

KYRGYZ REPUBLIC

Regional Economic Development Project

LABOR MANAGEMENT PROCEDURES

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Contents

- 1. INTRODUCTION3
- 2. OVERVIEW OF LABOR USE ON THE PROJECT4
 - 2.1. Type of Workers4
 - 2.2. Number of Project Workers4
 - 2.3. Characteristics of Project Workers:.....4
 - 2.4. Timing of Labor Requirements5
- 3. ASSESSMENT OF KEY POTENTIAL LABOR RISKS.....5
- 4. BRIEF OVERVIEW OF NATIONAL LEGISLATION.....7
 - 4.1 National labor Legislation: terms and conditions7
 - 4.2. Brief overview of legislation: occupational and health safety9
- 5. THE WORLD BANK ENVIRONMENTAL AND SOCIAL STANDARD (ESS2)..... 10
 - 5.1. ESS2: Labor and Working Conditions 10
 - 5.2 Policy Gap 10
- 6. RESPONSIBLE STAFF 12
- 7. POLICIES AND PROCEDURES..... 12
- 8. AGE OF EMPLOYMENT 13
- 9. TERMS AND CONDITIONS..... 13
- 10. GRIEVANCE MECHANISM 14
 - 10.1. Direct workers’ GRM structure 14
 - 10.2. Contracted worker’s GM structure 15
 - 10.3 World Bank Grievance Redress System..... 15
- 11. CONTRACT MANAGEMENT 15

1. INTRODUCTION

1.1. Project background

1. The World Bank is providing support the Government of Kyrgyz Republic (GoKR) *to enhance regional economic development through targeted interventions in the selected sectors in the Osh region*. Regional Economic Development Project (RED) is designed as the first in a Series of Project (SOP). Recognizing the multi-sectoral and integrated nature required for regional development, this programmatic approach will help to focus support in this first phase on one pilot region – Osh and including Osh city as well as the other identified growth poles¹ and clusters within the region. Project interventions will include a tailored package of investments/activities aimed at: (i) boosting the pilot region’s unique economic potential and eliminating binding constraints, while supporting the (ii) elevation of living standards; and (iii) strengthening the institutional and private sector capacity in the target sectors.
2. The Project is being prepared under the World Bank’s new Environment and Social Framework (ESF), which came into effect on October 1, 2018, replacing the Bank’s Environmental and Social Safeguard Policies. Under the ESF, all World Bank Borrowers have agreed to comply with ten Environmental and Social Standards (ESSs) applied to investment project lending financed by the Bank. The project recognizes the significance of, and adopts the ESSs, for identifying and assessing as well as managing the environmental and social risks and impacts associated with this investment project. The reviews undertaken by the Bank has classified environmental and social risks as substantial. As a response, ARIS as an implementing agency, has developed several key instruments to address the same. One of the Standards – ESS2 relates to Labor and Working Conditions and expects the Borrowers to develop labor management procedures (LMP). The LMP enables identify main labor requirements and risks associated with it and help the Borrower to determine the resources necessary to address labor issues. The LMP is a living document, which is initiated early in project preparation, and is reviewed and updated throughout development and implementation of the project. Accordingly, this document details out the type of workers likely to be deployed by the project and the management thereof.

1.2. About the project

This section describes the following, based on available information:

Project activities:

3. The proposed project is envisioned as a multi-sectoral project and will include core investments in local and regional development in the key sectors of agriculture and tourism with a focus on enabling private sector development in these areas. Project interventions will include a tailored package of investments/activities aimed at: (i) boosting the pilot region’s unique economic potential and eliminating binding constraints, while supporting the (ii) elevation of living standards; and (iii) strengthening the institutional and private sector capacity in the target sectors. Aligned with the PDO of the project, the proposed project components are described as below.

Component 1: Strengthening Regional Economic Planning and Regulatory Functions

Sub-component 1.1: Enhancing Regional Economic Planning.

Sub-Component 1.2: Improving basic agricultural services and regulatory functions.

Component 2: Strengthening Agri-Food Supply Chains and SMEs

Component 3: Catalyzing investments for tourism and urban development

Sub-component 3.1: Upgrading Osh and Uzgen Urban Cores and Tourism Circuits.

¹ In addition to Osh City, the other identified growth cities according to the Government’s Regional Development Concept (2018-2022) include Isfana, Batken and Kadamjay in Batken region, and Uzgen, Kara-Suu and Sary-Tash in Osh region.

Sub-Component 3.2: Tourism Product Development, Marketing and Promotion.

Component 4: Supporting Tourism and Rural SME Development through Small Grants

Component 5: Implementation Support, Monitoring and Evaluation.

2. OVERVIEW OF LABOR USE ON THE PROJECT

2.1. Type of Workers

4. ESS 2 categorizes the workers into: direct workers, contracted workers, community workers and primary supply workers. The Concept Stage Environment and Social Review Summary (ESRS) envisaged that the project would encompass the following categories of workers: direct workers, contracted workers and primary supply workers. However, as the design of the project unfurled, it became clear that community workers are not relevant. Community members may be employed by the Contractors which fall them under the category of Contracted Workers. Also, it was found it is unlikely that the project will source any core materials critical for the project on an on-going basis from selected suppliers. Therefore, primary supply workers are not relevant to the project.
5. **Direct workers.** The project will be implemented by the ARIS with technical agriculture advisory support from Agribusiness Competitiveness Center (ABCC) at Ministry of Agriculture (MoA). Apart from the capital where ARIS is head quartered, it is expected to have regional technical and safeguards specialists in each of the two project cities and Osh oblast as well. According to the Law of the Kyrgyz Republic "On Public Service", ARIS staff are not civil servants as they are hired on contract basis for the implementation of a wide range of development projects
6. **Contracted Workers.** Two broad categories of contracted workers are expected: (i) private organizations (contractors, sub-contractors) who will provide local capacity building, as well as implementation support services to the ARIS; and (ii) those who work under the civil works contractors.

2.2. Number of Project Workers

7. **Direct Workers.** Total number of workers, the employees of ARIS, dedicated to this project is not known yet and this will become known when project design will be finalized. In addition, implementation of the project will involve directly hired technical and business experts by project partners like, ABCC, as well as some government staff at Ministry of Economy (MoE). Number of experts and government staff (central or local) is not known yet.
8. **Contracted Workers.** The precise number of project workers who will be contracted are not known as of now. This will become known as and when implementation begins. As regards consultants, this will also be known as and when implementation begins.
9. **Civil Works Contractors and Workers.** The project will support tourism related infrastructure interventions in participating Osh and Uzgen cities and Osh oblast districts, where civil works contractors will be involved. The total number of sub projects are not known as of now. This will become known as and when implementation begins.

2.3. Characteristics of Project Workers:

10. The ARIS will establish PIU for project activities implementation and it is expected to comprise at the minimum of the following specialists (a PIU coordinator, a labor specialist fully dedicated to the RED program (Components 1, 2, 3, 4 and 5), an FM specialist, an accountant, and two procurement specialists). Once the project is effective, an M&E specialist and three safeguard specialists will also join the PIU. Moreover, technical and business experts are planned to be hired by ARIS and ABCC to

support strengthening the operational work on RED and to carry out trainings, as well as to have regular mentoring visits to support beneficiaries.

11. Given the nature of the project workforce (mostly semiskilled construction labor) and characteristics of the labor force market in Kyrgyz Republic, it is likely the workforce, especially the lower-skilled workers, will be predominantly male. Female workers are expected at ARIS and the Program Consultants on non-physical construction components of the project.
12. The expectation is that the majority of labor will be locally hired with the exception of a few skilled workers. Provisions will be made to train and hire as many as possible from local communities where the activities are taking place.
13. Furthermore, professional business/capacity building companies might be contracted in order to carry out surveys, trainings and other assessments within the project. The nature of labor force will be skilled workers/experts.

2.4. Timing of Labor Requirements

14. The direct workers at ARIS and ABCC will generally be required full time and around the year for the project duration. Civil Works contract workers will be required as per the need.
15. Construction season typically lasts from April to October but can be somewhat longer or shorter depending on weather conditions. So, it will be up to the contractor to mobilize labor force to coincide with the type of work and the season. The work hours should not exceed 8 hours a day, with the provision of at least 1 hour for the rest.
16. Timing and duration of the employment of contracted workers will be known at later stages, however they will only be engaged for the duration of respective sub-components which will unlikely extend more than 12 months.

3. ASSESSMENT OF KEY POTENTIAL LABOR RISKS

Key Labor Risks:

Given the small-scale construction works, no major risks are envisaged.

17. **Labor risks associated with contracted workers at subproject level.** Subprojects will be implemented by local contractors and most contracted workers will likely be hired locally. All contractors will be required to have a written contract with their workers materially consistent with objective of ESS2 and in compliance of this LMP, in particular about child and forced labor, following the requirement in the Bank's Standard Procurement Document (SPD).²
18. **Labor risks including labor influx and associated Gender-Based Violence (GBV), and child labor** are considered low given the small size of subproject construction works and the ARIS's adherence to the national labor code which prohibits forced labor (article 10, Labor Code). Since civil works to be supported under the project will be very small in scale and prioritized by ARIS and together with local communities themselves, the risk of forced labor is expected to be small. Nonetheless, the contractor will be required in the contract to commit against the use of child and forced labor, introduce mitigation measures against GBV, and ARIS staff in charge of contractor supervision will monitor and report the absence of forced labor.

² Since state procurement procedures do not have standard documents for selection of consulting services, WB SPD will be applied for this project.

19. **Occupational Health and Safety (OHS) risks** are low to moderate and will depend on the type of subproject works to be implemented. Since the majority of contracted workers are unskilled and untrained local population, however, risk remains that some accidents may occur that lead to injuries. All contractors will be required to develop and implement written labor management procedures, including procedures to establish and maintain a safe working environment as per requirements of ESS2. All contractors will be required under the Environmental and Social Management Plan (ESMP) to ensure workers will use basic safety gears, receive basic safety training and other preventive actions as provided in the Project's Environmental and Social Management Framework (ESMF).
20. **Employment risks.** Workers will be hired by the ARIS and ABCC, either directly as project staff or indirectly as part of contracts with Consultants or service providers. The practice shows that civil works subcontractors do practice a labor contract with a lump-sum payment for a certain type of service or scope of work. Where the duration of labor will be limited to several months.
21. **Overtime work risk.** There is a risk that the current practice of unaccounted working hours and lack of compensation for overtime work. According to Labor Code of KR (2004) with the employer concurrence, the direct workers will receive other rest hours in another day as compensation for overtime (Article 174). The project will seek to address the risk through informing Direct Workers their rights and establishing a Grievance Redress Mechanisms for Direct Workers.

4. BRIEF OVERVIEW OF NATIONAL LEGISLATION

4.1 National labor Legislation: terms and conditions

22. The legislation of the Kyrgyz Republic on labor protection is based on the Constitution of the Kyrgyz Republic and consists of the Labor Code, the Law on labor protection and other regulatory legal acts of the Kyrgyz Republic.
23. The **Constitution** of the Kyrgyz Republic on labour conditions and occupational safety provides everyone the right to:
- Safe labour. Using forced and child labor shall be prohibited. (Article 23);
 - The right to rest. Everyone shall have the right to leisure. Establishing maximum working time, paid annual leaves, weekly days off, and other conditions prescribed by law, shall ensure this right. (Article 44);
 - Protection of health. Everyone shall have the right to health care. (Article 47); and
 - Social security. Everyone shall be guaranteed social security in old age, in the time of sickness, invalidity and loss of ability to work, or loss of a guardian in instances and order prescribed by law. (Article 53).
24. **Labor Code** of the Kyrgyz Republic No. 106 dated August 4, 2004 is the fundamental legislative act aimed to regulate all labor matters arising in the Kyrgyz Republic. This Code governs employment relationships and other relations, directly related, directed to protection of the rights and freedoms of the parties of employment relationships, establishment of the minimum guarantees of the rights and freedoms in the sphere of work. Article 9 of the Code prohibits discrimination and guarantees that all citizens have equal rights to work; discrimination in labor relations is prohibited. Any differences, non-admission or preference, denial of employment, regardless of nationality, race, gender, language, religion, political beliefs, social status, education, property, leading to a violation of equality of opportunities in the field of labor, are prohibited.

Wages and deductions

25. Contracts and collective agreements establish the form and amount of compensation for work performed. The monthly salary of an employee who has worked during this period the norm of working hours and fulfilled the labor standards (labor duties) cannot be lower than the minimum wage established by law. The minimum wage does not include surcharges and allowances, bonuses and other incentive payments, as well as payments for work in conditions deviating from normal, for work in special climatic conditions and in territories exposed to radioactive contamination, other compensation and social payments. (Article 154).
26. Employer can pay workers at least once per month (Article 157). Employers also must pay for work-related damage to health or property, and families are compensated in case of death. Deductions are allowed for specific reasons, but may not exceed 50 percent of the amount owed to the employee. (Article 161).

Working hours

27. The standard work week is 40 hours, with less allowed for those under 18. The number of hours per day, and days per week, is established in the contract/agreement between the employer and employee (Article 90).
28. Employers must provide women with children up to 18 months with additional thirty-minute breast feeding time every three hours a day, and mothers with two or more children with additional one-hour time-off a day. Upon the worker request, additional time offs are summed with lunch and rest break, or summed and used at the beginning or end of the working days (shifts) in accordance with reduced working hours (Article 309). Details of time off are established in contracts/agreements.

29. Article 304 prohibits overtime, weekend work, and business trips for women who are pregnant or who have children under three years of age. For women with children between three and 14 years of age, overtime and business trips are allowed, but only if the woman agrees.

Rest breaks

30. Types of rest time are (Article 109):
- breaks during the working day (shift);
 - daily (inter-shift) rest;
 - weekends (weekly continuous rest);
 - non-working holidays;
 - vacation.
31. The employees must be granted a rest and meal break during the workday. Time and duration is regulated by internal work rules, shift schedules, or by an individual employment contract or a collective agreement between the employer and employee (Article 110).

Leaves

32. In addition to national holidays, employees have to receive at least 28 calendar daysdays of paid leave per year, with workers under 18 years of age and disabled employees receiving 30 days.
33. Leave without pay may also be taken by certain groups of people and may also be covered in contracts. At termination of employment, employees are paid for unused leave, or they may use the leave as their last days of employment.
34. Women are provided maternity leave upon application, the employee is granted additional leave without preserving wages for caring for the child until the child reaches the age of three years. By agreement of the parties, leave to care for a child until he reaches the age of three years may be granted at any time and any duration. Childcare leave can be used in full or in parts also by the child's father, grandmother, grandfather, other relative or guardian who actually cares for the child.

Overtime work

35. Work beyond the normal working hours can be done either on the initiative of the employee (part-time job) or on the initiative of the employer - overtime work (Article 98).
36. Remuneration for overtime work is paid for the first 2 hours of work at least one and a half times, for the next hours - at least twice. The specific amount of overtime pay may be determined by a collective agreement or an employment contract. At the request of the employee, overtime work instead of increased pay can be offset by the provision of additional rest time, but not less than the time worked overtime. Work outside the normal working hours, part-time, is paid depending on the time worked or production (Article 174).

Labor disputes

37. Labor disputes are considered to be "unregulated discrepancies between the employer and employee on the issues of application of legislative and other normative actions on labour of the Kyrgyz Republic and working conditions provided by labour agreement (contract) and collective agreement and contracts (Article 356).
38. Individual labor disputes are considered by labor dispute commissions, an authorized state body in the field of supervision and control over compliance with labor laws and courts. The employee of his choice may apply for the resolution of the labor dispute to the labor dispute committee or the authorized state body in the field of supervision and enforcement of labor legislation or directly to the court. In cases where the labor dispute commission is not created in the organization, the labor dispute is subject to consideration directly by the authorized state body in the field of supervision and monitoring of compliance with labor legislation or in court (Article 412).

Grievances

39. Law on Appeals of Individuals and Legal Entities (from May 4, 2007) contains legal provisions on established information channels for citizens to file their complaints, requests and grievances. Article 8 of the Law sets the timeframes for handling grievances, which is 15 days from the date of receipt that do not require additional study and research, and 30 days for the appeals that need additional study.

4.2. Brief overview of legislation: occupational and health safety

40. The occupational safety issues are addressed in the Constitution of the Kyrgyz Republic. Under Article 42: “The citizens of the Kyrgyz Republic have the right to free work, to use their labour capabilities, to choose their occupation and area of activities, the right to safe labour conditions that meet the requirements of safety and hygiene and the right to remuneration for their work and social security not below the living minimum established under the law.”

41. The Labour Code of the Kyrgyz Republic, introduced on July 1, 2004, has a section on occupational safety and health. The Labour Code of the Kyrgyz Republic establishes the obligations of the employer to ensure occupational safety, state regulations on occupational safety and the duties of the employee in the field of OSH. The employee is guaranteed occupational safety, training and instruction, sanitary, welfare and medical services. The Code treats of the issues of the creation and activities of the occupational safety services, investigation and record of occupational accidents and diseases, the award of benefits and compensations depending on the labour conditions.

42. The Law of the Kyrgyz Republic on Occupational Safety which came into force on August 1, 2003 sets the legal framework for the relations between the employers and employees and is aimed at creating labour conditions that meet the requirement of preserving the life and health of the employees at work. The law sets down the guidelines of state policy on occupational safety and the principles of state management of occupational safety.

43. Access to state officials from state bodies on labour protection and social insurance, as well as representatives of public monitoring to check the working conditions and work safety measures at organizations and investigate the accidents at work and professional diseases.

44. Employees, on the other hand, are required to pass initial and periodic tests medical examinations, pass training and periodic in instructions on safety requirements, and to carry out medical and health measures that are prescribed by medical institution if paid by employer (Article 346).

5. THE WORLD BANK ENVIRONMENTAL AND SOCIAL STANDARD (ESS2)

5.1. ESS2: Labor and Working Conditions

45. The World Bank's stipulations related to labor are outlined in its ESS2. Implementing agency promotes sound worker-management relationships and provides safe and healthy working conditions. Key objectives of the ESS 2 are to:

- Promote safety and health at work;
- Promote the fair treatment, nondiscrimination and equal opportunity of project workers;
- Secure protection of project workers, including vulnerable workers such as women, persons with disabilities, children (of working age, in accordance with this ESS) and migrant workers, contracted workers, community workers and primary supply workers, as appropriate;
- Prevent the use of all forms of forced labor and child labor;
- Support the principles of freedom of association and collective bargaining of project workers in a manner consistent with national law; and
- Provide project workers with accessible means to raise workplace concerns.

46. ESS2 applies to project workers including fulltime, part-time, temporary, seasonal and migrant workers. Where government civil servants are working in connection with the project, whether full-time or part-time, they will remain subject to the terms and conditions of their existing public sector employment agreement or arrangement, unless there has been an effective legal transfer of their employment or engagement to the project. ESS2 will not apply to government civil servants.

47. Working conditions and management of worker relationships. The Implementing Agency will develop and implement internal labor management procedures applicable to the project. These procedures will set out the way in which project workers will be managed, in accordance with the requirements of national law and this ESS. The procedures will address the way in which this ESS will apply to different categories of project workers including direct workers, and contract workers.

48. Project workers will be provided with information and documentation that is clear and understandable regarding their terms and conditions of employment. The information and documentation will set out their rights under national labor law and ESS requirements (which will include collective agreements), including their rights related to hours of work, wages, overtime, compensation and benefits. This information will be provided at the beginning of the working relationship and when material changes occur.

49. For more details on the WB Environmental and Social Standards, please follow the below links: www.worldbank.org/en/projects-operations/environmental-and-social-framework/brief/environmental-and-social-standards and <http://projects-beta.vsemirnyjbank.org/ru/projects-operations/environmental-and-social-framework/brief/environmental-and-social-standards>.

5.2 Policy Gap

50. Comparison of key OHS related World Bank Requirements³ with Kyrgyz Republic Legal Requirements

³ Labour Management Procedures: Azerbaijan Employment Support Project (P171250)

| ESS & Topic | Major WB requirements | Major WB requirements Key requirements/gaps in Kyrgyz Republic legal framework |
|---|--|---|
| A. Working conditions and management of labor relations | <ul style="list-style-type: none"> • Written labor management procedures • Terms and conditions of employment • Nondiscrimination and equal opportunity • Worker’s organizations • Elaborate Labor Management Plans including Contractor’s ESMP | <ul style="list-style-type: none"> • Written employment contract required, including procedures and employment conditions. • Non-discrimination and equal opportunity requirements exist. • No provision for Labor Management Plans. |
| B. Protecting the work force | <ul style="list-style-type: none"> • Child labor prohibition • Forced labor prohibition | <ul style="list-style-type: none"> • Child labor prohibited (under 14). • No forced labor is allowed. |
| C. Grievance mechanism | GRM should be in place for direct and contracted workers | <ul style="list-style-type: none"> • No specific GRM process for employees working with individual employment contracts. • Grievance registration and follow-up procedures are available through the Law on Appeals of Citizens. |
| D. Occupational Health and Safety | <ul style="list-style-type: none"> • Detailed Procedure required for every project. • Requirements to protect workers, train workers, document incidents, emergency preparation, addressing issues; and • Monitor OSH performance | <ul style="list-style-type: none"> • No detailed procedure specific to every project. • Requirements to protect workers, train workers, document incidents, emergency preparation. |
| E. Category of workers | Specifies categories of workers | No such classification |
| F. Minimum age of workers | <ul style="list-style-type: none"> • Minimum age for employment is 14; • A child between 14-18 may be employed or engaged only in certain conditions | <ul style="list-style-type: none"> • Employment permissible for 14 plus age, but with guardian permission. • 14-18 years are not permitted to work under difficult and unsafe working conditions |

6. RESPONSIBLE STAFF

51. Project Manager will oversee and guide all the workers associated with the project.
52. ARIS's Social and Environmental specialists will be responsible for the following:
- Implement this labor management procedure.
 - Ensure that civil works contractors comply with these labor management procedures, and also prepare occupational health and safety plans before mobilizing to the field.
 - Ensure the contracts with the contractors are developed in line with the provisions of this LMP and the project's ESMF, as detailed in the Project Operations Manual (POM).
 - Monitor to verify that contractors are meeting labour and OHS obligations toward contracted and subcontracted workers as required by Kyrgyz Republic law and respective contracts between ARIS and the contractors.
 - Monitor contractors and subcontractors' implementation of labor management procedures.
 - Monitor compliance with occupational health and safety standards at all workplaces in line with Kyrgyz Republic occupational health and safety legislation.
 - Monitor and implement training on LMP and OHS for project workers.
 - Ensure that the grievance redress mechanism for project workers is established and implemented and that workers are informed of its purpose and how to use it.
 - Have a system for regular monitoring and reporting on labor and occupational safety and health performance.
 - Monitor implementation of the Worker Code of Conduct.
53. POM will include standard templates of contracts which include LMP, OHS aspects, and the contractors (Civil Works) commit to them. LMP and OHS responsibilities of the Contractors are the following:
- Follow the labor management procedures and occupational health and safety requirements in line with the ESMF provisions and stated in the contracts signed with Implementing Agency. If the number of workers (direct +contracted) is above 50, then Contractors will develop their own LMPs and OHS plans.
 - Supervise the subcontractors' implementation of labor management procedures and occupational health and safety requirements.
 - Maintain records of recruitment and employment of contracted workers as provided in their contracts.
 - Communicate clearly job descriptions and employment conditions to all workers.
 - Make sure every project worker hired by contractor/subcontractor is aware of the ARIS dedicated phone number, email address, and web portal through which anyone can submit grievances.
 - Provide induction (including social induction) and regular training to employees in labor protection requirements, including training on their rights on safe labour under Kyrgyz Republic law, on the risks of their jobs, and on measures to reduce risks to acceptable levels.
 - In collaboration with ARIS Safeguards Specialists conduct training on labour management procedures and occupational safety to manage subcontractor performance.
 - Ensure that all contractor and subcontractor workers understand and sign the Code of Conduct prior to the commencement of works, and supervise compliance with the Code.

7. POLICIES AND PROCEDURES

54. As specified in the Labor Code, employment of project workers will be based on the principles of non-discrimination and equal opportunity. There will be no discrimination with respect to any aspects of

the employment relationship, including recruitment, compensation, working conditions and terms of employment, access to training, promotion or termination of employment. The following measures, highlighted in the POM, will be followed by contractors and monitored by the ARIS's HR and ARIS Social Safeguards Specialist, to ensure fair treatment of all employees:

- Recruitment procedures will be transparent, public and non-discriminatory, and open with respect to ethnicity, religion, sexuality, disability or gender.
- Applications for employment will only be considered if submitted via the official application procedures established by the contractors.
- Clear job descriptions will be provided in advance of recruitment and will explain the skills required for each post.
- All workers will have written contracts describing terms and conditions of work and will have the contents explained to them. Workers will sign the employment contract.
- Unskilled labor will be preferentially recruited from the surrounding communities, with a goal of at least 50 percent.
- Employees will be informed at least two months before their expected release date of the coming termination.
- The contracted workers will not be required to pay any hiring fees. If any hiring fees are to be incurred, these will be paid by the Employer.
- Depending on the origin of the employer and employee, employment terms and conditions will be communicated in two languages, in the state language and the language that is understandable to both parties.
- In addition to written documentation, an oral explanation of conditions and terms of employment will be provided to workers who may have difficulty understanding the documentation.
- Foreign workers will require work permits, which will allow them to work in Kyrgyz Republic.
- All workers will be 18 years old or above for civil works. This will be a requirement in ARIS contracts with civil works contractors.
- Normal working time should not exceed 40 hours per week. With a five-day working week, the duration of daily work is determined by the internal work regulations approved by the employer after prior consultation with the representatives of the workers, in compliance with the established working week duration.

8. AGE OF EMPLOYMENT

55. The Kyrgyz Republic law prohibits anyone under 18 from performing “unhealthy or heavy” and there are special requirements for leave, work hours, and other conditions of employment. Employer will ensure that no construction workers under 18 years are employed. Under 18 years old employees are allowed to work in sectors with no health risks with the following reduced working hours: the employees aged 14 to 16 years old - no more than 24 hours a week, from 16 to 18 years old - no more than 36 hours a week.

56. Contractors will be required to verify and identify the age of all workers. This will require workers to provide official documentation, which could include a birth certificate, national identification card, passport, or medical or school record. If a minor under the minimum labour eligible age is discovered working on the project, measures will be taken to immediately terminate the employment or engagement of the minor in a responsible manner, taking into account the best interest of the minor.

9. TERMS AND CONDITIONS

57. The employment terms and conditions applying to ARIS employees will be set out in this document. These internal labor rules will apply to all ARIS employees who are assigned to work on the project

(direct workers). Terms and conditions of part-time direct workers are determined by their individual contracts.

58. The precise number of project workers who will be contracted are not known as of now. This will become known as and when implementation begins
59. The contractors' labor management procedure will set out terms and conditions for the contracted and subcontracted workers. These terms and conditions will be in line, at a minimum, with this labor management procedure, the Kyrgyz Republic Labor Code and specified in the standard contracts to be used by the ARIS under the project, which will be provided in Project Operations Manual and follow this LMP and the project ESMF.

10. GRIEVANCE MECHANISM

60. A grievance mechanism is a procedure that provides a clear and transparent framework for addressing grievances related to the recruitment process and in the workplace. This typically takes the form of an internal procedure for complaints, followed by consideration and management response and feedback.
61. A grievance mechanism (GM) will be provided **for all direct workers and contracted workers** to raise workplace concerns. Such workers will be informed of the grievance mechanism at the time of recruitment and the measures put in place to protect them against any reprisal for its use.
62. The project will establish a step-by-step GM procedure for the Project workers consistent with the ESS2 before the Project Effectiveness and describe them in the Project Operations Manual (POM). Essentially, it will be at different levels. This GM is not same as the grievance mechanism to be established for project affected stakeholders. The Project workers' grievance mechanism will not prevent workers to use judicial procedure.
63. Grievance procedures should be tailored to meet the needs of the project, culture and workforce composition. The Grievance procedures may be included in collective agreements. A clause in a contractor-level collective agreement that establishes a mechanism for individual employees to bring an employment-related grievance, potentially through their trade union and/ or with trade union assistance, will be sufficient to meet ESS2.
64. GM will be accessible to all employees through various means (written, telephone, fax, social media etc). Grievance logbook will be maintained in ARIS office.

10.1. Direct workers' GRM structure

65. To mitigate the risks related to direct workers a GM for Direct Workers will be established.

GM structure for ARIS

66. **First level.** Project coordinator/Human Resources Unit of ARIS (ARIS HR) depending on nature of the issue raised will be responsible to receive, consider and address in a timely manner the grievances, including the concerns on unaccounted working hours and lack of compensation for overtime, delay in/non payment of salaries. If the issue cannot be resolved at first level within 7 working days, then it will be escalated to the next level.
67. **Second level.** Director of ARIS is a second level GM for direct workers if there is a situation in which there is no response from the ARIS HR or if the response is not satisfactory then complainants and feedback providers have the option to appeal directly to the Director of ARIS to follow up on the issue. The complaints should be considered and feedback provided within next 7 working days.

10.2. Contracted worker's GM structure

68. **Contractor's level.** Contractors should develop its own GM and to resolve the grievances of contracted workers. Grievance Focal Point (GFP) assigned by the Contractor will file the grievances and appeals of contracted workers and will be responsible to facilitate addressing the grievances. If the issue cannot be resolved at contractor's level within 7 working days, then it will be escalated to the ARIS local level.
69. **Local level.** Social specialist of ARIS PIU local level in Osh/Uzgen will serve as Grievance Focal Point (GFP) to file the grievances and appeals of the project workers. He/She will be responsible to coordinate with relevant departments/organization and persons to facilitate addressing these grievances. If the issue cannot be resolved at the PIU level within 7 working days, then it will be escalated to the Agency level.
70. **Central level:** If there is a situation in which there is no response from the ARIS PIU Local level, or if the response is not satisfactory then complainants and feedback providers have the option to contact the Focal Person in ARIS Central Office directly to follow up on the issue.

10.3 World Bank Grievance Redress System

71. Project workers may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address the project's labor related issues. Project workers may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projectsoperations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

11. CONTRACT MANAGEMENT

72. Construction and other contracts will include provisions related to labor and occupational health and safety as provided in the World Bank Standard Procurement Documents and Kyrgyz Legislation.
73. ARIS will manage and monitor the performance of contractors in relation to contracted workers, focusing on compliance by contractors with their contractual agreements (obligations, representations, and warranties) and labor management procedures. This may include periodic audits, inspections, and/or spot checks of project locations and work sites as well as of labor management records and reports compiled by contractors.
74. Contractors' labor management records and reports that may be reviewed would include: representative samples of employment contracts or arrangements between third parties and contracted workers, records relating to grievances received and their resolution, reports relating to safety inspections, including fatalities and incidents and implementation of corrective actions, records relating to incidents of non-compliance with national law, and records of training provided for contracted workers to explain occupational health and safety risks and preventive measures.