industrial safety in Bangladesh is still at an emerging stage of development. Its overall framework and private sector and institutional preparedness particularly related to building safety, process and production, materials, and environment remain marginal. There is a need for effective dispute resolution mechanisms, and a comprehensive framework for industrial safety.

Child labor in Bangladesh is a complex issue caused by various factors, including poverty, lack of education and job opportunities, cultural norms, and weak enforcement of labour laws. In Bangladesh, many families rely on the income from their children to survive, and there is often a lack of alternative options for education

⁴ [Gender Country Profile \(GCP\) Bangladesh 2021](#)

and employment. In addition, there is limited political will to enforce labour laws and hold those in the fault accountable.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

In Bangladesh, the legislative basis for labour administration derives from the Bangladesh Labour Act (BLA), 2006 (amended in 2013 and 2018). The Ministry of Labour and Employment (MoLE) has ultimate responsibility for labour administration in Bangladesh through the Department of Inspection for Factories and Establishment (DIFE), Department of Labour (DoL), Labour Bangladesh Export Processing Zones Authority (BEPZA), Minimum wages board, Labour Court / Labour Appellate Tribunal, Bangladesh labour welfare foundation and central fund.

DoL aims to protect the rights of workers and ensure safe working conditions. This includes enforcing labour laws, providing training and technical assistance to workers, investigating labour complaints, and promoting the development of the labour sector. The mandate of DIFE in Bangladesh is to enforce the country's labor laws, inspect and monitor working conditions in factories, ensure workers' rights are protected, and promote safe and healthy working environments.

Services provided nationally by the DIFE and DoL have frequently come under scrutiny and have been mostly considered ineffective and non-transparent in the areas of trade union registration, the labour judiciary, absence of effective dispute resolution mechanisms, labour inspection, industrial safety, and a lack of freedom of association and collective bargaining.

BEPZA aims to promote foreign investment in the country by providing special economic, export processing zones. The Minimum Wages Board sets and periodically reviews the minimum wage rates for workers in the country's various industries. Finally, the Labour Court provides a forum for the resolution of disputes between workers and employers, enforces compliance with labour laws, and ensures the protection of workers' rights.

Beyond the GoB, the national constituents are represented by workers and employers organisations, some of the key ones being National Coordination Committee for Workers' Education (NCCWE), IndustriAll Bangladesh Chapter (IBC), Bangladeshi Employers Federation (BEF), Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

2.3 Additional Areas of Assessment [For Budget Support Actions only]

2.3.1 Pre-condition on Fundamental Values [For a Sustainable Development Goals Contract only]

N/A

2.3.2 Public Policy

N/A

2.3.3 Macroeconomic Policy

N/A

2.3.4 Public Financial Management

N/A

2.3.5 Transparency and Oversight of the Budget

N/A

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective of this action is that by 2026, more Bangladeshi men and women workers, regardless of socio-economic status, enjoy decent work through improved policies and laws, accountable labour market institutions; and sustainable business practices contributing to competitiveness of industries.

The indicative specific objectives (i.e. outcomes) of the Action are:

- **Outcome 1:** Bangladesh labour laws, (including rules) are more gender responsive and aligned with international labour standards and are effectively applied, with active participation of workers, employers' representatives and government.
- **Outcome 2:** Labour market governance institutions function more effectively in line with international labour standards.
- **Outcome 3:** Effective and gender responsive social dialogue and tripartism.
- **Outcome 4:** Enterprises become inclusive, safe, sustainable and competitive and therefore support the realization of decent and green work.
- **Outcome 5:** Elimination of child labour for hazardous occupations, through strengthening the legislative and enforcement measures.

The indicative Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

- **Output 1.1:** Support amendment and application of labour laws/rules/policies as per International Labour Standards (ILS).
- **Output 2.1:** Improve effectiveness of industrial relations institutions and systems.
- **Output 2.2:** Support alignment of labour inspection with international labour standards (ILS) and effectively implement national action plan on occupational safety and health (OSH) and national industrial framework.
- **Output 3.1:** Support development and effective implementation of a gender-responsive action plan on social dialogue and national wage policy.
- **Output 4.1:** Support tripartite constituents with adopting human rights due diligence (HRDD) and responsible business conduct.
- **Output 4.2:** Supporting industry stakeholders with use of data and tools to provide services to their members/networks to increase compliance, including social and environmental trade standards.
- **Output 5.1:** Contribute to effective implementation of child labour policy tools and child labour monitoring system (CLMS).
- **Output 5.2:** Enhance programmes on safe work for youth for children/ adolescents.

3.2 Indicative Activities

The indicative activities are as follows:

Activities relating to Output 1.1:

- 1.1.1. Support consultations on labour law reforms and information sharing with public on progress and lessons learnt from other countries.

- 1.1.2 Support establishment of network of legal practitioners, labour law experts, academics, and government officials established, which has the capacity to engage on labour laws and labour policy reform aligned with ILS.

Activities relating to Output 1.2:

- 1.2.1 Provide trainings and training materials on ILS and labour laws.
- 1.2.2 Provide technical assistance and reviews to support report drafting.
- 1.2.3 Launch capacity development initiatives and consultations on ILS, supervisory mechanisms and reporting.

Activities relating to Output 2.1:

- 2.1.1 Provide trainings on trade union registration for constituents.
- 2.1.2 Provide trainings on tackling violence and harassment, including sexual harassment, against workers and anti-union discrimination.
- 2.1.3 Build capacity of constituents to strengthen collective bargaining.
- 2.1.4 Provide assistance to GoB in setting an effective conciliation and independent arbitration system.

Activities relating to Output 2.2:

- 2.2.1. Support development of labour inspection instruments for inspection including modalities for factories in export processing zones factories, and factories located in rural areas, when applicable.
- 2.2.2. Provide trainings to labour inspectors for effective and gender sensitive labour inspections.
- 2.2.3. Provide assistance to GoB in digitalising the inspection system.

Activities relating to Output 3.1:

- 3.1.1 Conduct assessment on state of social dialogue in Bangladesh.
- 3.1.2 Develop and implement action plan on social dialogue in Bangladesh.
- 3.1.3 Provide assistance to tripartite social dialogue with developing National Wage Policy.

Activities relating to Output 4.1:

- 4.1.1 Develop guidelines and trainings for employers and workers organisations on human rights due diligence requirements.
- 4.1.2 Provide technical assistance to GoB in developing tools and policies to address human rights due diligence.

Activities relating to Output 4.2:

- 4.2.1 Provide assistance to industry stakeholders in developing operational safety and health policy in factories, integrating perspective and needs of persons with disabilities
- 4.2.2 Develop tools and trainings for industry stakeholders on gender equality at workplace, with an intersectional approach.
- 4.2.3 Provide assistance to industry stakeholders in developing effective grievance handling mechanism.

Activities relating to Output 5.1:

- 5.1.1 Support multi-stakeholder awareness strategy for selected sectors on how to address child labour.
- 5.1.2 Prepare a study to improve evidence base and develop policy tools on addressing child labour.
- 5.1.3 Provide assistance to GoB in reviewing effectiveness of the child labour monitoring system.

Activities relating to Output 5.2:

- 5.2.1 Establish safe work for youth programme to support safer working conditions and school to work transitions.

- 5.2.2 Support hazardous work mapping for a number of sectors.
- 5.2.3 Provide training to employers on safe and healthy working environments for children.

The commitment of the EU's contribution to the Team Europe Initiative to which this action refers will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

3.3 Mainstreaming

Environmental Protection & Climate Change

Where appropriate our action will take on board issues surrounding environmental sustainability and building resilience by tackling climate change vulnerability and environmental degradation, linked to the EU Green Deal initiatives, and greening of existing jobs and new green occupations in decent work context. This will help ensure that youth are committed to economic and environmental sustainability. **Outcomes of the SEA screening** (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment).

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the action will place special attention on promoting gender equality and gender mainstreaming.

The action will place special attention on promoting inclusiveness and employment of marginalised youth and women in vulnerable situations. The proposed programme will contribute to the following objectives of the EU Gender Action Plan 2020- 2025: Access to decent work for women of all ages; and Equal access by women to entrepreneurship and employment matching. Specific gender sensitive indicators will be included in the Programme's logical framework matrix.

In particular, the Action will aim to contribute to the objectives of the EU Gender Action Plan 2021-2025 (GAP III) and its thematic area "Promoting economic and social rights and empowering girls and women". A gender perspective will be incorporated - equal representation and participation of women and men in decision making processes will be promoted, and to some extent tackling the gender-based violence, discrimination and harassment at workplace. Also, support for wage transparency and equal pay for equal work and promoting female representation in leadership/ management positions at workplace, as well as equal access to training, education and other support services. Specific gender sensitive indicators will be considered in the Programme's logical framework matrix.

Human Rights

The decent work related part of the action will follow a rights-based approach, encompassing all human rights, with due regard to the working principles of applying all rights, participation and access to the decision-making process, non-discrimination and equal access, accountability and access to the rule of law, and transparency and access to information. The action will focus on decent work standards; human rights considerations and corporate social responsibility; risks of doing harm and unintended negative impacts. All youth should be provided with the right to access decent work and this should be done in a non-discriminatory manner, with people being provided with access to employment services or entrepreneurship regardless of their gender, orientation, age, culture or geographical location.

Disability

Although not a specific target under the Action, the Action will tackle making workplaces safer, more inclusive and sustainable for all workers, which will indirectly benefit persons with disabilities as well.

Reduction of inequalities

Despite economic growth, income inequality remains high in Bangladesh with a Gini coefficient of 32.4% in 2016. Inequality is also visible in terms of access to education, healthcare, and basic services. The poorest 40% of the population is still lagging behind in terms of access to these services. Inequality has increased in recent years due to the unequal distribution of growth benefits. The wealthiest 20% of the population has seen their share of national income increase, while the poorest 40% has seen their share decline.

Some of the key drivers and determinants of inequality in Bangladesh include limited access to quality education, lack of job opportunities, limited access to credit, and limited access to basic services such as healthcare. Cultural norms and social attitudes also play a role, as certain groups, such as women and ethnic minorities, face discrimination and marginalization.

The socio-economically disadvantaged individuals, households, and groups are the most affected by inequality in Bangladesh. They face limited access to quality education and job opportunities, which can trap them in poverty and limit their ability to improve their lives. Inadequate access to basic services, such as healthcare, also exacerbates the situation, leaving them vulnerable to health problems and disease.

To address these inequalities, the government and other stakeholders need to take a multi-faceted approach that addresses the root causes of inequality, including limited access to skills development, decent job opportunities, and basic services. Efforts to reduce discrimination and promote social inclusion, especially for women and ethnic minorities, should also be prioritized by promoting inclusive decent employment opportunities for all.

By supporting decent working conditions, development of a national minimum wage, safety, health and well-being of workers, elimination of child labour, the Action will directly contribute to the reduction of inequalities and support the socio-economically disadvantaged groups.

Democracy

The Action will support democracy development through improvement of mechanisms for social dialogue at enterprise, sectoral and national levels. These remain weak and inadequate, including a lack of focus on normative issues and practices under ILO Convention No. 144. This is despite the fact that Bangladesh has established a range of tripartite social dialogue mechanisms in recent years. In addition, although the Bangladesh Labour Act now makes provision for the establishment of sectoral social dialogue mechanisms, only one has been established thus far; the RMG Tripartite Consultative Council, specifically for the garment sector. There is therefore a need to consider supporting the establishment of such mechanisms in other priority sectors of the economy.

Conflict sensitivity, peace and resilience

The Action will promote a culture of dialogue and democratic involvement of all stakeholders in decision-making processes.

Disaster Risk Reduction

The Action will support development of industrial safety, which will to some extent contribute to making workplaces more resilient to disasters.

Other considerations if relevant

N/A

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Regularity aspect	The GoB does not follow its international and national commitments on promotion and implementation of decent work conventions and labour rights	Medium	Low	Continued policy dialogue with all relevant stakeholders at all levels during the programme period. The programme will provide technical assistance through international organisation to MoLE. CSOs and trade unions will be involved in the field of workers interests (including those that represent groups in vulnerable situations), and a dialogue will be foreseen with employers organisations.
People and organization	Bangladeshi authorities do not have adequate financial and human resources to strengthen GoB capacities in decent work principles and international labour standards framework	High	Low	The program will work closely with the government counterparts in advisory capacity during programme inception and implementation phases, including through the mechanism of project advisory committee's and technical committee
People and organization	The possibility of the GoB not being sufficiently prepared to take over relevant tasks at the end of the project, and the associated effect on maintaining project	Medium	Medium	The M&E system will collect data on the cost-effectiveness of the project, and so demonstrate value for money for the public purse. CSOs can support monitoring the impact of the project and advocacy

	impact over the medium term			for GoB'S subsequent ownership of the project.
System and organization	Workers do not find the system credible, reliable and effective for mitigating industrial disputes and anti-union discrimination cases; weak capacity to defend workers rights	Medium	Medium	All systems will be developed in a participatory manner with constituents' involvement. This will seek to gain their trust and buy in. Capacity building sessions will be integrated throughout the programme. Reliability and trust will also be sought by staffing the structures with independent and recognised professionals
External	Reducing inequalities can be negatively influenced by a number of external factors (e.g. economic outlook at global, regional and national level)	High	High	Conducting evaluation studies, using the Distributional Impact Assessment ex ante and ex post could help mitigate this risk. The DIA will demonstrate the effectiveness of the action regardless of the dynamics of inequalities at macro-level.
Internal	The different aspects of vulnerability (age, gender, disability, income etc.) are considered as independent from each other; creating the risk of reducing the inequality for the aspect targeted by the programme while increasing the level of inequality for the others.	Low	High	The concept of vulnerability will be understood in its intersectionality. The Distributional Impact Assessment, since it enables to identify ex-ante intersected vulnerabilities, could be used as a planning instrument and therefore limit the risk

Lessons Learnt:

The need for renewed focus on policy dialogue, policy development and policy implementation (including governance) is evident in decent work and employment services sectors. Taking into account the multiplicity of governmental institutions, donors and stakeholders involved in these subsectors, increased effort is necessary to facilitate coordination among Ministries and among development partners in order to avoid fragmented approaches and duplication of efforts and resources. Key lessons also concern the need to promote high level Government ownership and leadership. This involves strengthening the GoB's organisational capacity through the use of existing structures.

When planning for improvement of social dialogue and industrial relations, there is a need to establish realistic timeframes, stronger focus on government buy-in and accompaniment due to a lack of capacity, consolidation of capacity building in sector-specific social dialogue mechanisms and embedding a culture of social dialogue at all levels. Finally, to increase impact, it is necessary to capacitate employers and workers organizations, such as the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), the National Coordination Committee for Workers Education (NCCWE) and IndustriALL Bangladesh Council (IBC).

When it comes to promoting sustainable, responsible and competitive enterprises, it is crucial to support sustained improvement in working conditions with technical interventions, continue with women empowerment by addressing root causes, respecting workers' rights, importance of combining changes at workplace level with policy reforms, sharing quality data about compliance for sustainable change and transferring ownership to industry actors for sustainability.

In terms of child labour elimination, capacity building of the labour inspectorate (DIFE) and increased coverage of the Child Labour Monitoring System (CLMS) is needed, as well as improved coordination by the National Child Labour Welfare Council. The enforcement of labour laws and strengthening of social dialogue between workers' and employers' organisations is also important. The media has a role to play in promoting clear understanding of child labour issues and steps should be taken to integrate them.

3.5 The Intervention Logic

The underlying intervention logic is that if tripartite constituents will be supported in driving the process of law amendment according to the international labour standards, this will support better application of labour laws and alignment with standards. The programme will strengthen capacity and knowledge of tripartite constituents, judiciary and child labour monitoring bodies, and because of that effectiveness in implementation of labour standards will be improved, enterprises will become more inclusive, safe, sustainable and competitive and child labour will be reduced.

Strengthening protection against anti-union discrimination and effective conciliation and arbitration systems will support improvement in industrial relations and the state of social dialogue. Further development of the national industry safety framework and labour inspection and OSH system will support compliance of enterprises, but also because of it labour market governance institutions will get stronger. The need for an improved and effective social dialogue and tripartism will be supported through social dialogue assessment, a development of an action plan and a gender responsive national wage policy development, which will lead to active participation from constituents in implementation of international labour standards, but also more effective social dialogue.

Building the capacity of constituents to support implementation of human rights due diligence (HRDD) and compliance tools and methodologies will help an increased number of workplaces to comply and address due diligence, supporting inclusive, safe, sustainable and competitive enterprises.

Finally through policy tools, effective child labour monitoring system, improved investigations and safe work for youth programmes, a reduction in number of child labourer is expected, with priority to hazardous forms. In this way, the Action is expected to contribute to working and living conditions of many of the country's 40% most socio-economically disadvantaged people.

Assumptions held for making sure that intervention logic is valid are: that the country's economy continues to experience expansion and the negative impact of the current Covid-19 crisis will not be persistent in Bangladesh and overseas in terms of declining demand, international conventions and agreements on decent work are honoured and that the private sector is committed to providing decent work opportunities to its workforce, among others.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action. The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (@): Main expected results	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	By 2026, more Bangladeshi men and women workers enjoy decent work through improved policies and laws, accountable labour market institutions;	Level of compliance of Bangladesh labour legislation and policy with ILS	TBD in inception phase	TBD in inception phase	TBD in inception phase	<i>Not applicable</i>

	and sustainable business practices contributing to competitiveness of industries.					
Outcome 1	Bangladesh labour laws, (including rules) are more gender responsive and aligned with international labour standards and are effectively applied, with active participation of workers, employers' representatives and government.	1.1 Number of provisions undertaken by the Government of Bangladesh amended to be aligned with International Labour Standards (ILS), with specific data on provisions related to gender.	<p>Actions under the NAP</p> <ul style="list-style-type: none"> - 12 actions under Annex 1 under the NAP (Amendment of Bangladesh Labour Rules, 2015) - 34 actions under Annex 2 under the NAP (Amendment of Bangladesh Labour Act). -35 actions under Annex 3 (Amendment of EPZ Labour Act) 	50% of actions under the NAP are addressed.	Bangladesh Gazette	<p>Commitment to reform process, participation in and continued implementation of activities by tripartite constituents</p> <p>Buyers committed to compliance and influencing decent work throughout supply chain</p> <p>Development partners commitment and influence prevails throughout project</p> <p>Skills and knowledge achieved are practiced by stakeholders</p> <p>GoB and social partners are open to advisory</p>

<p>Outcome 2</p>	<p>Labour market governance institutions function more effectively in line with international labour standards.</p>	<p>2.1 Number of new and existing labour market governance and administration institutions and systems (including regulatory authorities to implement legal instruments) functioning effectively in accordance with international norms and practices.</p> <p>2.2 Extent to which the partner country's gender equality and decent work policy is implemented (GAP III)</p>	<p>TBD in inception phase</p>	<p>TBD in inception phase</p>	<p>TBD in inception phase</p>	<p>support on labour law reform</p> <p>Political stability and will continues during implementation</p> <p>No major disaster/accidents/pandemics occur</p>
<p>Outcome 3</p>	<p>Effective and gender responsive social dialogue and tripartism</p>	<p>3.1 Number of national and sectoral tripartite social dialogue institutions developed and strengthened, with participation by women</p>	<p>TBD in inception phase</p>	<p>TBD in inception phase</p>	<p>TBD in inception phase</p>	

Outcome 4	Enterprises become inclusive, safe, sustainable and competitive and therefore support the realization of decent work	4.1 Number of factories that demonstrate progress toward effective social dialogue and ability to resolve disputes	TBD in inception phase	TBD in inception phase	TBD in inception phase	
Outcome 5	Elimination of child labour for hazardous occupations, through strengthening the legislative and enforcement measures.	5.1 Proportion and number of children aged 5–17 years engaged in child labour, by sex and age (SDG 8.7.1)	1.28 million children in 2013 were engaged in hazardous form of child labour (National Plan of Action to Eliminate Child Labour 2020-2025, Page 8)	TBD in inception phase	TBD in inception phase	
Output 1 relating to Outcome 1	Support amendment and application of labour laws/rules/policies as per ILS.	1.1.1 Number of technical assistance and review to support actions taken by Bangladesh in amending labour laws 1.1.2 Number of consultative dialogues and capacity development initiatives to support actions taken by	2 technical notes on BLA and EPZ labour act (2022) 4 rapid assessments (C. 138, P29, 155 and 187) (2022) 1 consultative dialogue on	2 in 2024 2 in 2025 4 consultative dialogues and capacity development initiatives per year	TBD in inception phase	

		Bangladesh in amending labour laws	technical note (2022)			
Output 1 relating to Outcome 2	Effectiveness of industrial relations institutions and systems improved	<p>2.1.1 Existence of a functioning conciliation and independent arbitration system, with attention to the recruitment and participation of women at all levels</p> <p>2.1.2 Percentage of trade union registrations accepted</p>	<p>2.1.1 Conciliation and independent arbitration system provided for in BLA but yet to be fully functional</p> <p>2.1.2 Online and manual union registration processes and SOP in place</p>	<p>2.1.1 Conciliation and independent arbitration cells are functional.</p> <p>SOPs on conciliation and independent arbitration are available by December 2023,</p> <p>30 DoL Officials capacitated on dispute resolution and social dialogue</p> <p>2.1.2 90% of applications for</p>	<p>2.1.1</p> <p>2.1.2 DoL online database on trade union registrations</p>	

				trade union registrations accepted		
Output 2 relating to Outcome 2	Support alignment of labour inspection with international labour standards (ILS) and effectively implement national action plan on occupational safety and health (OSH) and national industrial framework	<p>2.2.1 Percentage of labour inspectors capacitated for effective and gender sensitive labour inspections</p> <p>2.2.2 Strategic compliance Model is in place to be used by DIFE through engagement with stakeholders</p>	<p>2.2.1 74% (357 LIs including 63 female) of existing 481 LIs capacitated through foundational training (2022)</p> <p>2.2.2 No strategic compliance plan (2023)</p>	<p>2.2.1 100% of newly recruited labour inspectors capacitated (Annually)</p> <p>2.2.2 A strategic compliance plan fully implemented in 2025 through policy and started practice</p>	TBD in inception phase	

Output 1 relating to Outcome 3	Support development and effective implementation of a gender-responsive action plan on social dialogue and national wage policy	3.1.1 Number of initiatives to (i) assess the state of play of social dialogue and (ii) engage with relevant stakeholders to discuss follow-up priorities and initiatives, and (iii) implement the action plan.	TBD in inception phase	TBD in inception phase	TBD in inception phase	
Output 1 relating to Outcome 4	Support tripartite constituents with adopting human rights due diligence (HRDD) and responsible business conduct.	4.1.1 Number of government policies, trainings and tools to prepare the stakeholders on HRDD requirements	0	100	TBD in inception phase	
Output 2 relating to Outcome 4	Supporting industry stakeholders with use of data and tools to provide services to their members/networks to increase compliance.	4.2.1 Number of factories that adopt their supply chains (business process) aligned with HRDD guidelines ⁵	TBD in inception phase	TBD in inception phase	TBD in inception phase	

⁵ Factories in the ready-made garment sector, but also in a few other selected sectors

Output 1 relating to Outcome 5	Contribute to effective implementation of child labour policy tools and child labour monitoring system (CLMS) and investigation	5.2.1 Number of child labour free zones ⁶ established. 5.2.2 Number of linkages established to improve the effectiveness of CLMS	TBD in inception phase	TBD in inception phase	TBD in inception phase	
Output 2 relating to Outcome 5	Enhance programmes on safe work for youth for children/adolescents.	5.2.1 Number of initiatives to establish the safe work for youth programme 5.2.2 Number of adolescents withdrawn from hazardous works (if possible, disaggregated by sex, age and disability).	TBD in inception phase	TBD in inception phase	TBD in inception phase	

⁶ For a definition of a child labour free zone, please refer to: <https://www.ei-ie.org/en/item/21951:what-is-a-child-labour-free-zone>

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation of the Budget Support Component [For Budget Support only]

N/A

4.4 Implementation Modalities [applicable for Project modality or for complementary support to a BS]

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

4.4.1 Direct Management (Procurement)

N/A

4.4.2 Indirect Management with an entrusted entity

The Action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- Strong in-house expertise on labour rights and decent work standards in Bangladesh
- Ability to support and influence related national policy processes and labour law reform
- Ability to build capacity of national constituents, workers and employers organisations, to implement the EU National Action Plan and decent work age

The implementation by this entity entails capacity building, policy advocacy and awareness raising on issues linked to decent work in Bangladesh.

4.4.3 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

If part of the action cannot be implemented in indirect management due to circumstances outside of the Commission's control, the direct management modality will be used instead (grant and procurement) to contribute to achieving the objectives of the Action. In case of grants, the purpose would be for grant beneficiaries to carry out the actions necessary for the fulfillment of the objectives laid out in this document.

Criteria for selecting a grant beneficiary would be:

- Strong in-house expertise on labour rights and decent work standards in Bangladesh
- Ability to support and influence related national policy processes and labour law reform
- Ability to build capacity of national constituents, workers and employers organisations, to implement

the EU National Action Plan and decent work agenda

4.5. Scope of geographical eligibility for procurement and grants

N/A

4.6. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Advancing Decent Work in Bangladesh composed of	10 000 000
Indirect management with an entrusted entity- cf. section 4.4.2	10 000 000 ⁷
Total:	10 000 000

4.7 Organisational Set-up and Responsibilities

The action component on advancement of the Decent work will engage different partners such as national stakeholders, academia, professional organisation, think tanks etc; as the vehicles to maintain project oversight and technical engagement.

As part of the indirect management - contribution agreement, in consultation with MoLE, a tripartite Project Advisory Committee's (PAC) would be established in the inception phase. The PACs shall comprise representatives from the Government of Bangladesh, Employers and Worker Representatives, implementing partner and donor partners. This committee will ensure coordination and synergies with relevant stakeholders, as well as the identification of challenges and bottlenecks, strategic guidance on required corrective measures and adaptations. The committee will meet in regular intervals, and ad hoc meetings would be organised whenever necessary.

As part of its prerogative of budget implementation and to safeguard the financial interests of the European Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination

4.8 Pre-conditions [Only for project modality]

N/A

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

⁷ Of which EUR 10 000 000 under NDICI funds

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Adjustments to the agreed indicators will be subject to a discussion and approval of the advisory committee. The contracting authority will be responsible for the approval of annual reports.

For the indicators in the logframe that require a survey to collect baseline and end line data, the relevant implementing partner is responsible for implementation, through the project funding sources and within the timeframe to be agreed in the project inception phase.

For the indicators in the logframe that require a survey to collect baseline and end line data, the relevant implementing partner is responsible for implementation, through the project funding sources and within the timeframe to be agreed in the project inception phase.

Monitoring and reporting might assess how the action is taking into account the principle of gender equality and human rights-based approach. Indicators shall be disaggregated at least by sex, when possible.

The Distributional Impact Assessment tool (DIA) could be applied, as a data source whenever other sources (national, regional, local data) are not available to monitor whether expected outputs have, to a large extent, benefited the socio-economically disadvantaged groups, households and individuals. The DIA may also be performed at the start of the implementation phase.

5.2 Evaluation

Having regard to the importance of the action, a mid-term, ROM and ex-post evaluation may be carried out for this action via independent consultants, through a joint mission or contracted by the Commission. Mid-term evaluation may be carried out for problem solving and learning purposes, in particular with respect to monitoring processes and complementary support.

For TEI, evaluations may take place jointly with contributing EU Member States to provide an overview of the action within the larger impact of the TEI.

For budget support component of the action, the evaluation may be performed individually or through a joint strategic evaluation of budget support operations carried out with the partner country, other budget support providers and relevant stakeholders.

The Commission shall inform the implementing partner at least 60 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

Evaluations may also potentially assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality would be ensured in the evaluation teams.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

The Action's evaluation plan might consider the distributional impact of activities undertaken on the socio-economically disadvantaged individuals, households or groups, potentially through the Distributional Impact Assessment tool (DIA).

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 "[Communicating and Raising EU Visibility: Guidance for External Actions](#)", it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale