**Government of the Republic of Albania**

**Developing Opportunities, Resilience, and Economic Support Project (P178855)**

**Draft**

**LABOR MANAGEMENT PROCEDURES (LMP)**

**April 2023**

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# **ABBREVIATIONS AND ACRONYMS**

|  |  |
| --- | --- |
| ESCP | Environmental and Social Commitment Plan |
| ESF | Environmental and Social Framework |
| ESMP | Environmental and Social Commitment Plan |
| ESS | Environmental and Social Standard |
| GBV | Gender-based Violence |
| GRM | Grievance Redress Mechanism |
| IBRD | International Bank for Reconstruction and Development |
| IDA | International Development Association |
| IPF | Investment Project Financing |
| LMP | Labor Management Procedures |
| M&E | Monitoring and Evaluation |
| MFE | Ministry of Finance and Economy |
| MHSP | Ministry of Health and Social Protection |
| NAES | National Agency for Employment and Skills |
| NE | Ndihma Ekonomike |
| OHS | Occupational Health and Safety |
| PDO | Project Development Objective |
| PMU | Project Management Unit |
| POM | Project Operational Manual |
| PPE | Personal Protective Equipment |
| SEA | Sexual Exploitation and Abuse |
| SEP | Stakeholder Engagement Plan |
| SH | Sexual Harassment |
| SSS | State Social Service |
| WB | World Bank |

# **INTRODUCTION**

## **Labor Management Procedures Scope and Objectives**

The World Bank (WB) as a trusted partner aims to provide financing to the Government of Albania (GoA) for the implementation of the Developing Opportunities, Resilience, and Economic Support Project (hereinafter the “Project”). The Project is designed as an Investment Project Financing (IPF), and as such, needs to comply with the World Bank’s 2018 Environmental and Social Framework (ESF) comprising the Environmental and Social Standards (ESS). In response to the commitment of the GOA to comply with the ESF, the Ministry of Health and Social Protection (MHSP) has developed these Labor Management Procedure (LMP), laying out the Project’s approach to meeting the objectives of World Bank ESS 2: Labor and Working Conditions (ESS2).

The LMP sets out the terms and conditions for employment or engagement of workers on the Project, specifies the requirements and standards to be met and the policies and procedures to be followed, assesses risks and proposes the implementation of compliance measures. The LMP is developed to help avoid, mitigate, and manage risks and impacts in relation to project workers and set out the way in which project workers will be managed, in accordance with the requirements of national law and the ESS2.

The LMP applies to all project workers as defined by ESS2[[1]](#footnote-1). The focus of this LMP is on direct workers (i.e. PMU staff) and on contracted workers (expert consultants engaged directly by MHSP, MFE, and WB to perform project-related tasks and construction workers engaged for carrying out minor refurbishment works in the National Agency for Employment and Skills (NAES) training centers and the State Social Service (SSS) offices). Engagement of other workers (such as community workers and primary supply workers) is not expected. The legal framework of the government of Albania guiding Labor and Working Conditions is, with a few minor shortcomings, strongly compliant with the ESS2 as Albania is signatory to the International Labor Organization (ILO) and United Nations (UN) Conventions informing the ESS2.

The LMP seeks to achieve the following specific objectives:

* Establish arrangements to appropriately manage and protect the Occupational Health and Safety (OHS) and welfare of workers including both employees and contractors and others who may be exposed to risks associated with the project activities;
* Ensure that employees understand their rights in relation to labor and working conditions;
* Allow employees to exercise their right to freedom of association and collective bargaining;
* Provide employees and contractors with a grievance mechanism for them to raise concerns, complaints and grievances and to receive feedback on the response and any associated corrective action;
* Prevent discrimination in hiring, remuneration, access to training, on the grounds of race, national or social origin, birth, religion, disability, gender, sexual orientation, union membership, political opinions and age and promote equal opportunities;
* Manage disciplinary practices and grievances in a manner that treats affected individuals with respect and dignity and without threat, abuse or ill-treatment;
* Ban the use or support of child, forced or compulsory labor in direct operations and in the supply chain.

The provisions of the Labor Management Procedures (LMP) shall be included in the conditions of contract of the bidding documents and all associated costs, where relevant. Project contractors must follow and comply with the LMP while employing labors for different works within their areas of implementation. The LMP will be reviewed continually during implementation and adequate measures and procedures to manage negative impacts will be put in place.

## **Project Description**

The **Project Development Objective (PDO)** is to improve the employability of able-to-work Ndihma Ekonomike (NE) beneficiaries and the performance of the social assistance system to respond to the needs of the most vulnerable population. Component 1 focuses on increasing the employability of beneficiaries and supporting their transition to the labor market by (i) providing NE beneficiaries with an integrated package of employment services, (ii) introducing quality enhancements to the provision of employment services, and (iii) evaluating their cost-efficiency. Component 2 aims to improve the performance of the social assistance system by (i) ensuring the maintenance of the previous reforms to the NE and disability assessment, (ii) strengthening the capacity of the social assistance system to expand during times of shocks, including climate change exacerbated floods/droughts, and (iii) increasing the performance of the education co-benefit that is currently provided to children in NE households by the MHSP to contribute towards boosting their human capital. Component 3 provides project implementation support.

**Key Project outcomes**, as defined in the Project’s Results Framework, include:

* Increased employability of able-to-work NE beneficiaries; and
* Increased performance of the SA system to respond to the needs of the most vulnerable population.

**Project Financing and Timeline:** The total estimated project financing from the International Bank for Reconstruction and Development (IBRD) is US$ 40 million. The Project will be implemented over a period of five years. World Bank Board approval is planned for September 1, 2023. Both the MHSP and the MFE have overarching responsibilities for the social protection and employment sectors, as well as related policy oversight. To support the MHSP and the MFE (NAES), two Project Management Units (PMUs) (each of them responsible with the implementation of each of the components) will be established and will cover the main fiduciary responsibility for the Project.

# 2. **OVERVIEW OF LABOR USE ON THE PROJECT**

While the exact labor use in the Project will be determined during the implementation stage (including the number, characteristics, and timing of labor requirements), below is an overview and a summary of anticipated workers to be engaged on the project.

ESS2 categorizes the workers into direct workers, contracted workers, community workers, and primary supply workers. It is expected that Project will engage the following categories of project workers as defined by ESS2:

***Direct workers***. Direct workers include staff to be hired and engaged in the two Project Management Units (PMUs) to be established and anchored within the MHSP and the MFE to support implementation of all project activities. These workers will be hired independent consultants, engaged through the standard form of Contracts for Consultancy services provided by the World Bank. The PMU under the coordination of the MFE will include a Project Manager hired full time, and a procurement officer, a financial management officer, and an environmental & social specialist (each of the three hired part time). The PMU set up under the coordination of the MHSP will have a similar structure, plus an IT specialist (hired part time). These staff will be recruited as local technical assistance. Information with regards to the characteristics (e.g. age, sex, ethnicity, etc.) of these workers is unknown at this stage.

***Contracted workers:*** Two broad categories of contracted workers are expected: (i) service providers, and (ii) civil work contractors.

* Service providers include local individuals and/or consultancy firms engaged directly by MHSP, MFE, and WB to provide technical assistance and capacity building to MHSP and NAES. More specifically, contracted service providers/consultants will include:
  + **External experts supporting NAES monitoring and quality control functions at the central and regional levels and increasing the capacity of NAES to fully take over these functions over time.** The project will support the preparation of Terms of References and the pay for the cost of dedicated temporary experts at the central and the regional levels and/or external services to provide support on (i) M&E and (ii) implementation of quality controls, including outsourcing process control. At least one person with monitoring responsibilities will be employed full-time at the central level for the whole project. At the regional levels, where needed, an additional person will be hired for the project duration in the regional office and will be responsible for M&E, implementation quality control, and outsourcing process control.
  + **Technical experts supporting the MHSP to coordinate and monitor the reforms** in the areas of social assistance (Ndihma Ekonomike and disability assessment reform). The temporary consultants will include one social protection expert supporting the implementation of the reforms in the MHSP full time for 5 years with competencies in data analysis and monitoring too, that will support the implementation of the project, report information on the project indicators and ensure that the values of the project indicators are reflected in the National Social Protection Strategy too.  In addition, a disability expert will be hired in MHSP full time for a period of 5 years.
  + **Technical experts in the central SSS to strengthen the human resources**, including their coordination and training provision, monitoring, and dealing with the complaints of applicants on Ndihma Ekonomike and Disability assessment. Among others, the disability expert will provide initial and continuous training to the family and specialist doctors and to social administrators and members of the disability assessment committees, and will train the SSS staff on how to provide training as well for sustainability. [1 person for 5 years on Ndihma Ekonomike and 1 person for 5 years on disability.]
* Civil works contractors:Local civil work contractors are to be engaged in small-scale renovation works of the NAES training centers and SSS offices. These workers will be semi-skilled construction workers and will be predominantly male. The timing of labor requirements for civil works contracted workers is yet to be determined, as the per identified renovation needs. The work hours should not exceed 8 hours a day, with the provision of at least 1 hour for the rest.

Contracted workers will be engaged or employed by third parties’ i.e. contractors, sub-contractors, and service providers/consultants needed for project implementation and these imply professionals and support staff provided by the Contractor or Consultants or by any Sub-Contractor or Sub-Consultants assigned to perform the Services or any part thereof. The contractual and legal relationship between the third parties and the MHSP will be established through contracts awarded in line with the standard procurement procedures and bidding documents of the World Bank for specific project activities which have a standard wording for labor and working conditions requirements.

***Primary supply workers:*** This category does not apply, as primary supply workers will not be engaged on the Project.

***Community workers:*** This category does not apply, as community workers will not be engaged on the Project.

# **ASSESSMENT OF KEY POTENTIAL LABOR RISKS**

***Project activities:*** Project workers will be mainly engaged in activities related to the provision of technical assistance (by PMU staff) and capacity building (provided by engaged experts, including e.g. disability experts, technical experts, etc. to MHSP and the national and regional SSSs). Additionally, the project also includes a limited number of minor works contracts for the rehabilitation of the NAES training centres and SSSs; activities may include e.g. repainting, refacing cabinets, installing new light fixtures, replacing windows, updating appliances, adding new hardware, replacing tiles or flooring, etc.

***Key labor risks:*** There are no significant labor risks associated with direct and contracted workers. The risk of sexual exploitation and abuse and sexual harassment (SEA/SH) occurring under the project’s context is also low. The issues of migrant and seasonal workers, labor influx, and gender-based violence do not apply. Additionally, the probability of the incidence of child and/or forced labor is minimal. The project requires technical staff with skills that require experience and education, and as such which will not be possible for children or those below the age of 18 to possess. The risk of child labor will be mitigated through Certification of laborer’s age. This will be done by using legally recognized documents such as the National Identification Card and Birth Certificate.

***Occupational, health, and safety risks (OHS):*** The main labor risks associated with the Project are the potential occupational, health, and safety (OHS) risks related to renovation works. These risks are, however, Low, and may include:

* Exposure to hazardous substances (e.g. asbestos, lead, mold and silica) that create a risk of injury or illness when they are inhaled, ingested or come in contact with skin;
* Exposure to dust;
* Exposure to noise;
* Exposure to vibrations; etc.

Contractors hired for small-scale renovation works will be required to ensure that workers receive basic safety training and are adequately equipped with Personal Protection Equipment (PPE) (including e.g. masks, helmets, earplugs, overall and safety shoes, safety goggles, and others, as appropriate) and other preventive measures, as will be outlined in the Environmental and Social Management Plan (ESMP) Checklist.

# **BRIEF OVERVIEW OF LABOR LEGISLATION: TERMS AND CONDITIONS**

## **National Legislation**

Employment relations in the Republic of Albania are mainly governed by Law no. 7961, “On the Labor Code of the Republic of Albania”, as amended (hereinafter referred as the “Albanian Labor Code”), and other normative acts issued by the Albanian government to regulate various aspects of employment relations. These laws and policies are aligned with international standards, namely International Labor Organization (ILO) Conventions and EU Directives.

**The Constitution of the Republic of Albania** (recently updated with Law No. 76/2016, date 22.7.2016) guarantees the right to work, free choice of occupation, availability of work positions under equal conditions, respect for a person’s dignity at work, safe and healthy working conditions, necessary protection at work, limited working hours, daily and weekly interval for rest, paid annual holiday, fair remuneration for performed work, as well as legal protection in case of termination of working relations.

**Law No. 7961, Dt 12.07.1995 "Labor Code of the Republic of Albania"** is based on the Constitution and regulates employment in both private and public sectors. It bans all forms of discrimination and any form of forced work. The law stipulates terms and criteria for establishing employment relationships and requirements for the working conditions, including working hours, remuneration schedule, and other employment benefits. Termination of contracts and grievance mechanisms are also regulated by this law.

The main provisions of the Labor Code relevant and applicable to the Project are listed below:

* Article 9 of the Code prohibits discrimination and guarantees that all citizens have equal rights to work. 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.
* Article 8 prohibits forced or compulsory labor (defined as any jobs or services required by the individual against his/her will, threatening him/her through whatever punishment).
* Article 98 prohibits child labor by prohibiting the employment of children under 16 years of age. Children from 16 to 18 years of age may be employed only in so-called ‘easy jobs’, i.e. jobs that do not impinge the safety, health and the development of children.
* As per Article 21, employees are required to enter into an employment agreement in writing with their employees.
* 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 (Articles 76-78, 81(1)-84, 88-91).
* 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. Overtime hours cannot exceed the limit of 48 hours per week and 200 hours per year (Articles 76-78).
* 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. The additional payment for the overtime should be less than 25% of normal payment. (Article 81(1)-84, 88-91).
* The duration of night work and work performed the day before or after it must not exceed eight hours without interruption. Working hours between 19:00 and 22:00 must be compensated with an overtime wage of not less than 20 percent and work performed between 10:00 p.m. and 6:00 a.m. with an overtime pay of not less than 50 percent.
* When the employee works more than 6 hours per day without interruption, it should be provided a break, free of charge, not less than 20 minutes, which should be given after three hours and no later than after 6 hours of continuous work. If the employee works more than 9 continuous hours per day, another break is given to him/her, not less than 20 minutes (Article 54).
* An employee is entitled to a daily rest of at least 11 hours within 24 hours (Article 78).
* An employee is entitled to a weekly rest of at least 24 consecutive hours (Article 85).
* In addition to national holidays, employees are also entitled to at least 28 calendar days of paid leave per year (Article 92-94).
* 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.
* 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. They have the right to rest up to three times for 20 minutes. 104(1) & 105(2 & 3).
* An employee shall not be paid less than the national minimum wage and shall receive payment on a regular basis, at least once a month, or, if so agreed, upon the completion of specific activities, in accordance with the employment contract or engagement agreement.

**Law No. 10 221 dated 4.2.2010 “On Protection from Discrimination”, amended by Law No. 124/2020** regulates the implementation of, and compliance with, the principle of equality and non-discrimination about race, ethnicity, colour, language, citizenship, political, religious or philosophical beliefs, economic, education or social situation, gender, gender identity, sexual orientation, sex characteristics, living with HIV/AIDS, pregnancy, parentage belonging, parental responsibility, age, family or marital condition, civil status, residence, health status, genetic predispositions, appearance, disability, affiliation with a particular group or any other ground. The purpose of this law is to ensure the right of every person to:

* Equality before the law and equal protection by the law;
* Equality of opportunities and possibilities to exercise rights, enjoy freedoms, and participate in public life;
* Effective protection from discrimination and from every form of conduct that encourages discrimination.

## **The World Bank Standard on Labor and Working Conditions**

The World Bank’s stipulations related to labor are outlined in its Environmental and Social Standard 2 on Labor and Working Conditions (ESS2)**[[2]](#footnote-2)**. Key objectives of the ESS2 are to:

* Promote safety and health at work;
* Promote the fair treatment, non-discrimination and equal opportunity of project workers;
* Protect 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 all project workers, including full-time, part-time, temporary, seasonal and migrant workers. ESS2 stipulates that, 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. That said, ESS2 will not apply to government civil servants.

The development of labor management procedures (LMP) is required under ESS2. The LMP serves to outline the way in which project workers will be managed, in accordance with the requirements of national law and ESS2.

In line with the provisions of ESS2, Project workers must also 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 and employment law (which will include any applicable collective agreements), including their rights related to hours of work, wages, overtime, compensation and benefits. This information and documentation will be provided at the beginning of the working relationship and when any material changes to the terms or conditions of employment occur.

# **BRIEF OVERVIEW OF LABOR LEGISLATION: OCCUPATIONAL HEALTH AND SAFETY**

**The Law No. 10 237, dated 18.2.2010 “On Occupational Safety and Health”** is the main Law in the Republic of Albaniawhich sets out measures aimed at guaranteeing the safety and health at work of employees. The law has been harmonised with the ratified ILO Conventions and the EU Directives and complies with ESS2. The law aims to:

* Guarantee the safety and protection of health, through the prevention of occupational hazards, the elimination of risk factors and accidents, information, counselling, balanced participation, in accordance with the law, the training of employees and their representatives;
* Determine the general instructions for the implementation of this goal.

The Law regulates the implementation and improvement of occupational safety and health for persons involved in working processes or found in work environments, to prevent injuries at work, occupational diseases and work-related illnesses. According to this Law, the employer must provide a safe and healthy workplace and work environment for any employee (any person working or undertaking training at the employer, regardless of their employment status) to work. The Law stipulates the obligations and responsibilities of the employer in relation to ensuring safety and health at work (general obligations, special obligations and training for employees) and assessing and mitigating labor-related risks and hazards, provides for appointment of persons responsible for ensuring labor compliance and creating a safe working environment, and determines preventive measures for ensuring occupational safety and health.

Among other things, employers are legally obliged to:

* Evaluate the risks for the safety and health of employees;
* Inform the employees about the labor related risks and qualify the employees to comply with the requirements in the field of health, insurance, and hygiene;
* Takes the necessary measures to ensure the protection of employees in all aspects through:

a) prevention of risks;

b) information and professional training of employees and their representatives;

c) organization of collective and individual protection;

d) ensuring the organization of the workplace and the necessary tools.

* Clearly define the rules of technical insurance in order to prevent accidents and occupational diseases;
* Abide by the mandatory security and safety standards in every working area;
* Ensure proper workplace space, cleanliness, lighting, safety, etc.; as well as ensure proper working conditions adapted to the work to be performed;
* Ensure reasonable accommodation for persons with disabilities;
* Make drinking water available to the employees, at least 6 liters per day per person;
* Pay the difference between the damage and the reward that the employee receives from social insurance, when the accident or occupational disease is a consequence of the employer's serious fault;
* Bear all the expenses incurred by the employee as a result of the accident or occupational disease, in case the employee in not registered in social insurance;
* Provide individual protective equipment to employees as needed, to ensure protection against risks at workz
* Keep records of salaries and contribution payments updated every month for all employees and present this record whenever requested by labor inspectors.

**Chapter VIII "Health Insurance and Protection" of the national Labor Code** also outlines employer obligations permitting to safety and health protection at work, including ensuring proper conditions of the workplace and the work environment (Articles 45-50), measures for protection from noise, vibrations, dangerous machines and loads (Articles 51-55), measures for protection against risky movements, falls, and slides (Article 56-61), measures to protect against fires, etc.

# **RESPONSIBLE STAFF**

Two Project Management Units (PMUs) will be established and anchored within the MHSP and the MFE to support implementation of all project activities (one PMU for the implementation of each of the first two components). The Deputy Minister of MHSP and Deputy Minister of MFE will be the Project Coordinators respectively for Component 2, and Component 1. The PMUs' main responsibilities will include:

* day-to-day project management;
* preparation of annual work plans and budgets;
* preparation and regular update of the Project Procurement Plan;
* preparation of quarterly unaudited financial reports and annual audited financial statements;
* monitoring and evaluation of the Project Results Framework;
* preparation of semi-annual and annual progress reports;
* coordination with NAES and other government agencies institutions; and
* systematic filing of all project-related documents, including procurement and financial management.

The two Environmental and Social Safeguards (ESS) Specialists, each to be appointed part-time within the MHSP and MFE PMUs, will be responsible for overall management of this LMP. More specifically, the ESS Specialists will be responsible for:

* Ensuring effective implementation of this LMP;
* Ensuring compliance of civil works contractors with this LMP, including ensuring that the contractor has adequate occupational health and safety measures in place before commencement of any works, in line with national law and contract provisions;
* 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);
* Monitoring and implementing trainings and/or informative sessions on LMP and OHS for project workers;
* Ensuring that a project-specific workers’ grievance redress mechanism is established and implemented and that workers are informed of its purpose and how to use it;
* Regular monitoring and reporting on labor and occupational safety and health performance; and
* Monitoring the implementation of the Code of Conduct, as set out and signed by all project workers in contract provisions and outlined in the POM.

The POM will outline standard templates of contracts which include LMP and OHS aspects, and the contractors (individual consultants, consultancy firms, and Civil Works) commit to them. The Contractors will be responsible for:

* Managing and monitoring subcontractor performance in line with the procedures set in this LMP;
* Developing an ESMP Checklist which will apply to civil works contracts. The ESMP Checklist will be submitted to the ESS Specialists for review and approval and will be outlined in the POM.
* Maintaining records of recruitment and employment processes of contracted workers;
* Communicating the job description and employment conditions to contracted workers in a clear and transparent manner;
* Developing and implementing an effective grievance mechanism for resolving the grievances of

contracted workers (and ensuring adequate reporting and/or referral to the GRM focal point within the PMU). If the contractor has no such mechanisms in place: Ensuring that every project worker is aware of and knows how to utilize the project-specific workers’ grievance mechanism (e.g. dedicated phone number, email address, and web portal through which anyone can submit grievances);

* Providing induction (including social induction) and regular training to employees in labor protection requirements, including training on their rights under the Albania law, on the risks of their jobs, and on measures to reduce risks to acceptable levels;
* In collaboration with the PMU ESS Specialist, conducting training on labor management procedures and occupational safety to manage subcontractor performance (as needed);
* Ensuring that all contractor and sub-contractor workers understand and sign the Code of Conduct prior to the commencement of works.

After the bidding process is completed and the Contractors are known, this labor management procedure can be updated to include additional details about companies, as necessary.

# **POLICIES AND PROCEDURES**

Employment of all 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.

Adherence to law and good practice and a high level of integrity is expected from all project stakeholders. The Borrower should make it clear in tender documentation that non-compliance with the national legislation, particularly the legislation regarding terms and conditions of employment, labor rights, and occupational health and safety, may constitute the ground for termination of the contract with a contracted party and exclusion of that party from the project.

All project workers will perform work or provide services as per the conditions set in their engagement/employment contract or agreement in return for remuneration. Their status must be clearly defined in line with national law(s). Any form of disguised employment will not be acceptable. For short term and part time workers, the agreement on work should foresee the possibility of providing some rights typical of the employment relationship (refund of travel expenses, leaves, etc.).

The following measures, highlighted in the POM, will be followed by contractors, and monitored by the PMU Environmental and Social (ESS) 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.
* 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 (in this case, the “Employer” would be the contractor).
* Depending on the origin of the employer and employee, employment terms and conditions will be communicated in a 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.
* It is noted that language-related problems are not expected, but if they are, interpretation will be provided for workers as necessary.
* Foreign workers will require residence permits, which will allow them to work in Albania.
* All workers will be 18 years old or above for small-scale renovation works. This will be a requirement in PMU contracts with contractors. PMU will ensure that no construction workers between 15-18 years are employed unless they are hired for office work with shortened working hours (during out of school time).
* 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.
* All workers should have access to Grievance Redress Mechanisms (GRM) which shall be strengthened to also handle any SEA/SH related complaints.

To address and mitigate the risks and impacts associated with the rehabilitations of training centers and state social services (SSSs), the Contractor will prepare an Environmental and Social Management Plan (ESMP) Checklist in accordance with the Environmental, Health and Safety Guidelines (EHSGs), and other relevant Good International Industry Practice (GIIP), including relevant WHO guidelines, to be incorporated in the POM.

More specifically, to mitigate the OHS risks outlined in Section 2, the contractor will:

* Provide occupational health and safety training to all employees involved in small-scale renovation works (as needed);
* Provide protective masks, helmet, overall and safety shoes, and safety goggles, and other personal protective equipment (PPE) as appropriate;
* Provide workers in high noise areas with earplugs or earmuffs;
* Ensure availability of first aid box;
* Provide employees with access to frequent breaks, toilets, and potable drinking water.

The PMU will ensure regular monitoring and reporting on labor and OHS risks and performance, as well as maintain records of recruitment and employment processes of all contracted workers to ensure Contractors’ compliance with contractual agreements and this LMP. Non-compliance by the Contractor will result in remedial actions as per the provisions of the contractual agreement. The PMU will inform the Bank promptly about any incident or accident related to the project.

# **AGE OF EMPLOYMENT**

As mentioned in Section 4, Albania’s Labor Code prohibits anyone under 18 from performing “unhealthy or heavy” work, such as that associated with construction works. Workers between 15-18 years could be hired for ‘easy tasks’ that pose no risk to their health and well-being (e.g., office work) with shortened working hours (during out of school time with guardian permission).

Considering the nature of Project activities, the Project is not likely to employ persons under the age of 18. The project requires technical staff and experts with skills that require experience and education, which will not be possible for those below the age of 18 to possess. Guided by the Labor Code, the Project will ensure that no construction (renovation) workers under 18 years are employed.

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, etc. If a child under the minimum age is discovered working on the project, immediate measures will be taken to terminate the employment or engagement of the child in a responsible manner, considering the best interest of the child.

# **TERMS AND CONDITIONS**

This section outlines the terms and conditions that will apply to both direct and contractor workers as per the Government of Albania Labor Laws (in addition to the provisions of ESS2). In case of variations between the national legislations, regulations, and the World Bank Environment and Social Standards, the more stringent provision will be applied.

**Employment Agreements:** All Project workers are required to enter into an employment agreement in writing with their employees. A Project worker may be employed or engaged for work on the project only after negotiating, signing, and receiving a copy of an employment contract or engagement agreement which contains information required by the provisions of the Labor Code. The agreement should include provision on salary, duration of the worker’s contract, days of leave and rest, weekly hours of work, etc. Upon signing a contract of employment, a worker may be subject to a probationary period not exceeding six months with the same employer, to be stipulated in the contract.

The Project worker can be employed on a permanent (open-ended contract) or temporary (fixed-term contract) basis or can be engaged without establishing the employment relationship on the basis of an agreement. PMU staff (direct workers) will have fixed individual agreements/contracts with fixed monthly wage rates. The contractual and legal relationship between contracted workers and the MHSP will be established through contracts awarded in line with the standard procurement procedures and bidding documents of the World Bank for specific project activities which have a standard wording for labor and working conditions requirements.

**Wages and Compensation:** All Project workers shall be paid a wage that is above or equal to the minimum wage as established by the Government of Albania. Direct workers will be hired and paid either on a salaried or hourly basis. Positions will be classified as salaried or hourly based on the job description and in accordance with the Albanian labor code law. All employees must be equal for the benefit of the special reward on top of the salary, at the end of the year for the same work or work of equal value, without being discriminated against.

The Contractor and sub-contractors will establish rates of wages and observe conditions equitable to those established for the trade or industry where the work is carried out. The project will pay employees promptly and regularly at customary intervals and ensure that all employees are paid in full.

**Working hours:** The maximum number of ordinary hours of work for employees shall be 40 hours per week with the ordinary working days being Mondays to Saturdays.Project employees are prohibited from working more than 8 hours per day, excluding lunch and rest periods. No person under the age of eighteen years shall be employed or allowed to carry out night work.

**Night work:** The Project does not anticipate any night works. However, as per the Labor Code, the duration of night work and work performed the day before or after it must not exceed eight hours without interruption. Working hours between 19:00 and 22:00 must be compensated with an overtime wage of not less than 20 percent and work performed between 10:00 p.m. and 6:00 a.m. with an overtime pay of not less than 50 percent.

**Overtime work:** Work beyond the normal working hours can be done either with the initiative of the employee (part-time job) or with the initiative of the employer - overtime work. The employer may require the performance of additional working hours, but not more than 200 hours a year. Weekly overtime cannot be requested when the employee has worked 48 hours per week. In special cases, for a period of up to 4 months, it is possible to work more than 48 hours per week, but the average weekly working time, for this period, should not be more than 48 hours. The additional payment for the overtime should be not less than 25% of normal payment.

**Breaks and Leaves.** The time and duration of daily breaks shall be set out in the collective labor contract or in the individual contract. The Project worker is entitled to a daily rest of at least 11 hours within 24 hours, and to a weekly rest of at least 24 consecutive hours. In addition to national holidays, employees must receive at least 4 calendar weeks of annual paid leave. When the employee has not completed a full year of work, the duration of paid annual leave is determined in relation to the duration of the employment relationship. Leave without pay may also be taken by certain groups of people and may also be covered in contracts.

Project workers are also entitled to annual, sick, maternity and family leave, as required by the national legislation. Where the national legislation does not stipulate entitlement to leaves on any ground (i.e. temporary or seasonal work), the contracted party will provide the project worker, at his/her request, with a reasonable period of leave taking into consideration all the circumstances.

**Dismissal:** An employment contract or engagement agreement, except in the case of permanent employment, ends on the date of its expiry, unless both parties have agreed otherwise. In case of an early termination, a written notice will be submitted at least 15 days in advance. The termination of employment contract and payment of any related entitlements will be done in compliance with the national legislation.

**Collective Agreements:** Project workers have the right to form or join unions or other organizations of their choosing and to bargain collectively, in accordance with the national legislation. The employer (third party) will not interfere with the worker’s right to choose the organization or opt for an alternative mechanism to protect their rights regarding working conditions and terms of employment.

# **GRIEVANCE MECHANISM**

## **The Project Workers’ GRM**

A grievance redress mechanism (GRM) will be provided for all direct workers and contracted workers to raise workplace concerns. The project PMUs shall design and establish a Project-specific Grievance Mechanism, and ensure that all received comments, inquiries, and/or complaints concerning employment and labor issues will be registered, examined, and addressed through corrective measures in a transparent and fair manner. All 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 their use. The step-by-step GRM procedure will be established before Project Effectiveness and will be outlined in greater detail in the POM as well as on workers’ contracts.

The Environmental and Social Specialists within each PMU will be the points of contact for all Grievances.

Any grievance can be brought to the attention of the PMU GRM focal points (yet to be appointed) personally, by telephone, or in writing by filling in the grievance form (by e-mail, website, social media, etc.). The project-specific grievance form will be available in Albanian, English, and other languages as deemed relevant by the Project. All grievances, whether they are received verbally or in writing, will be categorized and recorded in the Grievance Log Register. The GRM focal point is also responsible for the compilation of regular grievance monitoring reports, to be submitted to MHSP, MFE, and the World Bank. The reporting frequency will be decided and outlined in more detail in the POM.

It should be emphasized that this GRM is not an alternative/substitution to the legal/juridical system for receiving and handling grievances. This GRM is designed to mediate and provide appropriate solutions to work-related grievances and complaints, without escalating to higher levels. Additionally, this GRM will not be the same as the grievance mechanism to be established for project affected stakeholders (outlined in the SEP).

**Direct workers’ GM structure**

*PMU level:* Direct workers will be able to air their grievances directly to the PMU (i.e. the ESS Specialists). A reference to this effect will be made in their contracts as well. Upon confirming the validity of the grievance, the GRM focal point must acknowledge the receipt of the grievance within 3 calendar days of receiving the grievance (through written confirmation of receipt of the comment/complaint). The GRM focal point should make all reasonable efforts to address the complaint within 7 days upon the acknowledgement of grievance. If the complainant is not satisfied with the received answer, then the grievance will be forwarded to the Ministry level.

*Ministry level:* In cases where the complainant is unsatisfied with the PMU response, the complainant will have the option to contact the Focal Person in Human Resources Department of the MHSP and/or MFE directly to follow up on the issue. The received grievance shall be acknowledged and responded to within a period of 7 days.

**Contracted workers’ GM structure**

*Contractor level.* Contractors should have their own GRM in place for resolving the grievances of contracted workers. Should such GRMs not exist, or in cases when received grievances cannot be adequately resolved by the contractors, the grievances will be forwarded by the contractor to the PMU.

*PMU level.* In cases where a contractor’s GRM is not available, or the complainant is unsatisfied with the contractor’s response, the complainant will have the option to contact the PMU GRM focal point (i.e. ESS Specialist). The received grievance shall be acknowledged and responded to within a period of 7 days. In cases where the complainant is unsatisfied with the PMU response, the grievance is to be forwarded to the Ministry level.

## **The World Bank Grievance Redress System**

The 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 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 <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.inspectionp](http://www.inspectionp) nel.org.

# **CONTRACTOR MANAGEMENT**

MHPS (the Borrower) will utilize the Bank’s 2018 Standard Procurement Documents for solicitations and contracts, and the World Bank’s Procurement Regulations for IPF Borrowers revised in November 2020.

The Project PMUs will make reasonable efforts to ascertain that all contractors and their sub-contractors are legitimate and reliable entities and are in full compliance with the labor management procedures applicable to the Project as well as the ESS2. The PMU may require contractors to provide the following information:

* Information in public records, for example, corporate registers and public documents relating to violations of applicable labor law, including reports from labor inspectorates and other enforcement bodies;
* Business licenses, registrations, permits, and approvals;
* Documents relating to a labor management system, including OHS issues, for example, labor management procedures;
* Identification of labor management, safety, and health personnel, their qualifications and certifications;
* Workers’ certifications/permits/training to perform required work;
* Records of safety and health violations and responses;
* Accident and fatality records and notifications to authorities;
* Records of legally required worker benefits and proof of workers’ enrollment in the related programs;
* GRM provisions (if available);
* Worker payroll records, including hours worked and pay received;
* Copies of previous contracts with contractors and suppliers, showing inclusion of provisions and terms reflecting ESS2.

The PMU will ensure regular monitoring and reporting on contractor performance, as well as maintain records of recruitment and employment processes of all contracted workers to ensure contractors’ compliance with contractual agreements (obligations, representations, and warranties) and this LMP. This may include periodic audits, inspections of labor management records and reports compiled by contractors. Contractors’ labor management records and reports may include: (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 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 and OHS for the project. Non-compliance by the Contractor will result in remedial actions as per the provisions of the contractual agreement. The PMU will inform the Bank promptly about any incident or accident related to the project.

**Occupational Health And Safety**

Civil works contractors will be committed to the safety of their workers at the worksite and will operate in collaboration with and to the requirements of the local health authorities. In addition, civil works contractors will have to prepare and implement an ESMP Checklist which includes provisions, measures, and procedures to be put in place by contractors to manage and monitor relevant OHS issues during the small-scale renovation works.

*Clothing and Personal Protective Equipment***.** The contractor will provide and equip all employees with the appropriate personal protective equipment (PPE) to adequately protect them from hazards associated with renovation works. The contractor will ensure that all PPE including protective clothing and equipment purchased for use by its employers is manufactured to such a nationally and internationally recognized standard as to ensure adequate protection against injury and accident.

*Reporting of Accidents.*The civil works contractor will ensure any sub-contracts established with workers for the civil works of the sub-project will outline the responsibilities to report to appropriate project staff the details of any accident as soon as possible after its occurrence. In the case of any fatality or serious accident, the contractor would ensure that the sub-contractors are aware of the importance to notify the contractor immediately by the quickest available means following an accident.

*First Aid.*In accordance with the Albanian legislation, the civil works contractor will provide and maintain adequate first aid facilities appropriate to the conditions of work. The scale of first aid facilities will be related to the size of the job. In the event of a medical emergency, the contractor will also ensure to safely evacuate injured persons to the nearest health centre/hospital.

1. The term “project worker” refers to: (a) people employed or engaged directly by the Borrower (including the project proponent and the project implementing agencies) to work specifically in relation to the project (direct workers); people employed or engaged through third parties to perform work related to core functions of the project, regardless of location (contracted workers); (c) people employed or engaged by the Borrower’s primary suppliers (primary supply workers); and (d) people employed or engaged in providing community labor (community workers). ESS2 applies to project workers including fulltime, part-time, temporary, seasonal and migrant workers. [↑](#footnote-ref-1)
2. URL: <https://thedocs.worldbank.org/en/doc/837721522762050108-0290022018/original/ESFFramework.pdf#page=45&zoom=80> [↑](#footnote-ref-2)