

**Eastern Ukraine: Reconnect, Recover,
Revitalize – 3R Project**

Labor Management Procedure (LMP)

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Acronyms & Abbreviations

3R Project	Eastern Ukraine: Reconnect, Recover, Revitalize
CPD	Continuous Professional Development
EHS	Environment, Health and Safety
ES	Environmental Specialist
ESA	Environmental and Social Assessment
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESS	Environmental and Social Standard
GBV	Gender-Based Violence
GCA	Government-Controlled Areas
HSE	Health, Safety and Environment
IA	Implementing Agency
IDP	Internally Displaced Person
MVTOT	Ministry for Veterans Affairs and Temporarily Occupied Territories
OHS	Occupational Health and Safety
PIU	Project Implementation Unit
POM	Project Operations Manual
UAD	Ukravtodor
UXO	Unexploded ordnance
WB	World Bank

1 Introduction

1.1 Project background

The proposed East Ukraine: Reconnect, Recover, Revitalize – 3R Project seeks to reinforce national commitment to recovery and development of Eastern Ukraine and highlights the benefits of socio-economic connectivity in support of a future settlement. With industrial losses in the Donbas, multi-sectoral investments under the 3R Project aim to promote agricultural sector development in rural areas in Luhansk Government Controlled Areas (GCAs) that could help stimulate future growth and opportunity in the region. Prioritized investments also reflect intensive stakeholder dialogues undertaken during 3R project preparation with national, regional and local officials, agri-industry, diverse agricultural producers, agricultural communities, women, IDPs, veterans, and youth in project areas. The **development objective** of the 3R Project is to strengthen transport connectivity, support agriculture sector recovery, and promote community engagement in project areas in Eastern Ukraine.

The Project is being prepared under the World Bank's Environment and Social Framework (ESF). The Project adopts the ESSs, for identifying and assessing as well as managing the environmental and social risks and impacts associated with this investment project. One of the Standards – ESS2 relates to Labor and Working Conditions. Since the reviews undertaken by the Bank has classified environmental and social risks as substantial, the implementing Agencies - Ministry for Veterans Affairs and Temporarily Occupied Territories (MVTOT) and Ukravtodor (UAD) (Component 1) - have developed several key instruments to minimize and mitigate the risks among which is the current document: Labor Management Procedures (LMP).

1.2 Project Components

Recognizing the socio-economic and administrative characteristics of Luhansk GCAs and in line with the project development objective, the project will include the following components:

Component 1: RECONNECT - Roads Investments to Link Rural Communities to Processing, Markets, and Services. Component 1 will support rehabilitation of roads in Luhansk Oblast in support of the agricultural sector; and to connect rural communities to urban service centers in Luhansk GCAs. Poor and deteriorating local roads have been a key bottleneck to agricultural logistics and supply chains and the broader development of the region. Component 1 prioritizes road investments that link farmers to processors, markets, and service centers in Luhansk GCAs. The target road network will be rehabilitated to a category 2-3 standard which is a two-lane road with safety specifications including side crash barriers where required. The project will finance all necessary road infrastructure such as bridges, interchanges, and railway crossing, safety measures, site supervision of civil works, and equipment. Additionally, for protection of the investments, the project will include installation of weigh-in-motion stations and speed cameras. The Component will also include activities to engage local administration and communities in

project areas on road use, road safety measures, and will provide technical assistance to support development of 'feeder roads' to the network. This will promote local ownership and sustainability of transport investments.

Component 2: RECOVER - Agriculture Investments to Support Sector Recovery and Modernization. Component 2 will complement the connectivity investments of Component 1 through select agricultural sub-projects that address some of the conflict's impacts on the agricultural sector in Luhansk GCAs, including loss of access to agricultural services, processing facilities, product testing and local urban markets, as well as limited technology and value chain to market support for the Oblast's many small producers. Agricultural investments will include: (a) an *Agriculture Logistics and Service Hub* in Starobilsk City, as the agricultural center of the region and including a grain/oil seed elevator; a small grain/oil seed quality testing facility; an office building for administration and business development support; an innovative online trading platform to link producers and traders; and an agricultural services support area; (b) a *Regional Agricultural Testing and Food Safety Laboratory* to address a critical gap following the loss of access to the agricultural product testing and food safety management services due to the conflict; and (c) *Agricultural cluster development* for small household-level producers. Community-based Cluster support will facilitate the transition from current subsistence production towards more organized and market-oriented production practices, including value-chain to market support to an estimated 5 to 10 clusters of 100 to 150 small household-level producers.

Component 3 - REVITALIZE: Implementation Support Platform. Component 3 will support development of an implementation support platform for project investments recognizing the capacity constraints, deficits in state-citizen dialogue, and requirements for national-regional-local cooperation in effective delivery of 3R project activities. Component 3 will finance Project Management activities for the MVTOT. Component 3 will also include: Luhansk *regional public-private investment forums* to gather project beneficiaries, international and Ukrainian private sector representatives, international and domestic financial institutions, GoU representatives, and development partners to raise awareness and promote investment opportunities in the region; *user/beneficiary surveys and social audits* to provide ongoing feedback on project design and implementation (project processes, budgets and outcomes) for infrastructure investments under Components 1 and 2; and support establishment of a *3R Project beneficiary feedback mechanism (BFM)*, including *Grievance Redress Mechanism (GRM)*. Component 3 will also finance strategic communications activities. The implementation platform supported by Component 3 will promote sustainability and possible future scale-up and expansion of Project investments to additional sectors and geographic areas in Eastern Ukraine.

2 Overview of labor use on the project

ESS2 categorizes the workers into: direct workers, contracted workers, community workers and primary supply workers. The Concept Stage ESRS envisaged that the project would include direct workers (administration staff and consultants) as well as contracted workers (employees of civil works contractors and sub-contractors under the Component 1 ad 2). Community workers will not be employed in relation to this Project. Primary supply workers are not expected to be relevant to the project. The Components 1 and 2 of the project would primarily rely on supply of construction materials and labor force from the local market, hence no risk of child and forced labor is expected (as this risk is not relevant for Ukraine-based due to the requirements of the national legislation).

2.1 Type of Workers

Direct workers

Project Implementation Units (PIU) will be established by UAD to implement the Component 1 activities and by MVTOT to implement the Component 2 and Component 3 activities. The PIUs should include key staff responsible for coordination, monitoring, evaluating and reporting, compliance with fiduciary requirements, compliance with ESSs, financial management and administrative.

Contracted Workers

Contracted workers will be hired under design, construction contract(s). The bidding documents to hire contracted workers will include language referring to labor and occupational, health and safety requirements that must comply with the Ukraine national legislation and the WB ESS2.

At each PIU, there will be staff assigned to monitor the performance of contractor(s) in relation to contracted workers. This may include periodic audits, inspections, and/or spot checks of project locations or work sites and/or of labor management records and reports compiled by contractors. Contractors' labor management records and reports may include: (a) a representative sample of employment contracts or arrangements between third parties and contracted workers; (b) records relating to grievances received and their resolution; (c) reports relating to safety inspections, including fatalities and incidents and implementation of corrective actions; (d) records relating to incidents of non-compliance with national law; and (e) records of training provided for contracted workers to explain labor and working conditions, OHS and UXO safety measures for the project.

2.2 Number of Project Workers

At this stage the type of labor requirements and exact number of project workers cannot be determined. The total number of direct workers employed by two PIUs staff will be clarified during the Project Operations Manual (POM) preparation. The number of project contracted workers is not known as of now. This will become known when when design documents for road rehabilitation and feasibility studies for agricultural hub and laboratory works are completed. This draft LMP will be updated accordingly when implementation begins.

2.3 Timing of Labor Requirements

The direct workers at PIUs will generally be required full time and around the year for the project duration. Other experts/consultants will be hired on demand basis throughout the project period. Timing for involvement of contracted workers will be known at later stages; however, it is clear that they will be engaged depending on implementation of various Components on specific time slots.

Civil Works contracted workers will be required as per the need for Component 1 and Component 2 implementation. 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.

Timing of Labor Requirements. The timing and sequencing of labor on the project is currently cannot be defined. This section will be filled once the sequencing of the implementation plan and procurement plans are finalized.

3 Assessment of Key Potential Labor Risks

As per ESS2 requirements the key risks associated with labor and occupational health and safety (OHS) aspects were assessed. The key risks and impacts would be related to the renovation of roads (Component 1), construction of an agro-logistical hub and laboratory facility to test food safety (Component 2) and include such risks as exposure to physical, chemical and biological hazards during construction activities, use of heavy equipment, falling objects hazards, noise and dust, exposure to electrical hazards from the use of tools and machinery, and exposure to unexploded ordnances (UXO) (due to the past conflicts on the project territories and territories adjacent to the project territories). As the construction activities will involve hazardous work, persons under the age of 18 will not be employed by the Project. Based on the available information about the project, project background and experience with similar project activities the following labor and OHS risks would be associated with the proposed project activities:

Labor risks associated with contracted workers at subproject (Component 1 and Component 2) level. It is expected that road renovation and hub/lab construction works will be implemented by local contractors and where possible contracted workers will be hired locally. However, All contractors will be required to have a written contract with their workers materially consistent with objective of ESS2, following procedures as specified in the World Bank's Procurement Regulations and required by the Ukrainian Labor Code and other related laws.

Labor risks including labor influx and associated Gender-Based Violence (GBV), and child labor are considered low due to the advanced Ukraine's legislation on labor and working conditions and the PIU's adherence to the Constitution of Ukraine (article 43 prohibits forced labor) and the Labor Code (article 31 prohibits workers to perform task that are not discussed by their contracts, article 188 prohibits child labor). Nonetheless, bidding documents will refer explicitly to the risks contractors will be required in the contract to commit against the use of forced labor. The PIU's staff in charge of contractor supervision will monitor and report the absence of forced labor, GBV. A locally based project specific GRM will be established accept workers complains and community complains due to labor influx (labor influx is expected).

Occupational Health and Safety (OHS) risks are moderate to substantial and associated with type of works to be implemented in post conflict areas where UXO can be found. All contractors hired for road renovation works under the component 1 and component 2 of the project 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/sub-contractors will be required to ensure workers will use required safety gears, receive safety training with UXO safety module and other preventive actions as provided in the Project's Environmental and Social Management Framework (ESMF).

Employment Risks may imply that some direct or contracted workers either have no contract or have a contract without specified terms and conditions, thus leading to workers discrimination. Workers will be hired by the MVTOT and UAD's PIUs, 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. All the workers hired under the project, whether direct, contracted or sub-contracted, will be employed based on the principles of non-discrimination. The PIUs will assess the contractor's internal HR procedures to ensure consistency with ESS2.

Overtime work risks. There is an ongoing practice of unaccounted working hours and lack of compensation for overtime work in Ukraine despite existing legislation that stipulates compensation for worked hours. Also, there is a risk of failure to pay individuals who do not have signed contracts. The project's PIU will seek to address these risks through: (1) making sure that all direct workers, part-time, assignment-based construction workers have written contracts with overtime work accounting provisions construction; (2) establishing a Grievance Redress Mechanisms (GRM) for direct workers and contracted workers.

4 Brief Overview of National Legislation

The Ukrainian legal framework on labor protection and OHS are advanced. The Constitution of Ukraine stipulates the right for labor and for opportunity to earn for living by performing jobs that were chosen freely (article 43). The article 43 of the Constitution guaranties safe and healthy occupational environment, wages not lower that determined by the Law; prohibits employment of women and minors for occupations that pose health hazards. Also, the article 43 stipulates citizens' protection from unlawful dismissal from a job and stipulates timely remuneration for completed job. The right of employees to go on strike is also guaranteed by the Constitution (article 44). The Article 45 of constitution guaranties the right for breaks, leaves and rest. The social protection to workers is also guarantied by Article 46 of the Constitution.

All the constitutional provisions are supported by the following laws of Ukraine and their further amendments:

The Labor Code of Ukraine (initial Law #322-VIII adopted on December 10, 1971);

The Law of Ukraine "On Leaves" (Law #504/96-BP adopted on November 15, 1996);

The Law of Ukraine "On remuneration of labor" (Law #108/95-BP adopted on March 24, 1995);

The Law of Ukraine "On trade unions, their rights and guarantees of activity" (Law # 1045-XIV, adopted on September 15, 1999);

The Law of Ukraine "On Labor protection" (Law #2694-XII adopted on October 14, 1992).

4.1 National Labor Legislation.

Types of Employment Contracts. The employment contracts defined by the Labor Code (e.g. article 21). The Employment Contract contract is an agreement entering into force between the employee and the owner of enterprise/institution according to which an employee undertakes tasks/job defined on the agreement.

Non-residents have the same rights to work in Ukraine as any Ukrainian has. However, non-residents have to provide certain documentation before starting to work in Ukraine (work permit). Also

The article 23 of the Labor Code of Ukraine, defines the following types of Employment contracts based on the duration:

- Open-ended Employment contract. This type of contract is the most common in Ukraine. In addition, this type of contracts is regulated by the Labor Code and labor laws of Ukraine mentioned above, internal rules of a Company and collective agreement.
- Term Contract. The only difference between this type of contract and the first one is that the Parties limit their collaboration to a specific period of time, based on the type of activity performed.

- Assignment-based work contract. In order to perform services based on an assignment, when special skills or short-term support is required, a special type of agreement can be concluded. This special form of contract is actually a service agreement. By using this sort of agreement parties agree and acknowledge that all conditions of their collaboration are conveyed in the contract (agreement).

Probation period. According to the article 27 of the Labor Code of Ukraine, the probationary period cannot be longer than 3 consecutive months for regular employees. In some cases it can be up to 6 consecutive months, but it must be agreed with the Primary Trade Union Organization.

Wages and deductions. The Law of Ukraine “On remuneration of work” (article 1) defines wage as remuneration calculated in monetary terms which the employer pays to the employee for the work he has done according to the employment contract. The remuneration consist of main salary – remuneration for performed work according to the established norm of labor (working time, working performance, etc) and of additional salary- remuneration for outstanding deliverables or performance or for harmful working conditions. Pursuant to Article 3 of abovementioned Law, the minimum level of salary – it is fixed by legislation level of remuneration for month or hour. In case if the salary level of an employee who has fulfilled the monthly deliverables is lower than the established minimum wage, the employer makes an additional payment up to the level of the minimum salary. As of January 1st 2020, the minimum salary¹ is 4723 UAH (apr. 174 USD). The employers usually deduct the income tax and health and social insurance contributions automatically from the wages and transfer them to the appropriate fiscal authorities.

Working hours. The Labor Code of Ukraine (Article 51) envisages a regular 40-hour work week. Reduced working hours shall be established: (a) for employees aged from 16 to 18 years old - 36 hours per week; (b) for persons aged from 15 to 16 years old (pupils aged from 14 to 15 years old working within the period of vacations) - 24 hours per week; (c) for employees performing works in harmful working conditions – not more than 36 hours per week

In addition, legislation stipulates reduction of working hours for certain categories of employees (teachers, doctors, etc). Such reduction can be compensated by enterprises and organizations for women having children under fourteen years old or disabled child.

According to the article 54 of Labor Code, when working at night the established working hours (shift) shall be reduced by one hour.

Working at night shall be put in a par with those during the day if this is required subject to conditions of production, in particular in continuous productions, as well as when working in shifts at six-day working week with one day-off. Night working hours shall be from 10:00 p.m. until 06:00 a.m.

¹ <https://index.minfin.com.ua/ua/labour/salary/min/>

Engagement of women in work during night hours should not be allowed, except for those sectors of the national economy in which this is of particular necessity and is allowed as temporary measure. Engagement of pregnant women and women having children under three years old may not be engaged in night works, overtime works, works on days-off, and business trips. Women having children aged from three to fourteen years old or disabled children may not be engaged in overtime works or sent on business trips without their consent. (Labor Code, articles 175-177).

Breaks. Employees shall be provided with a break to rest and eat. The breaks should not last more than two hours. The break shall not be included into working hours. The break for rest and meal shall be usually provided in four hours after start of work. Time of start and end of the break shall be established by internal regulations. Employees shall use the break time at their own discretion. During this time they may be absent from the workplace. (article 66 of Labor Code).

Days-off and leaves. For five-day working week employees shall be provided with two days-off per week, and at six-day working week – with one day-off. Uninterrupted weekly rest period shall be at least forty-two hours.

Work on days-off shall be prohibited. Engagement of certain employees in work on these days shall be allowed subject to permit of the elected body of trade union organization (trade union representative) of enterprise, institution or organization and only in exceptional cases which are determined by legislation.

Engagement of particular employees in work on days-off shall be allowed in the following exceptional cases: (a) for prevention or liquidation of consequences of natural disaster, epidemics, epizootics, industrial accidents and immediate remedy of their consequences; (b) for prevention of accidents which endanger or may endanger life or normal living of people, loss or damage of property; (c) for performance of urgent unforeseen works on which further normal operation of enterprise, institution or organization as the whole or separate subdivisions thereof depends; (d) for performance of urgent work in order to avoid or prevent downtime of rolling equipment or accumulation of cargo in departure and destination points.

Engagement of employees in work on days-off shall be effected on the ground of written order (instruction) of the owner or authorized by him/her body.

Work on day-off may be compensated for as agreed by the parties by providing another rest day or in monetary form in double amount. (Labor Code, Articles 66-71).

Employees of enterprises, institutions or organizations regardless of their ownership and sector, as well as those working under labor contract with individual entrepreneurs shall be entitled with for the annual (basic and additional) leaves with securing of workplace (office) and salary for these periods.

The Law of Ukraine “On Leaves” stipulates the types of leaves: 1) annual leaves: main leave; additional annual leave for work in harmful and difficult working conditions; additional annual leave for irregular working hours; etc. (Labor Code, article 77); 2) leave for studying, pregnancy and child birth; 3) research leave; 4) maternity leave; 2) vacation without compensation.

The total duration of annual basic and additional leave may not exceed 59 calendar days, and for employees employed in mining industry - 69 calendar days (Law “On Leaves” article 10).

Annual basic leave shall be given to employees for the period of at least 24 calendar days per working year worked to be calculated as from the date of entering into labor contract. Employees with eighteen years or more employment record shall be given annual basic leave for the period of 31 calendar day. (Labor Code, Articles 74-75).

In addition to annual leaves other paid and unpaid leaves or rest/sickness leaves should be granted by employers within the calendar year.

National festivals, week holidays and general holidays coinciding with the leave period shall not be counted for the leave period in calculating the days of annual paid leave (Labor Code, articles 77-78).

Overtime Work. An employer can be order overtime work in cases related to national defense or emergencies. Article 61 of the Labor Code details the circumstances when an employer may use overtime work.

As per Article 62 of the Labor Code the following categories of people should not be involved in overtime work: (1) pregnant women and women having children under three years old (Labor Code, Article 176); (2) persons under eighteen years old (the Labor Code, Article 192); (3) employees studying full time or pursuing vocational training while continuing working (the Labor Code, Article 220); etc.

Women having children aged from three to fourteen years old or disabled child may be engaged in overtime work only subject to their consent (Labor Code, Article 177).

Overtime work shall not exceed four hours during two successive days and 120 hours per year for every employee. The owner or authorized by him/her authority shall keep record of overtime work of every employee (Labor Code, Article 65).

The overtime work is paid in double amount of the regular per hour rate (the Labor Code, Article 106).

Labor Disputes. The Labor Code of Ukraine includes provisions that allow workers to resolve individual and collective disputes between the employer and the employee(s) over the terms and conditions of a labor agreement or other aspects of work, including occupational and labor safety (Articles 221-241)

The labor disputes can be considered by special commissions on labor disputes or by courts.

The procedure of labor disputes consideration by a commission stipulated by articles 223-230 of the Labor Code. If the parties do not agree with the recommendations of this commission, the conflict shall be settled in court. The procedure of labor disputes consideration by courts stipulated by articles 231-241 of Labor Code.

4.2 Brief Overview of National Legislation: OHS

The health and safety requirements in Ukraine stipulated by the Law of Ukraine “On Labor protection”. The Law of Ukraine “On Labor Protection” details basic constitutional provisions concerning employees' rights to protection their life, health on the job, to proper, safe and healthy working conditions and to regulation relations between the employer and the employee on security, occupational hygiene and working conditions issues. Besides, the Law sets a unified procedure of labor protection in Ukraine.

Every legal entity and natural persons must comply with this Law provisions when hiring employees or short-term/assignment-based workers. This Law sets responsibilities of the employer to creation of safe working conditions, for state of collective and individual means of protection from harmful influence of manufacturing processes and equipment, as well as.

The Law entitles the employees to refuse doing work, if working conditions are dangerous for his/her life or health (Article 6). Workers have the right to privileges and compensations for difficult and hazardous working conditions and damage caused by violation of labor protection rules (Article 7). It is established that damage to the employee's health or in case of his/her death shall be compensated by the Industrial Accident and Occupational Disability Social Insurance Fund of Ukraine. Besides, in compliance with collective labor agreement the employer may pay additional compensation to the injured persons or members of their families at the expense of own funds (Article 9).

This Law also regulates protection of separate categories of employees: women, minors and disabled (Articles 10-12). In particular, the Law prohibits using women's labor in harmful and dangerous working conditions, underground work, except for non-physical jobs and jobs connected with sanitary and consumer services. It is also prohibited the recruitment of women for lifting and transportation of things with weight exceeding set limits.

A separate chapter of the Law is devoted to regulation of relations in the sphere of labor protection and management (Chapter 3). The chapter defines system of state authorities and institutions responsible for the enforcement of labor and OHS legal provision.

The Law stipulates penalties in case of incompliance and violation of the provisions of the Law.

5 ESS2 and Policy Gap

5.1 ESS2 – Labor and Working Conditions

The World Bank's requirements related to labor and OHS are stipulated in the ESS2 of the Environmental and Social Framework. The 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.

ESS2 applies to direct and contracted workers employed by the project PIUs and contractors (fulltime, part-time, temporary, assignment-based 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.

PIU 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 legal framework and the ESS2. The procedures will address the way in which the ESS2 will apply to different categories of project workers including direct workers, and contract workers.

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.

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.

5.2 Policy Gap

The Ukrainian labor protection and OHS legislation is advanced and reflects all the key requirements of the ESS2.

The enforcement of the labor protection and OHS provisions at enterprise level and requires improvement. In addition, employees' awareness on their labor and OHS rights remains low. advanced legal provision at enterprise level, capacity building of employees and workers remain the main issues.

6 Responsible Staff

The key agencies responsible for the project implementation are MVTOT and UAD. Each implementing will establish a PIU for the implementation of the corresponding components of the project. Each PIU will employ the Project Component Coordinator/PIU Coordinator, social and environmental safeguards specialist, procurement specialist, financial management specialist, technical specialists. The functions of the implementing agencies are summarized in the following subsections.

The PIU Coordinator, on a daily basis, will coordinate the project activities including relations with direct employees, contractors and suppliers. In addition, the PIU will hire environmental and social safeguards specialist, procurement specialist, financial management specialist, technical specialists.

The PIU's environmental and social safeguards specialist will be responsible for the following:

- Implement and edit this LMP.
- Ensure that civil works contractors comply with the LMP.
- Prepare occupational health and safety plans before mobilizing to the field, including workers' camp management plan.
- Prepare the TOR for Health, Safety and Environment (EHS) Engineer who will be hired to supervise construction on site. This TOR should specify responsibilities, reporting lines for EHS short-term, assignment-based contractors/contracted workers.
- 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 POM.
- Monitor to verify that contractors are meeting labor and OHS obligations toward contracted and subcontracted workers as required by Ukrainian law, the WB ESS2 and the contract provisions signed between contractor and the PIU.
- Monitor contractors and subcontractors' implementation of labor management procedures.
- Monitor compliance with occupational health and safety standards at all workplaces in line with the occupational health and safety legislation of Ukraine.
- Monitor and implement training on LMP and OHS for project workers.
- Ensure that the GRM 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.

POM will include standard templates of contracts which will include LMP and OHS aspects, and the provisions on contractors' compliance. The Contractors will be required to:

- Follow the labor management procedures and occupational health and safety requirements in line with the ESMF provisions stated in the contracts signed with the PIUs.
- 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 PIU 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 labor under Ukraine legislation, on the risks of their jobs, and on measures to reduce risks to acceptable levels
- In collaboration with PIU Environmental and Social Safeguards Specialist conduct training on labor management procedures and occupational safety to manage subcontractor performance.
- Ensure that all contractor and subcontractor workers understand and sign the Code of Conduct.

The Contractor(s) with multiple contracts will be responsible for the following:

- Assigning or employing a person responsible for the adaption and implementation of the OHS plan to the requirements of the project.
- Maintaining records of recruitment and employment process of contracted workers.
- Communicating clearly job description and employment conditions to contracted workers.
- Having a system for regular review and reporting of labor, and occupational safety and health performance on site.
- Developing and implementing a grievance registration mechanism that would record and address the grievances raised by the workers.
- Delivering regular orientation and OHS training to employees.

7 Age of Employment

The Ukrainian Labor Code (Article 188) prohibits hiring youth under 16 years old. Young people under 16, but older than 14 years old are allowed to be employed for training purposes at a work place with no health risks and during off study (off class) hours.

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 labor 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.

8 Terms and Conditions

The employment terms and conditions applying to all types of MVTOT and UAD's employees and project workers, including project part-time workers (direct workers) will be governed by the internal labor rules of contractors and suppliers and regulated by the Ukrainian Labor Code and other labor-related legislation. Terms and conditions will be clearly mentioned in the written contracts for all type of project workers (full-time or part-time) and made known to them prior to commencement of work.

The work hours are 40 per week for all workers. The number of weekly overtime hours and the payment of overtime shall be governed by the provisions of the Ukrainian Labor Code which is in line with the ESS2.

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.

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 LMP, the Ukrainian Labor Code and specified in the standard contracts to be used by the MVTOT and UAD's PIUs under the project, which will be provided in Project Operations Manual and follow this LMP and the project ESMF.

In addition to these professionals, the MVTOT and UAD's PIUs shall hire as many individual consultants as needed to help with the implementation of specific project activities over the course of the implementation. All the consultants will be trained on the World Bank policies and procedures and with additional implementation support after project effectiveness.

9 PUBLIC CONSULTATIONS AND DISCLOSURE

9.1 Previous consultations

During project preparation stage, a series of public consultations with local authorities, NGO`s, farmers and citizens were organized by Ukravtodor and MRTOT together with IBRD representatives. The purpose of the consultations was to identify the key problems faced by Lugansk oblast addressing post conflict recovery issues and define activities that will help to increase opportunities for development of local communities. As a result of these public consultations the need for project addressing design to address those challenges was supported by all stakeholders (local authorities, communities, NGOs, farmers, etc.). The more detailed information on public meetings during project preparation provided in Stakeholder Engagement Plan (SEP)².

9.2 Public disclosure of ESMF

The LMP is disclosed on official website of two implementing agencies of the project in Ukrainian and English languages. Due to the limitations caused by outbreak of Covid-19 in Ukraine and the restrictions put in place by the Law # 530-IX “Amending Some Legal Acts of Ukraine to Prevent the Occurrence and Spread of Coronavirus Disease (COVID-19)” adopted on March 17, 2020, the MRTOT and UAD conducted public consultations and stakeholder engagement virtually/remotely. The electronic versions of the documents on Ukrainian were provided to local stakeholders (local city and rayon`s administrations, NGOs, farmers and business). The feedback form was also provided for filling in and providing of feedback regarding LMP. In addition, documents and contacts for submitting propositions/grievances/comments were posted on Svatove, Severodonetsk and Starobil`sk city council`s official web sites. During disclosure period the stakeholders were encouraged to provide feedback and comments on the entire project design. The stakeholders showed their high level of awareness about the Project design and its objectives; confirmed the importance of its successful implementation for the development of Luhansk region.

The public consultations process is still opened during project implementation. Stakeholders may appeal to the UAD or MRTOT with proposals/informational request at all stages of project implementation and their appeal will be responded during 30 days according to the Law “On citizen`s appeals”.

The next round of public consultation will be carried out at the later stages of project implementation during design preparation and disclosure of ESMP or per local communities` request.

² During project preparation the number of meetings and consultations took place with the representative of MRTOT, Luhansk Regional Administration (LRA), Starobilsk City Council, farmers and CSOs.

10 Grievance Mechanism

10.1 The Project Worker's GRM

A GRM will be provided for all direct workers and contracted workers to raise workplace contractual and OHS concerns. Such workers will be informed of the GRM at the time of recruitment and the measures put in place to protect them against any retaliation for its use. The GRM put in place should be easily accessible by all project workers (direct and contracted), should sufficiently meet the WB ESS2 requirements and should comply with the national labor and OHS legislation.

The project specific GM for the workers will essentially be at two levels- at the PIUs level and the at the MVTOT and UAD. It should be emphasized that this GM **is not** an alternative/substitution to legal/judicial system for receiving and handling grievances. However, this is formed to mediate and seek appropriate solutions to labor related grievances, without escalating to higher stages. Having said that, all employees always have rights, according to the Ukrainian labor and to access judicial/legal grievance management system. The Project workers' grievance mechanism will not prevent workers to use judicial procedure. It is important to distinguish the workers' GRM from the GRM to be established for project affected stakeholders.

The project will establish a step-by-step GRM procedure for the Project workers consistent with the ESS2 before the Project Effectiveness and describe them in the POM. Essentially, it will be at two levels.

The project workers' GRM will be accessible to all employees and contracted workers through various means (written, telephone, fax, social media etc.). Grievance logbook will be maintained in the PCU's office.

10.2 World Bank Grievance Redress System

The project workers may submit complaints to existing project-level grievance redress mechanisms or the World Bank's corporate Grievance Redress Service (GRS).

The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. 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 <https://projects.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>.

11 Contract Management

The construction/civil works and other contracts will include provisions related to labor and occupational health and safety requirements that must comply with the Ukrainian legislation and the World Bank ESS2.

MVTOT and UAD PIU 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. Contractors' labor management records and reports that may be reviewed would include: (a) representative samples of employment contracts or arrangements between third parties and contracted workers, (b) records relating to grievances received and their resolution, (c) reports relating to safety inspections, including fatalities and incidents and implementation of corrective actions, (d) records relating to incidents of non-compliance with national law, (e) records of training provided for contracted workers to explain occupational health and safety risks; record of training provided for contracted workers on general safety measures and level with dedicated UXO identification and preventive measures.