



Annual External Compliance Report of the Supreme Committee for Delivery & Legacy's Workers' Welfare Standards

Shifting focus to delivery and legacy



MAKING WHAT'S GOOD FOR WORKERS
WORK FOR BUSINESS

April 2022



Executive summary

This is Impactt's sixth Annual Report, presenting the results of our independent external monitoring of the Supreme Committee for Delivery & Legacy (SC) Workers' Welfare Programme. The report shares the findings of Impactt's audits (between June 2021 and January 2022) and measures the SC's progress against the Roadmap defined in our 2021 report.

The SC first appointed Impactt as an external compliance monitor in 2016. Impactt's role is to monitor the compliance of contractors against the SC's Workers' Welfare Standards (WWS), provide advice and publish an independent, annual external compliance report.

The SC implements a four-tier auditing system against the WWS, comprised of contractors' self-audits (first-party), comprehensive SC audits and inspections¹ (second party), External Monitor audits (third party), and ad-hoc inspections conducted by the Ministry of Labour (MoL)². The SC's audit and inspection regime is complemented by joint health and safety inspections conducted by the SC and Building and Wood Workers' International (BWI). In addition, the SC carries out health, safety and security inspections on a revolving monthly plan.

The Workers' Welfare Standards (WWS) were developed in consultation with NGOs and stakeholders as universally applicable. The detail of the standards has primarily been developed with the construction sector in mind. However, over the years the WWS has been applied to the service sector (i.e., catering, facility management, housekeeping, pantry services). From early 2019, the SC workers' welfare remit was extended to include the hospitality sector and tournament delivery services. In July 2021, a new workers' welfare and labour rights function has been established in the Qatar 2022 Local Organising Committee (LOC)³ led by select members of the workers' welfare team. The remit has expanded to include 150 hotel operators and several contractors from host country operations.

The tournament has put the hospitality sector under scrutiny at a level that has never been witnessed before. Unlike the stadium construction and auxiliary services sector, which were directly delivered by the SC, the hotels were constructed by other entities, not specifically for the Tournament, and in most cases are managed by private sector companies. Therefore, the SC is collaborating extensively with the MoL to ensure improved compliance and adequate enforcement.

Over the past couple of years, landmark changes have taken place in Qatar, such as the dismantling of the Kafala system through the dismantling of exit permits (January 2020) and No Objection Certificates (NOC) (September 2020) and the adoption of a non-discriminatory national minimum wage (March 2021). These changes mark major steps towards the promotion of higher standards of worker welfare and freedom of movement and are particularly significant given the regional context.

¹ Please refer to the SC Annual Progress Report for further details.

² MoL audits follow Qatari labour law rather than the WWS.

³ The LOC is a Joint Venture between FIFA and the SC, <https://www.qatar2022.qa/en/about>, last accessed on March 1st 2022.

A shift in focus towards the hospitality sector

As the stadium construction phase is largely complete, the SC's focus has moved to host country related services and operations, with a focus on the hospitality sector. This is reflected in our external monitoring sampling this year, which featured eight hospitality contractors alongside eight construction and auxiliary services contractors.

The SC has worked to develop the applicability of its universal WWS and systems to the specific challenges of the hospitality sector in terms of accommodation facilities, time attendance management, discrimination and recruitment practices. Please refer to Appendix I for details of the monitoring methodology, including which parts have been adapted to the hospitality industry.

In this report, we have compared the performance of Construction and auxiliary services contractors with previous years and presented this first year of Hospitality sector results separately.

Hospitality contractors in our sample demonstrated the following key differences from the construction and auxiliary services contractors:

- Hospitality contractors had a higher proportion of female workers (34% female) than the construction and auxiliary construction services sectors (5% female). Gender diversity brings many notable positives to a workforce, but it can also bring with it heightened risks of sexual harassment, and gender-based discrimination
- Hospitality contractors tend to prioritise candidates with English language skills, resulting in a different source country profile. The active workforce from which we drew our sample this year was far more diverse in terms of nationality than in previous years. This brings a heightened risk of discrimination through different pay, hours, or job roles based on nationality, see the section on 'treatment'
- This difference in countries of origin has also driven a change in findings regarding recruitment fees, with lower average amounts reported by workers this year, as noted in the 'Ethical Recruitment' section. Contractors in hospitality tend to utilise direct hiring more often than the construction and auxiliary services sector as well, which can help to reduce middlemen and consequently reduce opportunities for exploitative fee-charging. However, workers are still commonly paying fees and it is important to note that the SC's Universal 'Recruitment' Repayment Scheme (SCURS) has not yet been adapted for the hospitality sector

Ongoing challenges related to COVID-19

The COVID-19 pandemic has continued to affect personal and business life globally. Migrant workers across the world have been particularly vulnerable to health, financial and human rights impacts. In Qatar, at certain times during the year, COVID-19-related safety measures were implemented across Qatar. As we found last year, at times these continued to affect freedom of movement outside worker accommodation, the ability to conduct regular elections of worker representatives, and updates to Qatar Identity cards (QIDs). Workers however were finally able to travel home for annual leave, although many reported that the costs of quarantine were too high, and therefore chosen not to

do so⁴. Workers reported being impacted by the continued closure of computer rooms and other recreational facilities at accommodation sites due to COVID-19.

Continuing from last year's approach, we categorised findings as observations rather than non-compliances where an issue was COVID-19-related and when we deemed the actions taken by the contractor to be reasonable in the context of keeping workers safe.

Scope of Impactt's work

SC's Scope contractors and tiers				SC's Scope workers and main nationalities				
310 Total contractors on SC projects				13,574 Total workers of 69 nationalities on SC projects				
Main contractors: 147	Impactt sample: 16 Contractors audited (5%)			Indian: 40%	Impactt sample: Worker interviews 573 (4%)			
Tier 1: 146	Main contractors	Tier 1	Tier 2	Bangladeshi: 19%	Indian	Bangladeshi	Nepali	Other
Tier 2: 17				Nepali: 16%				
Tier 3: 0	8 (2.5%)	8 (2.5%)	0 (0%)	Other: 25%	30%	9%	26%	36%

This year we audited four construction contractors, three construction auxiliary services providers (maintenance and fire safety) and one manpower contractor. The Hospitality contractors are comprised of three multinational hotel operators, three hospitality service providers (cleaning, catering) as well as two Tournament Bus Services (TBS) providers.

The above figure reflects total number of contractors audited overall, as well as total number of workers interviewed with a breakdown per nationality. The figure below shows the same breakdown, for the construction and auxiliary services sector.

SC's Scope - construction and auxiliary services contractors and tiers				SC's Scope - construction and auxiliary services workers and main nationalities				
231 Total contractors on SC projects				7,255 Total workers of 58 nationalities on SC projects				
Main contractors: 109	Impactt sample: 8 Contractors audited (3%)			Indian: 33%	Impactt sample: Worker interviews 196 (3%)			
Tier 1: 105	Main contractors	Tier 1	Tier 2	Bangladeshi: 28%	Indian	Bangladeshi	Nepali	Other
Tier 2: 17				Nepali: 20%				
Tier 3: 0	2 (<1%)	6 (3%)	0 (0%)	Other: 20%	37%	10%	30%	23%

⁴ Currently, contractors only required to pay quarantine packages for new hires.

The figure below represents the breakdown of contractors audited per tier and workers interviewed in the hospitality sector:

SC's Scope - Hospitality contractors and tiers				SC's Scope - Hospitality workers and main nationalities				
79 Total contractors on SC projects				6,319 Total workers of 72 nationalities on SC projects				
Main contractors: 38	Impactt sample: 8 Contractors audited (10%)			Indian: 46%	Impactt sample: Worker interviews 377 (6%)			
Tier 1: 41	Main contractors	Tier 1	Tier 2	Bangladeshi: 5%	Indian	Bangladeshi	Nepali	Other
Tier 2: 0				Nepali: 12%				
Tier 3: 0				Other: 36%				
		6 (8%)	2 (3%)	0 (0%)	27%	8%	24%	42%

Findings

Compliance results remain broadly comparable to previous years across the 16 contractors audited. The construction and auxiliary sector scored the same as last year – with an average compliance of 72% at initial audit – while hospitality contractors scored an average of 79%. Hospitality contractors show a higher overall compliance score at follow-up audit (84%) than construction and auxiliary services contractors (78%).

Overall (hospitality and construction and auxiliary services) contractors closed out or made progress on 49% of issues, down from 70% in 2021. However, disaggregated figures for the two sectors show that construction and auxiliary services contractors were able to close or make progress on 78% of issues raised while hospitality contractors have closed or made progress on 84%.

Worker satisfaction saw a decrease this year for the first time since we began our worker surveys for the 2018 report. This year, workers reported a 16% decrease in satisfaction from 4.3/5 to 3.7/5. This is a notable decrease and partly relates to reduced satisfaction with income in the new sectors in our sample, despite higher earnings on average.

This year, fewer contractors in our sample were participating in the innovative SC Universal Reimbursement Scheme (SCURS) with two out of eight of the construction contractors adhering to the scheme. At present, the SC is working with hospitality contractors with a view to promoting repayment.

To date, the SC calculates a total reimbursement by contractors of up to QAR 103.95 million (equivalent to USD 28.4 million) paid to 31,220 SC workers and 18,066 non-SC workers over a 36-month period. Based on the SC's audits and inspections, the SC reports that as of December 2021, QAR 83.20 million (USD 21.96 million) of the total to be reimbursed had already been paid. MoL has attested 219 contractors' SCURS commitment letters, which enables MoL to take action against any contractor that fails to meet their commitment. The SC's legacy in driving recruitment fee repayment should not be underestimated. Many of the principles underlying SCURS have been adopted and refined by other sectors and in other geographies.

The following section outlines key findings on priority topics:

Ethical recruitment⁵

The challenge: Compliance remains low compared to other areas. The overall percentage of workers reporting fees has risen from 68% last year up to 82% this year. Efforts need to focus on engaging with labour source countries and establishing stronger requirements for due diligence which go above and beyond the current VWS.

Progress: Impactt saw an improvement in compliance this year overall, with average scores at follow up of 70% compared to 48% last year. The amount of fees and related costs being reported by workers has reduced on average, from USD 1,333 last year to USD 678 this year.

We did identify some good practices. Two contractors, in particular, had travelled to source countries, providing information to workers about exploitative practices to watch out for, and informing them of correct procedures and timelines. This translated directly into lower fees being reported by these workers.

Working hours, rest and leave

The challenge: Compliance at follow-up audit for construction and auxiliary services contractors has decreased by 6%, to 76%. Compliance at the initial audit for the same group of contractors has also decreased, now at 69%. Issues related to excessive working hours and consecutive workdays without rest still persist within this sector.

The three hotels audited had numerous working hours issues. Common issues included overall hours worked per day, a number of consecutive days worked without rest, as well as lack of sufficient break times and failure to pay overtime. These issues apply to the wider hospitality sector and are common industry practice.

Progress: This year Impactt raised 33% fewer critical non-compliances for contractors involved in construction or auxiliary services. We raised a similar number of major non-compliances as in 2021 and raised 60% more minor issues in this topic area.

Treatment

The challenge: Average compliance scores for construction and auxiliary services remain high. However, they have decreased since last year – now at 84% at the initial audit (3% decrease) and 90% at the follow-up audit (4% decrease). Average compliance scores for hospitality providers were high at 87% for the initial audit and decreased to 86% at follow-up due to new issues raised.

This year our worker samples included a higher proportion of women than previously, owing to the inclusion of more hospitality sector contractors. In addition to this, workers were from a wider range of nationalities. Despite high compliance in this section – this year and historically – this year has seen an increase in the severity of the issues raised in this topic. This includes instances of discrimination, based on both nationality and gender.

⁵ This topic was formerly named 'Recruitment fees' in reports prior to 2020.

Progress: Overall compliance has remained high in this area throughout the years. Hospitality providers closed three of the four critical observations raised at the initial audit, showing an understanding of the issues at hand. It will be important for the four-tier audit system to adapt to the nuances and complexities of the different forms of harassment and discrimination that are more commonplace within this topic area, due to this increased diversity.

Conclusions

The SC has continued to improve on compliance results year-on-year, despite ongoing challenges of contracting companies in new sectors, and working in the wake of the COVID-19 pandemic. This is an important accomplishment, particularly as the SC focuses more on the hospitality sector:

Overall, issues per contractor increased slightly this year by 5%. Nevertheless, the overall severity of non-compliances raised has decreased, with a reduction in both critical and major non-compliances per contractor:

The SC is well poised to deliver a long-lasting legacy of the continued adoption of its WWS, by supporting its contractors and the State of Qatar to expand these into law and common practice. Impactt's analysis of the work of the SC's Workers' Welfare Department (WWD) has demonstrated that improving labour practices and worker satisfaction is possible at scale in Qatar. WWD has successfully piloted elements that go beyond QLL including elected worker representatives, grievance mechanisms, annual flights home and repayment of recruitment fees, to both SC and non-SC workers with the SC reporting a commitment amount of QAR 103.95 million to 31,220 SC and 18,066 non-SC workers, of which QAR 82.20 million has already been reimbursed to date. This has required significant investment in compliance monitoring, training and capacity building, and has delivered results throughout our 6 years of engagement. Most notably, the increased strength of enforcement of the WWS across this time has helped to ensure that these standards continue to be met in practice, and in some cases, have led to impacts beyond compliance.

The widespread adoption of SCURS in Qatar has helped to repay at least some of the historic unethical fees paid by workers. The commitment to pay to non-SC workers is an important aspect of the legacy that the SC can hope to achieve, through promoting this scheme (and indeed, its WWS) more widely across the country and region.

The scheme, whilst ground-breaking, could benefit from an updated methodology, as payments are made over a long period of time, do not reflect the differences in fees paid by nationality, and do not include inflation or interest on the payments made⁶. The ILO is currently considering recommendations along these lines. Both the State of Qatar and international entities abroad hosting similar events should consider this expanded approach to the repayment of recruitment fees and related costs, in addition to the measures towards prevention of payment noted in 'Pillar 2' below.

Key challenges still remain in reinforcing ethical recruitment to ensure that recruitment fees and related costs are prevented in labour source countries.

⁶ See the following guidance written by Impactt, which benefitted from consultation with 200+ public, private and international stakeholders, on repayment of recruitment fees: <https://impacttlimited.com/principles-for-repayment-of-recruitment-fees/>. This guidance is currently under discussion at the ILO.

Recommendations

As the Tournament draws near, we have broadened the scope of our recommendations beyond the timeline of the FIFA World Cup 2022, so as to ensure the legacy of SC's valuable work.

Pillar 1 – Ensuring legacy

Focus SC efforts to:

1. Engage with stakeholders and peers within the market, particularly with those under WWS requirements, to share learnings, understand good practices and implement these moving forward
2. Continue to engage with other organising committees of international sporting or cultural events or major projects to share detailed learnings
3. Where recruitment fees are discovered within the hospitality sector, use the SC's influence to ensure that contractors implement an appropriate repayment scheme
4. Focus on good practices developed by contractors and communicate these to MoL for wider adoption

Support the State of Qatar to:

1. Adopt a strengthened approach to monitoring, grievance management, compliance and enforcement, learning from the SC's comprehensive due diligence programme and multi-tiered approach
2. Increase enforcement mechanisms across multiple sectors to drive compliance with QLL, intervention for critical issues such as delayed wage payment
3. Consider better regulation of the hospitality and services sector, particularly in relation to working hours and overtime payment
4. Increase standards of accommodation across Qatar to meet those of the SC WWS
5. Incorporate annual air-ticket allowances into QLL, in line with the SC WWS

Pillar 2 – Reinforcing ethical recruitment

Focus SC efforts to:

1. Continue to enforce and expand the ethical recruitment provision of the SC WWS to ensure in-depth ethical recruitment due diligence, to reduce and ultimately prevent the payment of recruitment fees. The SC can build on the successful cases of some 'good practice' contractors and ensure that workers have access to awareness sessions in origin countries, and a confidential hotline to report any issues of unethical recruitment during their recruitment journey. This can help reduce deception and intimidation of workers during their recruitment journey, prevent financial exploitation and reduce the financial burden of fee repayment on the contractor
2. Where recruitment fees are discovered within the hospitality sector, use the SC's influence to ensure that contractors implement an appropriate repayment scheme

Support the State of Qatar to:

1. Expand due diligence requirements over international recruitment to reduce the risk of future fee payments by migrant workers. This should include dialogue with sending countries to aid in implementing preventative measures to avoid fees being paid in the first place
2. Where, despite these best efforts, workers report paying fees, adopt the SC's Universal Recruitment Reimbursement Scheme across all sectors in Qatar. We recommend making a legal requirement on the employer to repay recruitment fees according to international best practice⁷, building upon and expanding on this successful innovation

Pillar 3 – Providing sustainable solutions to recurring problems

Focus SC efforts to:

1. Continue to focus efforts in training, awareness building, and dialogue sessions with contractors to promote a cultural shift across the key areas mentioned within this report. Such areas have flared up this year with the increased diversity of gender and nationality within the hospitality sector. In particular, take time to help contractors understand the reasons and benefits for effective worker dialogue mechanisms, including the importance of grievance logs, resolution and remedy, and increasing worker awareness of representatives and their roles

Support contractors to:

1. Gather data to understand the business impacts of better compliance and higher worker satisfaction, in terms of productivity and efficiency
2. Train middle-management staff on the purpose and benefits of the WWS, moving beyond compliance

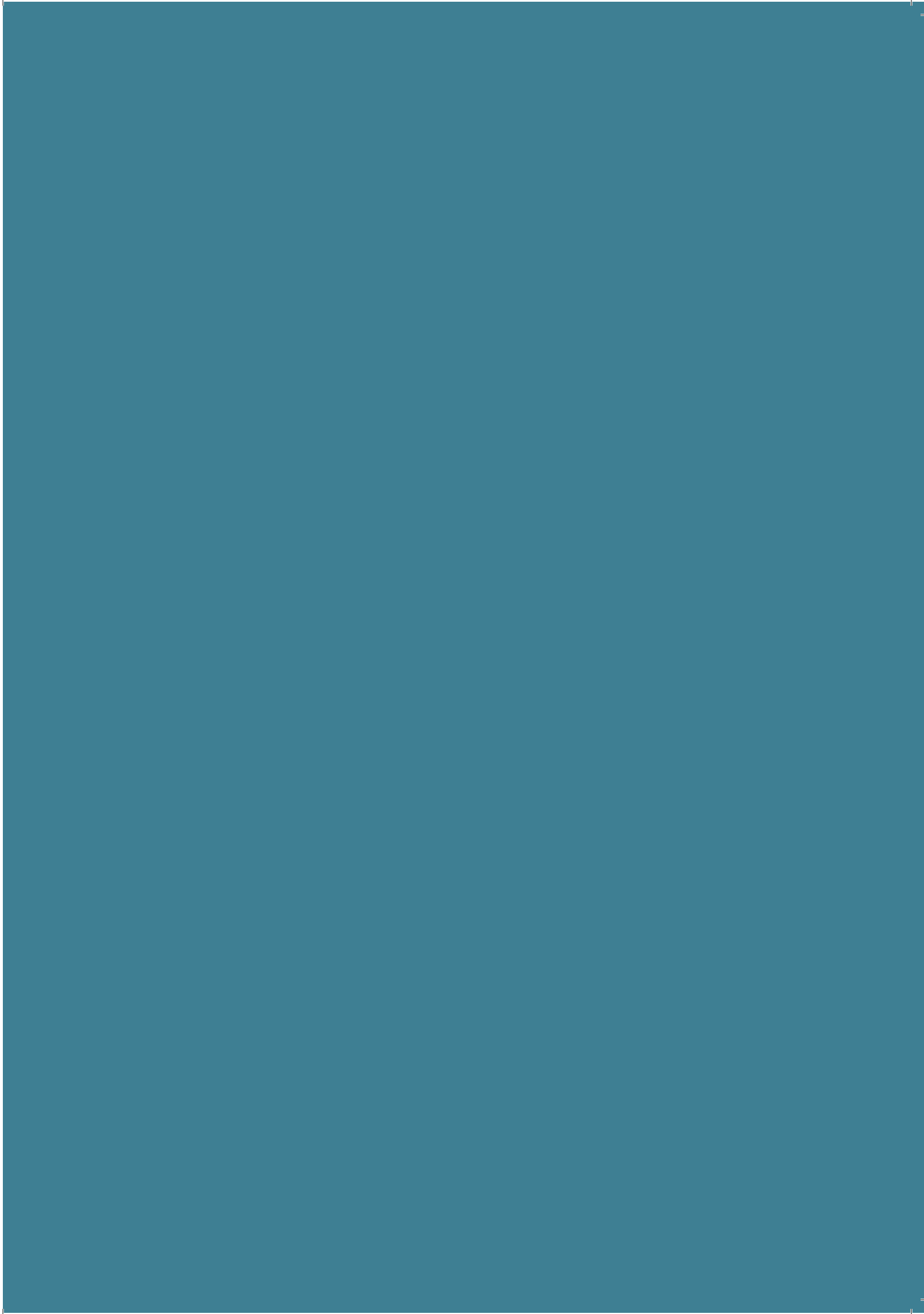
Support the State of Qatar to:

1. Build the capacity of its Ministry to implement, monitor and regulate good labour practices across all sectors, and increase the knowledge base within government, with a view to replicating and scaling key achievements in workers' welfare

Support FIFA and other sports governing bodies to:

1. Apply and build on the SC's comprehensive workers' welfare and labour rights model with Local Organising Committees and other host nations

⁷ <https://impacttlimited.com/principles-for-repayment-of-recruitment-fees/>






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