

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

From vision to reality – a review of the workers' welfare legacy of the Qatar World Cup



Executive summary

This is Impactt's seventh and final Annual Report, presenting the results of our independent external monitoring of the Supreme Committee for Delivery & Legacy's (SC) Workers' Welfare Programme. The SC first appointed Impactt as External Monitor in 2016. This report reviews Impactt's findings over the entire 7-year period across construction and hospitality contractors, and presents the findings of our work during the FIFA World Cup Qatar 2022™ (Tournament) which focused on hospitality contractors only. It is important to note that this is the first time that a host country (Qatar) of a Mega Event (World Cup) has carried out this level of scrutiny on its contractor base, and also marks an unprecedented level of transparency in communicating both process and results.

The SC is the body responsible for delivering the stadiums and host country planning and operations, including the hospitality sector, required for the Tournament. At its peak in 2022 – during the Tournament – the SC's WWS covered approximately 166,000 workers¹ from 548 contractors, about 7.9% of the 2.1 million migrant workers² in Qatar. During the construction phase, at its peak in 2020, the SC's WWS covered 32,136 workers, about 1.5% of the 2.1 million migrant workers in Qatar.

The SC committed considerable resources to working with contractors to implement its Workers' Welfare Standards³ (WWS) and to ensure compliance. The SC implemented a four-tier auditing system comprised of contractors' self-audits (first party), SC audits and inspections (second party), External Monitor audits by Impactt (third party), and ad-hoc inspections conducted by the Ministry of Labour (MoL, fourth party⁴). In addition, the SC and Building and Wood Workers' International (BWI) established a joint working group to carry out stadium related health and safety (H&S) inspections. The SC carried out its second party inspections on a revolving monthly plan and published the results annually.⁵

Context

Stakeholder views

Media commentary and scrutiny increased significantly in the Tournament year. Human Rights Watch,⁶ Amnesty International⁷ and The Guardian⁸ acknowledged continuing progress made since 2017, following legal reforms, while noting that such

- <u>Data referring to the period during which the Tournament took place (November 20th December 18th 2022)</u>
- 2 https://www.hrw.org/news/2021/08/02/migrant-workers-and-qatar-world-cup.
- The WWS are a set of specific, contractual requirements outlining how workers should be treated. They were updated to edition 2 in 2016 and complemented by an addendum ('Bulletin I') in 2018. (For ease of reference, 'WWS' will refer to WWS ed. 2 plus Bulletin I). For more information refer to https://www.qatar2022.qa/sites/default/files/documents/Workers-Welfare-Standards-Qatar-2022-EN.pdf.
- 4 MoL audits follow Qatari labour law rather than the WWS.
- 5 All reports are available on the SC's website: https://www.workerswelfare.qa/en/news-and-reports.
- 6 https://www.hrw.org/news/2022/12/16/fifas-best-world-cup-ever-came-migrant-workers-loss
- 7 https://www.amnesty.org/en/latest/news/2022/10/qatar-labour-reform-unfinished-and-compensation-still-owed-as-world-cup-looms/.
- 8 https://www.theguardian.com/football/2022/oct/20/fifa-world-cup-human-rights-abuses-qatar-amnesty-international.



reforms remain partially un-implemented, and demanding compensation for affected workers. They acknowledged and applauded the SC's reforms, and called for these improvements to be embedded across Qatar through a stronger state monitoring and enforcement mechanism. Following the ILO's November 2021 report on work-related deaths, scrutiny around migrant worker deaths has continued across the region as a whole, with a focus on Qatar. Migrant workers from Nepal spoke out during the Tournament to demand compensation from FIFA and Qatari authorities, citing unexplained worker deaths and abuses.

Changes in law versus changes on the ground

There have been important changes to the Qatar Labour Law (QLL) between 2015-2021. This included the introduction of a minimum wage at QAR 1,000 (USD 275) per month in 2021, and the abolition of the 'No-Objection Certificate' (NOC) requirement meaning that employees no longer need their employer's permission to change jobs. This year we found mixed results in implementation of these laws:

Similar to last year, all contractors we audited complied with new minimum wage laws for standard time.

NOCs continue to present a barrier to workers changing jobs, with workers at 3 of 26 contractors (12% of our sample) reporting that they could not change employers freely due to an ongoing need to obtain an NOC from their employer.

The Journey

Since 2016, Impactt has carried out initial and follow-up audits at 124 contractors and spoken with 4,802 workers across construction and hospitality industries. We focused on construction contractors for the first 5 years. In the 6th year, the sample was a mixture of construction and hospitality. The 7th and final year focused exclusively on hospitality contractors. Overall we found that the SC was able to drive improvements over the longer time period it had to work with construction contractors. However, performance in the hospitality was more mixed, with some high performers and others failing to meet standards. This report focuses on data from January 2017-January 2018 (from our 2018 report) through to the Tournament year 2022 (from this, our 2023 report). ¹⁶

We found that contractors' compliance with the WWS has remained relatively consistent at initial audit stage over the period, remaining in the low 70 per-cent range. Follow-up results (and therefore the amount of improvement made) decreased on average, with a low of 80% of issues being deemed compliant during follow-up audit in this final year.

- 9 https://www.hrw.org/news/2022/12/26/beer-and-boycotts-why-fifas-corporate-sponsors-should-back-rights-reforms-after
- 10 https://www.amnesty.org/en/documents/mde22/6106/2022/en/
- https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_828399/lang-en/index.htm
- 12 <u>https://fairsq.org/vital-signs/.</u>
- 13 https://www.theguardian.com/football/2022/nov/27/qatar-deaths-how-many-migrant-workers-died-world-cup-number-toll.
- $14 \quad \underline{\text{https://www.hrw.org/news/2022/11/17/fife} / \text{qatar-migrant-workers-call-compensation-abuses.}}$
- 15 Please refer to Appendix 4d for more information on these legislative changes
- 16 Data from 2016 is not included in this report as data is not comparable due to the 2017 change in reporting templates.



| Overall compliance average ¹⁷ | Initial | Follow up | Change |
|---|---------|-----------|--------|
| 2018 | 75% | 88% | 13% |
| 2019 | 75% | 89% | 14% |
| 2020 | 69% | 82% | 13% |
| 2021 | 72% | 81% | 9% |
| 2022 | 74% | 81% | 7% |
| 2023 | 72% | 80% | 8% |

Table I – Overall follow-up improvement year by year

Impactt spoke to workers¹⁸ over the period to understand their feelings about their jobs in Qatar, with a particular focus on income, safety, and respect. Overall worker satisfaction improved steadily for the first 4 years of Impactt's monitoring programme, before a dip in 2022 (when our sample was transitioning from construction to hospitality contractors), preceding a partial recovery in 2023 (when our sample was 100% hospitality contractors).

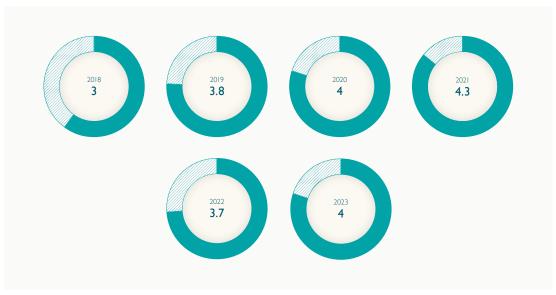


Figure I – Overall Satisfaction of workers interviewed in initial audits on a scale of I - very unhappy to 5 - very happy

Below we set out an analysis of our findings and the views of workers and contractors in four key issue areas, ethical recruitment, wages & allowances, working hours, rest and leave and treatment.

¹⁸ Data for the 2017 annual report has not been included in this table as the methodology previously used differs significantly from the methodology used from 2018 onwards, and therefore datasets are not fit for comparison.



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Ethical Recruitment:

The Journey

Responsible recruitment of migrant workers is one of the most challenging issues faced by states and employers around the world. The SC's WWS are in line with the Dhaka Principles¹⁹ and clearly set out requirements for employers to recruit responsibly. However, the WWS do not require contractors to carry out due diligence on their recruitment agents in source countries, focusing instead on the performance of contractors in Qatar. This has limited the SC's effectiveness in delivering responsible recruitment of foreign migrant workers.

The SC implemented important measures, including:

- · A New Starter Checklist
- Requirement to investigate when a worker reports paying recruitment fees and related costs
- · Requirement to reimburse workers who provide proof of payment
- The SC Universal Reimbursement Scheme (SCURS) under which contractors reimburse workers their recruitment fees and related costs, without the need for proof of payment. This was broadly implemented across the construction sector, and one hospitality contractor adopted SCURS. At the behest of SC, 3 other hospitality contractors repaid recruitment fees without proof of payment
- Main contractors were expected to appoint recruitment agencies approved by the SC WWD. In terms of due diligence, the SC WWD developed an audit checklist specifically for recruitment agencies and their sub-agents in origin countries

The percentage of workers reporting having paid fees and related costs dropped consistently from 97% in 2017 to a low of 68% in 2021. As Impactt's sample has shifted away from construction to the hospitality sector, this number increased back up to 90% in 2023. During the first four years of our monitoring, we saw a significant increase in the average amount workers reported paying to get their jobs. Since 2020, there has been a continuous drop in the average amount, which is now at its lowest since the start of the programme with an average amount reported by workers of USD 530.

Ethical recruitment of migrant workers remains a significant global challenge. This topic area remains challenging. At least one issue remained open at the follow-up stage related to ethical recruitment at 15 of the 26 contractors audited in the last year. Key themes include:

- · ineffectiveness in accurately identifying which workers have paid fees;
- insufficient action taken to inform workers that they should not pay any recruitment related costs
- informing workers that they are eligible for reimbursement if they present proof of payment of such costs; and

The SC should be commended for its transparency in reporting openly on the difficulties faced, the pioneering SCURS programme and its innovative attempts to make change.

19 https://www.ohchr.org/sites/default/files/Documents/Issues/SRMigrants/ConsultationRecruitment/DhakaPrinciples.pdf



Wages and allowances:

The Journey

There has been significant change in the QLL regarding wages. The 2015 Wage Protection System (WPS) gives government authorities oversight over all wage payments in real time to reduce the risk of late or incomplete payment. The MoL reports that the Wage Protection System (WPS) provides security to workers on all components of salary including basic salary, overtime and other allowances (e.g. accommodation and food). The MoL further reports that any significant deviation leads to automatic flagging by the WPS for further review, and that contractors can face punitive action (including administrative blocks) if they do not meet these requirements. MoL announced a non-discriminatory minimum wage, effective from March 2021 of QARI,000 (USD 275) per month, plus QAR 500 (USD 136) per month for accommodation and QAR 300 (USD 82) per month for food, (if neither is provided free).

Overall compliance scores remained steady both at initial and follow-up audits from 2018 to 2020 before increasing to an all-time high (78% at initial, 86% at follow-up) in 2021 – which marked the end of the construction phase. Overall scores declined as our sample transitioned from the construction to the hospitality sector – as the SC had less time to engage with its contractor base and faced challenges related to the onslaught of COVID-19. 2023 saw an overall compliance score of 64% at initial audit and 66% at follow-up audit.

Areas of high compliance across the programme have included:

- the use of WPS to allow transparent and timely electronic payments;
- · introduction of a minimum wage rate in advance of the legal minimum wage;
- · strict caps on disciplinary penalties;
- the correct payment of overtime rates (although this was challenging in the hospitality sector); and
- provision of annual air-fare allowances (either via encashment or directly buying flights), although this was challenging in the hospitality sector.

Areas where contractors have generally struggled throughout the years have included:

- failure to provide payslips or providing payslips which workers couldn't understand;
- taking deductions from workers which were above 10% of their pay per month;
- failing to pay workers for training and induction

Hospitality contractors (especially hotels) offer 'time off in lieu' instead of adopting the 'pay equals hours worked' approach required by the QLL and the WWS. However, clock-in/out systems fail to capture down-time and are therefore unreliable for counting overtime. As a result, Impactt has not been able to verify effective systems in place to compensate for these hours, meaning that instances of hospitality workers not being properly compensated for overtime were identified.



There have been a handful of cases over the period of delayed wage payments over the entire period. In these cases, contractors said that they were unable to make payments due to cash-flow issues. In some cases, the SC was able to intervene to ensure full payment.

The provision and strict enforcement of the annual airfare allowance, largely in the construction sector, has been ground-breaking in providing workers with the ability to take leave. As the first host country to report publicly on wage compliance, the contribution to transparency, engagement and lessons learned is of critical importance.

Working hours, rest and leave

The Journey

Despite a slight overall increase in initial audit results, compliance with working hours, rest and leave requirements have remained a challenge throughout the programme. Improvement rates between initial and follow-up audits have stagnated at 2% for the last two years, compared with the 11.25% average improvement across 2018-2021. Furthermore, a decline and only partial recovery is notable in 2022 and 2023. The hospitality sector has found this a particularly challenging topic area with which to comply.

During the programme, we saw strong contractor performance in the following areas:

- · Provision of legally mandated annual leave
- · Provision of legally mandated sick leave
- · Provision of bereavement leave in line with the WWS

Contractors consistently struggled with issues relating to:

- Excessive working days without a rest day
- · Excessive regular daily working hours
- Issues related to hours worked outdoors during summertime hours for hospitality providers
- · Excessive hours worked during Ramadan

The SC's key impact in this topic area has been a rigorous monitoring system which has presented public and transparent findings to expose non-compliance, ensuring accountability, and sharing lessons learned to support worker welfare.

Treatment

A higher proportion of women, and a higher diversity of nationalities were represented in our sample of hospitality contractors over the last two years, in comparison to our historic, construction sector worker samples. Despite high compliance in this section year-on-year, this year has seen a comparatively higher severity of instances of scolding, racism, sexual harassment, and favouritism, based on both nationality and gender. Workers most commonly reported perpetrators as being supervisors, managers, and also guests. Results for overall initial audits dropped from last year's score of 87% to 83% this year, whilst overall scores at follow-up audit remained the same at 87%.



The SC is to be commended for putting systems in place to raise awareness of discrimination, for enabling the reporting of these issues and for its transparency in making this public.

Conclusions and recommendations

The SC's work in developing the WWS, building a robust, four-tiered monitoring system, transparently reporting on key challenges, and driving the repayment of recruitment fees and related costs show many notable firsts for the organising committee of a mega-sporting event. The SC has acted as a crucible for testing many innovations, some of which have already been adopted more widely, both in Qatar and elsewhere. We encourage readers to reflect on this legacy and consider how best to apply this experience in improving labour practices in other contexts across the world.

In particular we commend SC for:

- · Developing and updating a Worker Welfare Standard which goes beyond national law
- Developing a large team of experts tasked with working with contractors to bring them up to standard and to monitor their progress
- Implementing the four-tier monitoring system involving the contractor, its own staff, MoL, BWI and Impactt, which has provided unprecedented oversight on compliance
- Integrating its monitoring with MoL so that legal sanctions can be applied to persistent offenders
- Implementing SCURS, the first sector-wide programme for repaying recruitment fees to migrant workers
- · Adopting a minimum wage ahead of legislation
- Transparently reporting on progress and challenges, via its own reports, and those of BWI and Impactt.

Much has been achieved, but there is more to be done, in Qatar and across the globe, to make decent work, and worker protections the norm.

In this the final phase, we urge the SC to continue to engage with other organising committees of international sporting or cultural events or major projects, governments and other stakeholders to share detailed learnings.

We make the following recommendations to employers/contractors, Mega Event organisers, sports' governing bodies national governments & global policy makers. These are based around three critical areas themes:

- 1. Developing, implementing and monitoring standards on worker welfare
- 2. Ensuring robust due diligence
- 3. Embedding ethical recruitment



Recommendations:

I. Developing, implementing and monitoring standards on worker welfare Employers/contractors:

- Implement all required worker welfare standards, whether required by local law or by international standards
- Collaborate with industry peers to understand and tackle industry practices which are in contravention of local law or international standards
- Commit to participating in remedy

Sports' Governing Bodies and Mega Event organisers:

- Build on the SC's comprehensive workers' welfare and labour rights model, made up of a Standard, monitoring system, requirement for remedy and transparent reporting for all future Mega Events
- Require that any event-organising body develops, adopts, implements and enshrines in contracts regulations which are in line with international labour standards
- Work with host governments to implement, monitor and regulate good labour practices across all sectors, not just those directly engaged in the event
- Focus efforts on training, awareness building, and dialogue sessions with contractors. In particular, ensure that contractors understand the benefits of effective worker dialogue, properly functioning grievance mechanisms grievance logs and effective remedy. Gather data to understand the business impacts of better compliance and higher worker satisfaction, in terms of productivity and efficiency

National Governments

- Develop legal frameworks concerning worker welfare and rights which are in line with international standards
- Invest in a fit for purpose labour inspection programme to ensure that welfare and rights are implemented fully in the real world
- Enshrine the requirement for remedy in legal frameworks, ensuring that responsibility for remedy is clear

2. Ensuring robust due diligence

Employers/contractors:

- Build robust due diligence systems to ensure that operations and supply chains manage human rights risks (see point 3 below relating to ethical recruitment)
- Ensure that workers have access to multiple channels to raise grievances
- Ensure that grievance systems enable compliance with standards and rapid and effective remedy of issues



Sports' Governing Bodies and Mega Event organisers:

- Develop and implement a full Human Rights Due Diligence process to identify, mitigate and remedy human rights risks and issues. This should be in line with the:
 - OECD Due Diligence Guidance for Responsible Business Conduct
 - UN Guiding Principles on Business and Human Rights
- Specifically with regard to recruitment of migrant workers, ensure that the due diligence process assesses the effectiveness of employers' approach to recruitment outlined in detail Appendix 4a

National Governments

- Adopt a strengthened approach to monitoring, grievance management, compliance and enforcement, learning from the SC's comprehensive due diligence programme and multi-tiered approach
- Increase enforcement mechanisms across multiple sectors to drive compliance with labour law
- Consider better regulation of the hospitality and services sector, particularly in relation to working hours and overtime payment
- Ensure that regulations require remedy and assign responsibility for remediation
- Embed WW requirements in public procurement processes and tenders

Global Policy Makers:

- Legislate to embed and enforce the following guidance to ensure that the duties of states and the private sector are enshrined in statute:
 - OECD Due Diligence Guidance for Responsible Business Conduct
 - UN Guiding Principles on Business and Human Rights

3. Embedding ethical recruitment

Employers/contractors:

- Take responsibility for the responsible recruitment of migrant workers, all the way back to their home country. This should include:
 - Transparent tendering processes which cover all aspects of responsible recruitment
 - Binding agreements between the parties committing to responsible recruitment, and remedy
 - A programme of due diligence and corrective action plans (CAPs) covering all recruitment efforts
 - Provision of information and access to hotlines for candidates to raise and resolve grievances

Please refer to Appendix 4a for a detailed due diligence process.



National Governments:

- Expand due diligence requirements over international recruitment to reduce the risk of future fee payments by migrant workers. This should include dialogue and government-to-government agreements with sending countries to aid in implementing preventative measures to avoid fees being paid in the first place
- Where, despite these best efforts, workers report paying fees, adopt a national approach to the repayment of recruitment fees and related costs. We recommend making a legal requirement on the employer to repay recruitment fees and related costs according to international best practice²⁰

Global Policy Makers:

- Develop international agreements governing labour migration corridors, in line with:
 - The Employer Pays Principle
 - Dhaka Principles
 - ILO Definition of Recruitment Fees and Related Costs
 - Principles and Guidelines for the Repayment of Migrant Worker Recruitment Fees and Related Costs

Changes in law versus change on the ground

There have been important changes to QLL between 2015-2021.²¹ This included the introduction of a minimum wage at QAR 1,000 (USD 275) per month in 2021, and the abolition of the 'No-objection certificate' (NOC) requirement meaning that employees no longer need their employer's permission to change jobs. This year we found mixed results in implementation of these laws:

Progress against the roadmap as reported by the SC in February 2023 vs Impactt's 2022 Annual Report recommendations is detailed in Appendix 4c.

²¹ Please refer to Appendix 4d for more information on these legislative changes



²⁰ https://impacttlimited.com/principles-for-repayment-of-recruitment-fees/#bookmark3



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