

Electricity Supply Reliability Improvement Project



Labor Management Procedures

September 2026



Official Use Only

Acronyms

BMP	Biodiversity Management Plan
CHMP	Cultural Heritage Management Plan
DIA	Direct Area of Influence
EPP	Emergency Preparedness Plan
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework (World Bank)
E&S	Environmental and Social
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESHS	Environmental, Social and Health and Safety
ESS	Environmental and Social Standards
GBV	Gender Based Violence
GoN	Government of Nepal
OHS	Occupational Health and Safety
W-GRM	Workers' Grievance Redressal Mechanism
GRM	Grievance Redress Mechanism
GBV	Gender Based Violence
LMP	Labor Management Procedures
NGO	Non-Governmental Organization
PAPs	Project-Affected Persons
PID	Project Information Document
RAP	Resettlement Action Plan
SEA/SH	Sexual Exploitation and Abuse/ Sexual Harassment
SEP	Stakeholder Engagement Plan
ESRIP	Electricity Supply Reliability Improvement Project
WB	World Bank



1. Overview of labor use on the project

1.1 Number of Project Workers during construction

The construction of the Electricity Supply Reliability Improvement Project (ESRIP) is estimated to employ 405 workers, averaging 81 workers per year for the construction period of five years. Based on available information and the current scoping of works associated with the project, the total construction workforce, which includes the Components 1 and 2, will reach approximately 128 workers at peak level (Year 4) and will consist of skilled, semi-skilled, and unskilled personnel. The table below summarizes the labor requirements during the nine years of construction and the types of workers.

Table 1.1: Number and types of workers required for project during construction.

Types of workers	Component	Years				
		Y1	Y2	Y3	Y4	Y5
Skilled	Component 1: Strengthening of NEA's Distribution Network and Commercial Systems	5	10	16	16	6
Semi-Skilled		10	18	35	33	20
Unskilled		-	55	60	65	30
Skilled	Component 2: Project Implementation Support	-	5	8	8	3
Semi-Skilled		-	3	5	6	3
Unskilled		-	-	-	-	-
Total		15	91	124	128	62

The assumed number of workers has been calculated by the project team based on the experiences with similar projects implemented by Nepal Electricity Authority.

Table 1.2: Number and types of people required to operate the Substation:

Substations	Man power Requirement	
	Technical	Non- Technical
Harinagara, Sunsari	7	2
Chatara, Sunsari	7	2
Beltar, Udaypur	7	2
Kakarvitta, Jhapa	7	2
Birta, Jhapa	7	2
Mahendranagar, Sunsari	7	2
Mai, Illam	7	2
Phalelung, Panchthar	7	2
Chichila, Sankhuwasabha	7	2
Total	63	18



1.2 Characteristics of Project Workers

Being an infrastructure project of a moderate scale, the ESRIP is expected to use the workers available in domestic market, thus the Project is not expected to employ foreign workers.

- **Direct workers:** These workers mainly include the skilled NEA staffs assigned directly to work in the Project, such as electrical engineers, civil engineers, administrators, finance, fiduciary and E&S staff. These direct workers will be involved in formulating project concepts and preparing and conducting early feasibility and consultation activities. Their deployment may vary over time as the Project may need specialized consultants that will be mobilized to support the design and construction of key components of the Project.
- **Contracted workers:** The pool of workers may include skilled, semi-skilled, and unskilled workers hired by the Project, contractors, and subcontractors, and they will be deployed once the contracts are awarded. Most of these workers will be involved during construction activities, and their involvement is expected to end when construction works are complete. However, a few unskilled workers could be maintained beyond construction to take care of the project infrastructures and support skilled workers in maintenance works.
- **Primary supply workers:** Primary supply workers, who will be hired by the sub-contractors, will mostly be skilled and semi-skilled workers, and most of them are expected to be intermittent and determined based on the need for their services during the project duration. Their services are likely to be limited to supply and installation of equipment, supply of raw materials for construction, as well as training and technical support to direct workers.



2. ASSESSMENT OF KEY POTENTIAL LABOR RISKS

2.1 Project activities

The type and location of the project, and the different activities the project workers will carry out.

Table 2.1: Project Activities and Types of Workers

Component/Sub-components	Proposed activities	Category of workers
Component 1: Strengthening of NEA’s Distribution Network and Commercial Systems		
Subcomponent 1.1: Strengthening of NEA’s Distribution Network	1. Construction of new 33/11 kilovolt (kV) substations	Direct workers, Contract workers, Primary supply workers
	2. Construction of new 33 kV lines to these substations	
	3. Upgrade of existing and construction of new 11 and 0.4 kV feeders and distribution lines	
	4. Installation of auto reclosure (AR) and smart load break switches	
Subcomponent 1.2: Strengthening of NEA’s Commercial Systems	1. Installation of AMI replacing the conventional metering systems	Direct workers, Contract workers, Primary supply workers
	2. Installation of meter data management	
	3. Establishment of relevant functionalities	
	4. Establishment of billing system within the AMI center	
Component 2: Project Implementation Support		
	Hiring of owner’s engineer	Direct workers, Contract workers
	Hiring of consultants to strengthen NEA’s Project Implementation Unit (PIU)	Direct workers, Contract workers
	Preparation of various technical, economic, financial, and other studies	Direct workers, Contract workers

2.2 Key Labor Risks

The following are the key labor risks associated with the project.

- Child labor:** In the context of Nepal, child labor is a risk in the labor force that will be hired by sub-contractor organizations or the firms to be selected for the supply of various goods and services for the Project. According to Nepal Living Standards Survey, the poverty rate of Koshi Province, which hosts project works, in 2024 was 17%, which is better than the national rate of 20.27%. Given the poverty, chances are high that the adolescents are more likely to join the workforce whether on paid, or voluntarily or at the behest of their family members if strict monitoring tools are not in place. Even with existing regulations preventing children from being directly employed by the Project, the relative poverty of in the project area means that children, particularly female children, may be engaged in supporting or through indirect employment opportunities associated with the project activities. Thus, the risk of child labor engaged in the project activities or ancillary industries associated with the supply chain of goods and services for the Project cannot be ruled out.



- **Forced labor:** The demand for labor means that the Project could contribute to the risk of forced employment if appropriate employment practices are not put in place. Forced labor can result from a range of employment practices, such as underpaying or not paying workers fairly in a timely manner, withholding credentials or other identification, compelling the workers to repay loans in terms of labor, and using recruitment agencies that charge large fees or commissions. As the member of illiterate and poor families as construction workers is quite prevalent in Nepal, there is an inherent risk of unfair labor recruitment process and use of trafficked persons and other forced labor practices.
- **Gender-based violence, including sexual harassment, child abuse and exploitation:** With the flow of salaried and within-country male migrant workers, chances are there that the anti-social behaviors such as petty crime and prostitution would also increase. The vulnerable segments of the population – particularly women and young girls from poor family– are most at risk for impacts relating to gender-based violence, including sexual harassment, abuse, and exploitation due to their limited education, limited ability to negotiate safe sex practices for cultural and religious reasons, and the higher risk, heightening the possibilities of contracting communicable diseases through unprotected sexual intercourse. Women can also be victims of forced marriage or sexual assault.
- **Occupational and community Health and Safety:** This Project includes civil construction activities that require workers to work at heights or in confined spaces and use heavy machinery. Civil construction also includes ground clearing, grading, levelling works, and the ground stability works, including the construction of retention walls in a difficult terrain to construct substations. Similarly, construction of new 33 kV lines to these substations, upgrade of existing and construction of new 33, 11, and 0.4 kV feeders and distribution lines and 11/0.4 kV distribution transformers also bring manageable risks to the workers. Given the scale, nature, and location of the activities planned for the Project, occupational health and safety are a concern with the potential for accidents that may result in injuries and potential fatalities as well as lost person-hours. Similarly, the main risks to Community health and safety are associated with the civil construction of the substations and the use of equipment, including explosive electrical discharges from arc faults, which may cause shocks and fires. The upgradation of distribution line and conductors, which is undertaken at existing roadside routes, may also pose risks to local pedestrians and may temporarily obstructed their free movements.



3. Brief overview of labor legislation: Terms and conditions

The Constitution of Nepal, promulgated in 2015, guarantees fundamental rights for workers such as the Right against exploitation (Article 29); the Right to a clean and healthy environment (article 30); Rights to fair labor practice, including appropriate remuneration, facilities, and contributory social security (article 34); the rights of the child (article 39), including prohibiting the engagement of children in factories, mines, or any hazardous work; and the Right to social security of different categories of marginalized communities and individuals (article 43). In the case of access to project-related jobs and procurement opportunities. Article 18(3) of the constitution says that the State shall not discriminate any citizens on the grounds of caste and tribe. In principle, these provisions are generally consistent with the objectives and requirements of ESS2 and will guide the terms and conditions of workers under ESRIP project.

Similarly, the Labor Act, 2017 and Labor Rule, 2018, further elaborate the constitutional rights of the workers vows to establish a harmonious work culture between employers and employees. The provisions stipulated in the Labor Act, 2017 and applicable to this LMP are briefly explained below:

- **Prohibition on forced labor and employing children:** No person is allowed to employ forced labor directly or indirectly and employ a child of 14 years old or below (Prohibition and Regulation) Act, 2000.
- **Prohibition on discrimination:** No labor is discriminated against on the ground of religion, color, sex, caste, tribe, origin, language, ideological conviction, or other similar grounds.
- **Employment contract is mandatory:** No employer should employ a person without a written employment contract, which should mention the remuneration and benefits to the labor.
- **Work hours:** Working hours for workers is 8 hours a day; max 48 hours a week, and overtime max 24 hours per week and overtime pay should be one and a half times of the basic wage.
- **Equal pay for equal work:** No worker is allowed to be discriminated on remuneration and benefits for an equal value of work on the ground of gender.
- **Provision for employing foreigners:** No employer is allowed to employ any foreign citizen without obtaining a work permit.
- **Annual remuneration increments and festival allowance:** Labors with one year of employment are entitled to an annual remuneration increment and one festival allowance equivalent to One month's basic salary.
- **Provisions on Leave:** Labors are entitled to weekly leave of one day, a paid public leave of 13 - day including May 1 for Male workers and 14 days For Female workers including March 8, home leave at the rate of one day for 20 days of work and sick leave of 12 days a year.



- **Maternity leave:** A pregnant female labor will get maternity leave for a total of 14 weeks before or after delivery. 60 days paid leave & remaining unpaid leave. A paid maternity care leave of 15 days for worker's wife is offered.
- **Provisions for Provident Fund:** The employer shall deduct 10% of the basic remuneration of each labor and add up an equivalent amount for the purpose of provident fund.
- **Provision for Medical Insurance:** The employer shall procure annual medical insurance of at least NRs 100,000, where half of premium should be paid from worker and accidental insurance of at least NRs 700,000 for each labor.

Moreover, Child Labor (Prohibition and Regulation) Act, 2000, which defines a child as minor who have not completed the age of sixteen years, bring stringent provisions related to employing children in factories, mines, or similar risky activities.

- **No child to be engaged in works against will:** No child can be engaged in works as a labor worker by means of persuasion, any influence or fear/threat/coercion or by any other means.
- **Provisions to engage a child in works:** To engage a child in works, a firm is required to take approval from labor office and from the father, mother, or guardian of the child.
- **Certificate of qualification needed:** A firm is required to obtain certificate of qualification based on a medical test from a labor office before employing a minor at work.
- **Working hours:** A child can't be engaged in work for more than 30 hours in a week; 6 hours in a day with 30 minutes break in the middle and entitled to one-day leave in a week.
- **No discrimination:** Any enterprise employing children as workers shall not discriminate on the grounds of sex, race, religion, caste.
- **Inspection and action:** The Labor Office may inspect a firm engaging children and can issue an order to remove the child from works if child is found being engaged against the child labor laws. Despite all these regulatory provisions, some gaps still exist.

Despite the regulatory provisions envisaged in the acts, there are gaps between the national laws and the requirements laid out by the ESS2 of the ESF. The table given below highlights the major gaps.

Table 4.1: Main gaps between GoN laws (terms and conditions) and WB ESF Standards

WB ESS2	Gaps – WB's requirements vis-à-vis Nepali laws
Labor and Working Conditions and workers GRM	• The Labor Act, 2017, which more focuses on the industrial workers rather than the construction workers, does not ask for the development projects to assess and review labor and working conditions, including the preparation of an OHS plan and a Labor Management Plans/Procedure. • Labor Act, 2017 does not envisage a separate GRM for the workers. However, Section 113 of Act allows workers to file a complaint against



	employer in case of non-compliance of contract and the employer is supposed to address the complaint within 15 days. Article 114 also allows the laborers to go to Labor Office if complaint is unsolved. However, such option is only available to those workers having formal employment contract, which is rare for construction workers.
Ensuring non-discrimination and equal opportunities to project workers	Clause 6 of the Labor Act, 2017 bars discrimination against workers on the ground of religion, color, sex, caste, tribe, origin, language, ideological conviction, or other similar ground. However, discrimination is still widespread in industries and construction project, particularly based on gender as male is still preferred in construction activities and are offered higher wages compared to women.
Types of labor contracts	Under Section 103 of the Labor Act, 2017, the employment contract between the employer and employee is mandatory. However, there is a widespread practice of employing workers without an employment contract in the construction project.
Working hours	Section 28 of the Labor Act, 2017 bars working for more than eight hours a day and forty-eight hours a week. But the enforcement of the clause is weak for the construction workers.
Benefits and deductions	The Labor Act, 2017 provisions various benefits and deductions for provident fund and gratuity. However, in the absence of due legal recognition of construction workers in infrastructure project, such deductions and benefits are hardly practiced.
Leave entitlement	Chapter 9 of the Labor Act, 2017 mandates weekly leave, public leave, substitute leave, home leave, sick leave, maternity leave, mourning leave, and the provision for accumulating leaves. However, all these leave entitlements, are being implemented only in the established businesses and industries. So, in the absence of a formal employment contract between the employee and employer in the construction projects, the implementation of the leave entitlements for the project workers is weak.
Develop and implement grievance measures for all project workers	Section 113 of the Labor Act, 2017 allows individual labor to file a complaint against the employer in case of non-compliance of contract and the Clause 116 also allows the laborers to go to the labor office if the complaint is unsolved. However, the practice of establishing GRM in projects for construction workers is rare.
Community Workers	The labor law does not recognize community workers as defined in the ESS2 and hence, does not provide any special considerations for such contracting arrangements. The law requires that all labor supply contracting agency will have to be formally registered and obtain license for such works.



4. Brief overview of labor legislation: Occupational Health and Safety

The Constitution of Nepal has incorporated various provisions to guarantee the rights of the workers to Occupational Health and Safety (OHS), such as Article 30 talks about healthy working environment whereas, Article 34 brings the issue related to rights to fair labor practice, including appropriate remuneration, facilities, and contributory social security. More importantly, Article 68 is specifically, dedicated to the OHS provisions, and asks the employer to prepare and implement a policy on the health and safety of workers and other persons at the workplace and submit the policy to the concerned labor office. Other provisions related to OHS and stipulated in the Labor Act, 2017 and applicable to this LMP are briefly explained below:

- **Duties of the employer towards labor on Occupational Health and Safety:** The employer has to ensure safe working environment, including measures to protect labor, mitigate impacts from hazardous materials, and provide training to handle & manage such materials to formulate and implement a policy on safety and health of the labors and other persons at the workplace.
- **Duties of the employer towards non-labor on Occupational Health and Safety:** The employer has to take required measures to avoid any possible adverse effect on the health and safety of any non-labor who visits or passes through the workplace.
- **Duties of labor on Occupational Health and Safety:** Labors in the workplace are required to act carefully and responsibly as per the workplace safety instructions, and use of safety measures to avoid any risk.
- **Formation of a health committee:** The employer will have to form a safety and health committee with representation of the labors in an institution that employs more than 20 workers.
- **Arrangements for control of infectious diseases:** The employer will have to make necessary arrangements for the prevention and control of infectious diseases in the workplace.
- **Special provisions relating to construction laborers:** The employers will have to ensure necessary tools & equipment at the workplace, supplies of food and water, temporary quarters, and appropriate safety arrangements for the construction labors.

Table 4.1: Gaps between Nepal Labor Act with key elements of the ESS2

Key Elements of ESS2	Provisions in the Labor Act
OSH	Clause 78 of the Labor Act, 2017 provides special provisions for and ask the employer to take measures to protect eyes of the workers, lifting load, safeguard from machine, operation of pressure plants, and protection from chemical substance.



	Clause 82 of the Labor Act, 2017 provides special provisions related to the treatment of occupational disease and make the employer responsible for providing treatment and paying compensation to worker, if required. However, Nepal's labor regulatory frameworks lack specific provisions for emergency preparedness, traffic, and road safety, dealing with hazardous materials, and safety from diseases and health impacts on the poor and vulnerable people of the host communities.
Health and Safety Policy	As per the Section 68 of the Act, the employer is required to formulate and implement a policy on safety and health of the labors and other persons at the workplace. As per the Section 74 of the Act, the employer is required to form a safety and health committee with representation of the labors in an enterprise where twenty or more workers are employed. However, the actual practice of formulating and implementing such policy is weak.
Children at Working Age	Nepal's labor regulatory frameworks completely bar the use of a child as a worker. However, due to lack of stringent monitoring and supervision, there is a use of child labor in infrastructure Projects, particularly in the activities that require less muscular strength.
Women	Nepal's labor regulatory frameworks have some women-friendly provisions such as 60 days of paid maternity leave and prohibition of sexual harassment. However, the frameworks lack provisions to address specific risks related to women OHS.
Responsibility of labor suppliers	As per the Section 61 of the Act, the labor supplier is required to obtain information related to workplace and OHS of the workers it supplies and raise concerns with the employers if case of OHS issues. However, workers are secured through informal labor suppliers in infrastructure projects in Nepal, something that makes challenging to make the supplier responsible for effective implementation of the OHS.
People with disabilities (PWD)	Person with Disabilities Rights and Protection Act 2013 provides for rights to discrimination-free employment opportunities. However, the implementation of the provision is weak due to mainly lack of incentives for employing people with disabilities.



Access to a grievance redress mechanism	Clause 113 of the Labor Act 2017 allows individual laborers to file a complaint against employer in case of non-compliance of contract and grievance, including issues related to OHS. Employees can also seek direct civil law redress from the Labor Courts for complaints regarding terms and conditions employment and wages. However, the workers are not in position to raise the complaints as most of workers in infrastructure projects are hired through informal channels without a legally forcible labor contract.
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5. Roles and Responsibilities

The social specialist of the ESRIP will be responsible for engaging with key Project players, such as contractors and sub-contractors in managing potential risk and impacts related to workers at the national and local levels. In addition, contractors will also be made responsible to manage issues related to OHS issues of contracted workers.

Table: 5.1: Key responsible staff and responsibility

Responsible agencies/ staff	Roles and Responsibilities
Project Director	• Overall supervision of the implementation of all aspects of the LMP including supervising effective implementation of the LMP, including the functioning of GRM, Worker Code of Conduct, and contractors' compliances • Incorporating labor-related requirements into procurement of works and suppliers. • Engaging with and managing contractors, including ensuring E&S compliances • Approving periodic monitoring and reporting on implementation of the LMP and OHS performance, as agreed. • Supervising the implementation of OHS obligations of the contractors and subcontractors as required by national laws and ESS2 at all workplaces • Supervising capacity-building training on OHS and other relevant issues for project workers. • Supervising the functioning of the workers' GRM, including issues related to SEA/SH
Social Specialist	• Monitoring implementation of the LMP, including contractors' compliances, and the functioning of GRM • Supporting the preparation of periodic monitoring report • Monitoring implementation of the Worker Code of Conduct • Monitoring the implementation of OHS obligations of the contractors and subcontractors • Monitoring compliance of OHS at all workplaces in line with the requirements of national laws and ESS2. • Supporting to organize periodic training to be given to the project workers on OHS and other relevant issues. • Ensuring the functioning of the workers' GRM, including issues related to SEA/SH.



E & S Focal Person at Site	• Monitor the Contractor's compliance with the approved Labor Management Plan (LMP), applicable labor laws, and project requirements. • Monitor terms and conditions of employment, including wages, working hours, overtime, leave, worker contracts, and timely payment of workers. • Monitor compliance with requirements related to child labor, forced labor, discrimination, equal opportunity, harassment, and worker exploitation. • Monitor worker welfare and accommodation facilities, including drinking water, sanitation, hygiene, food, and other basic facilities, where applicable. • Monitor implementation of occupational health and safety requirements, including worker induction, PPE, safe working practices, and reporting of labor-related accidents and incidents. • Facilitate and monitor the Workers' Grievance Redress Mechanism (GRM) and ensure that workers can raise complaints safely and without retaliation. • Conduct regular site inspections and worker consultations, maintain labor-related records, identify non-compliances, recommend corrective actions, and follow up on their implementation. • Prepare periodic LMP implementation reports covering worker numbers, labor conditions, grievances, incidents, training, non-compliances, corrective actions, and other relevant labor-related issues. • Ensure proper provision and use of personal protective equipment (PPE) and safe working practices at the site.
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6. Policies and procedures

Based on the requirements of ESS2 and national labor laws, the following policies and procedures will apply in this project.

6.1 General principles

Non-discrimination in employment:

Decisions relating to the employment and conditions of project workers will not be made based on personal characteristics unrelated to the typical requirements of the job. The employment of project workers will be based on the principle of equal opportunity and fair treatment, with no discrimination



with respect to any aspects of the employment relationship, such as recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, job assignment, promotion, termination of employment or retirement, or disciplinary practices. The contractual arrangements with each project worker must be clearly defined in accordance with national law and the requirements of the ESS2.

Contractor responsibility for Environmental and Social plans:

Environmental and social impacts of subprojects resulting from activities directly under the control of contractors will be mitigated directly by the contractors. The ESRIP will incorporate standardized environmental and social clauses and requirements in the tender documentation and contract documents to create awareness about project impacts among potential bidders, demonstrate project expectations about contractor performance, and impose liability for compliance with the environmental and social performance requirements of National laws and the World Bank and other lenders. Bidding contractors must include declared commitments and concrete measures to address environmental and social impacts related to their scope of work for the duration of the contract. The ESRIP will enforce compliance by contractors with these clauses.

As a core contractual requirement, contractors are required to prepare regular documentation and report on key environmental and social management, including the LMP to the ESRIP, or its appointed agents such as supervising consultants. A full set of contractual requirements related to environmental and social risk and impact management will be provided in the project's Environmental and Social Impact Assessment. All environmental and social requirements will be included in the bidding documents and contracts in addition to any additional measures which are contained in the project's environmental and social instruments.

No forced and bonded labor:

The ESRIP, Contractors, suppliers, or sub-contractors shall not engage in forced and bonded labor under any circumstance. Forced labor includes bonded labor (working to defray indebtedness), under excessive limitations of freedom of movement, retention of their identity, travel or other government-issued documents or personal belonging, imposition of recruitment or employment fees payable at the commencement of employment, loss or delay of wages that impede the workers' right to end employment within their legal rights, substantial or inappropriate fines, physical punishment, use of security or other personnel to force or extract work from project workers, or other restrictions that compel a project worker to work in a non-voluntary basis can be referenced to the LMP, together with any other supporting documentation.

Labor and Working Conditions:

Contractors will keep records in accordance with the specifications set out in this LMP. The ESRIP may at any time require or ask the contractors to provide records from contractors to ensure that labor conditions are met. The Project will review labor records against actuals at a minimum quarterly and



can ask to take immediate remedial actions if warranted. A summary of issues and remedial actions will be included in quarterly reports to the World Bank.

6.2 Occupational, health and safety

The ESRIP is committed to:

1. Complying with national legislation and other applicable requirements which relate to the occupational health and safety hazards.
2. Enabling active participation in OHS risks elimination through promotion of appropriate skills, toolbox meetings, as well as training on risks and hazard awareness.
3. Continually improving the OHS management system and performance.
4. Communicating OHS procedures to all persons working for the project with emphasis on individual safety awareness and responsibilities.

The ESRIP, and the Contractors will have their respective and designated Health and Safety Experts on the Project site. The Health and Safety experts hired by the Contractors, at a minimum, are expected to:

- a. identify and assess potential hazards
- b. in collaboration with the contractors, investigate the cause of accidents at the workplace
- c. inspect the workplace, including water facilities, lighting, etc. with a view to ascertaining the safety and health of workers
- d. accompany a third-party inspector(s), if required, during project-related site inspection duties in the workplace;
- e. make recommendations to the ESRIP in respect of safety and health matters affecting workers

Further, to avoid work related accidents and injuries, contractors will:

- provide occupational health and safety training to all employees involved in works.
- provide protective masks, helmet, safety boots, safety vest, gloves safety goggles etc., as appropriate.
- Provide workers in high noise areas with earplugs or earmuffs.
- Ensure availability of well-stocked first aid box at each camp and working sites
- Provide employees with access to toilets and potable drinking water.
- Properly dispose of solid waste at designated waste bins
- Carry out all procedures to prevent leakage of generator oil into the site.

Further to enforcing the compliance of environmental management, contractors are responsible and liable for safety of site equipment, labors and daily workers attending to the construction sites and safety of citizens for each subproject site, as mandatory measures.

Contractors must engage or designate at least one safety representative. Smaller contracts may permit the safety representative to carry out other assignments as well. The safety representative ensures day-



to-day compliance with specified safety measures and records of any incidents. All the incidents involving project workers that cause injuries and/or fatalities need to be managed as per the standard WB procedures. In case of such incidents, the Bank team, particularly the TTL, will request the ESRIP to provide details about the incident using an incident form (Annex 4) to ensure that pertinent information is provided. The ESRIP will send the incident form to the WB promptly within 48 hours.

Additional Training: Contractors are required to have a qualified designated safety officer on board. If training is required, this will be the contractor's responsibility. The safety officer will provide instructions to the contractor staff. The ESRIP will provide training to address risks associated with labor influx and will provide a schedule for the training required. The contractor will be obligated to make staffs available for this training, as well as any additional mandatory training required by the ESRIP, as specified by the contract.

COVID-19 considerations: It is imperative to assess and mitigate the risks of COVID-19 transmission among workers and to provide a safe environment for project workers and local communities. As a first step, contractors and workers on this project will:

- Adhere to all COVID-19 control protocols issued by the Government of Nepal and provincial authorities, the WHO and the World Bank.
- Where necessary, prepare and implement site-specific measures (as part of the project OHS plan) to mitigate the risks of COVID-19 transmission among workers.
- Promote measures for preventing the spread of COVID-19 among host communities.

As part of E&S screening, contractors will assess the risks of COVID-19 transmission before undertaking project activities: site access, construction of labor camps, consultations with project stakeholders, and based on the assessment, ensure that basic COVID-19 protocols are observed such as maintaining social distancing and practicing safe hygiene. The Senior OHS Specialist will perform additional roles as the focal point for COVID-19 and coordinate site specific measures with local health authorities and community leaders. The World Bank's [Interim note: Covid-19 considerations in construction/civil works projects](#) may be referenced for further guidance on the assessment and management of COVID-19 risks at construction sites.

6.3 Labor influx and sexual exploitation and abuse/sexual harassment

Although the risk of COVID-19 has substantially declined in recent years, contractors are required to make all possible efforts to ensure peaceful and cooperative relationships among the employers, workers, and the local communities, and is expected that a Code of Conduct (CoC) will be a vital tool to guide to maintain such healthy relationships. The CoC commits all persons engaged by the contractor, including sub-contractors and suppliers, to acceptable standards of behavior. The CoC will include a set of sanctions, including termination of work contract, for non-compliance, including non-compliance with specific policies related to SEA/SH. The CoC will be written in language that is easily understandable to workers and will be signed by each worker to indicate that they have:



- received a copy of the CoC as part of their work contract.
- understand the contents of the CoC and dos and don'ts, and also the employer explained the CoC to them as part of the orientation/induction process.
- acknowledged that adherence to the CoC is a mandatory condition of employment; and
- understood that violations of the CoC can result in serious consequences, up to and including dismissal, or referral to legal authorities.

A copy of the CoC in Nepali will be displayed in a location easily accessible to the community and project-affected people. Contractors must address the risk of SEA/SH through:

- i. Mandatory periodic orientation/training and awareness-raising for the workforce about refraining from unacceptable conduct with local community members, specifically women and children
- ii. Informing workers about national laws, particularly provisions related to SEA/SH, to make them understand that SEA/SH cases are punishable offence and can be prosecuted.
- iii. Adopting a policy of providing full cooperation to law enforcement agencies in investigating complaints related to SEA/SH.

A grievance redress mechanism for recording and addressing SEA/SH related complaints is incorporated as part of the project GRM and outlined in the project SEP. An additional GRM process as required by ESS2 is presented in Section 9 below and will be used to respond to SEA/SH cases as required.



7. Age of employment

Considering the local context, the principles and provisions of the Labor Act 2017, and the requirements of the WB ESS2, the mandatory minimum age to work in the ESRIP is 18, and no child under this age will be allowed to work on the project. Before engaging any worker, the employer will ask to produce evidence, such as a birth certificate or citizenship or any other documents issued by competent authorities that demonstrate the age of the worker. In case any dispute arises over the age of the worker after being recruited, the employer will proceed as per the provisions made in Section 12 of the Child Labor (Prohibition and Regulation) Act, 2000.

8. Terms and conditions

As stated in section 4 of this LMP, the terms and conditions of employment in this project will be governed by the Labor Act, 2017 and the requirements of World Bank ESS2. The Act makes it mandatory for employers to give their employees a written contract of employment signed by both parties. Accordingly, all contractors hired for the ESRIP will be required to provide written employment contracts to all their employees. Contractors will also be required to comply with the current regulations related to minimum wages and other benefits, which are periodically reviewed by the Government. The regulation often specifies the minimum wages, hours of work, overtime pay, leave entitlements, travelling and subsistence allowances and the issue of personal protective gear.

The Labor Act, 2017 requires that before a contract is awarded, the contractor is required to certify in writing that the wages, hour and conditions of work or persons to be given to the employees are not less favorable than those provisioned in the latest wages regulations. Where a contractor fails to comply with the requirement, the contract with the contractor may be terminated.

The contractors will be required to furnish the ESRIP with copies of the Written Particulars of Employment or copies of the contract of all its workforce. Contractors will not be allowed to deploy any employee to work in the project if such copy of employment of that employee has not been provided to the ESRIP. As a monitoring mechanism, the contractor shall not be entitled to any payment unless he files, together with his claim for payment, a certificate: - a) stating whether any wages due to employees are in arrears; b) stating that all employment conditions of the contract are being complied with. For this project, it will be a material term of the contract to allow the ESRIP to withhold payment from contractor should it not fulfil its payment obligation to its workers.



9. Workers GRM (W-GRM) Process

The Project acknowledges that workplace concerns are usually different from issues raised by project-affected parties and other stakeholders. However, given the low scale of labor during the construction phase of the project, which is presented in Table 1.1, it is envisaged that the project may not require the establishment of a standalone workers' GRM. Instead, the project will use the Project GRM, established per the requirements of ESS10 and documented in the Project's Stakeholder Engagement Plan SEP) (https://nea.org.np/admin/assets/uploads/supportive_docs/80202116.pdf). To ensure an effective and timely response to the concerns and complaints related to workers, including the SEA/SH-related complaints, the ESRIP will provide capacity-building training to the staff of the Project GRM system, including the Environment and Social Safeguards Specialist at the PMU and E&S Focal Officers/Grievance Hearing Officer at the sub-project level, to enable them to deal with the issues related to workers. Project workers can use the multiple uptake channels available for project stakeholders to file complaints, and all W-GRMs will be properly documented, investigated, and resolved before they are closed. The much-needed confidentiality and survival-centric approach will be adhered in managing and responding cases related to SEA/SH. The status of the W-GRM will be included in the Project's periodic reporting on the implementation of the SEP

10. Contractor management

10.1 Selection of Contractors

The ESRIP will use the World Bank Standard Procurement Documents for Works for solicitations and contracts, including labor and occupational, health and safety requirements. The ESRIP will make reasonable efforts to ascertain that the contractor who will engage contract workers is legitimate and reliable entities and able to comply with the relevant requirements under the LMP. The ESRIP will make sure that such requirements are included in the bidding documents. To ensure the legitimacy and reliability of the contractors, the ESRIP will collate and review the following information related to the interested contractors.

- Required business licenses, registrations, permits, and approvals as required by country's laws, on environmental assessment and borrower requirements such as ESMP and LMP
- Company standardization under ISO certification and Environmental and Social Management Systems
- Information in public records or corporate registers relating to violations of applicable labor law, including reports from labor inspectorates and other enforcement bodies
- Records relating to warnings and fine for violating applicable labor law
- Records related to accident and fatality in the activities executed by the potential contractors, including notifications to the concerned authorities.
- Litigations filed by workers associated with the contractors.
- Records of safety and health violations and responses along with the outcomes.
- Information in public records of disputes with the workers over the timely payments of agreed payroll, overtime and other perks and benefits.



- Documents relating to the contractor's labor management system and OHS system, including HR policy/manuals, safety standards and use of PPEs in workplace.
- ESHS personnel of the contractors, their experiences, qualifications, and trainings related to management of workers and workplace.
- Records of successful execution of previous assignment, showing proper management of labor and working conditions.
- Copies of previous contracts with contractors and suppliers, showing inclusion of provisions and terms reflecting ESS2.

10.2 Performance Monitoring

The Project will assign required resources and establish procedures for managing and monitoring the performance of the contractor in relation to the LMP and will ensure that the contract with the engineering and supervision consultants (and the third-party monitor, where applicable) explicitly set out their monitoring responsibility for the contractor's performance on labor and working conditions on a daily basis. The monitoring may include inspections, and/or spot checks of project locations or work sites and/or of labor management records and reports compiled by the contractor. Contractors' labor management records and reports that will be reviewed would typically include the following:

- Representative samples of employment contracts and signed code of conduct
- Periodic reporting of the implementation of the LMP, including grievances received from the community and workers, their resolution and implementation status.
- Records of periodic field visits to labor camps and workplace to understand working condition and labor management.
- Reports relating to fatalities and incidents and implementation of corrective actions.
- Records relating to incidents of non-compliance with national labor laws and regulations and the provisions of the LMP; and
- Records of training needs identification, Contractors' Training Schedule, and training provided for contracted workers to explain occupational health and safety risks and preventive measures.



11. Primary Supply Workers

11.1 Potential risks in primary supply workers

The construction works under the ESRIP will require primary supplies, including construction materials essential for the functions of the priority infrastructure, such as aggregates, bitumen and precast concrete interlocking blocks. Some contractors may be able to produce such construction materials by their workforce. However, where the contractor will source (a) essential materials (b) directly from primary suppliers (c) on an ongoing basis, the workers engaged by such primary suppliers (that meet all three criteria (a) to (c)) are deemed “primary supply workers”, as defined in ESS2.

As discussed in Section 3 (Key Labor Risks), OHS risks, labor disputes, discrimination, and exclusion of vulnerable groups, forced labor, child labor, etc., are deemed to be generally significant in the construction sector, though risks of child labor and forced labor in the case of the Project is envisaged to be less.

11.2 Selection of primary suppliers

When sourcing construction materials from primary suppliers, the contractor will require such suppliers to identify the risk of child labor/forced labor and serious safety risks in producing the construction materials. The Project will review and approve the purchase of primary supplies from the suppliers following such risk identification/assessment and any other relevant due diligence (such as the review of license for quarries). Where appropriate, the contractor will be required to include specific requirements on child labor/forced labor and work safety issues in all purchase orders and contracts with primary suppliers.

11.3 Remedial process

The Project will ask the primary supplier to take appropriate mitigation measures if cases of non-compliance with the requirements of the country’s regulatory framework or the ESS2 are identified in relation to primary supply workers. Such mitigation measures, which are agreed upon with the primary suppliers, will be monitored periodically to ascertain their effectiveness and final outcomes. Where the mitigation measures are found to be ineffective, the Project will, within a reasonable period, take appropriate measures to replace the primary suppliers to bring a new supplier that can demonstrate meeting the relevant requirements.



Annex 1: Grievance form

Grievance Form

Grievance registration no.	
Date of registration	

Details of complainant: ☐ (Tick the box for anonymity)

Name:

First Name	Middle name	Last name

Gender:

☐ Male ☐ Female ☐ Others

Address:

Province	District	Municipality	Ward No.	Name of place

Contact details:

Primary mobile no.		Email	
Secondary mobile no.		Facebook	

Preferred mode of contact: _____

Brief description of grievance

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Mode of submission of grievance:

☐ Verbal ☐ Written ☐ Complaint Box ☐ Phone ☐ Email ☐ Others

Signature of Complainant

Signature of Grievance Officer





Annex 2 Sample Grievance Closure Form

Grievance Closure Form	
Resolution	
Grievance Number	
Grievance registered date	
Description of the steps taken to resolve the grievance	
Description of the resolution	
Department: Mode of communication for reply (meeting/ written/ verbal/ display): Date closed:	
Signatures	
Complainant: Project representative: Date:	



Annex 3: Resolution notification form

Resolution Notification Form

Grievance Number:

Grievance registered date:

Resolution date:

GRM Level:

Resolution

On behalf of UAHEP

Prepared by

Name:

Date:

Signature:

Verified by

Name:

Date:

Signature:

On behalf of Complainant

Received by

Name:

Date:

Signature:



Annex 4: Incident report/documenting form

***Note:** this form is to be filled by the designated GBV focal person of the GRM with complete sensitivity and non-biasness towards the survivor and the incident*

PART 1

SURVIVOR INFORMATION

1. CASE NUMBER: (assign the Survivor a case number or incident number for confidentiality according to local coding protocols)
2. DATE AND TIME OF THE REPORT:
3. SURVIVOR AGE (DATE OF BIRTH):
4. SEX: FEMALE MALE OTHER (Please specify) RATHER NOT SAY
5. SUMMARY OF INCIDENT: (A brief summary of the incident without disclosing survivor's personal information)

PART 2

INFORMATION ON SERVICE PROVIDERS

Please indicate the organization and the time of the referral from the time the incident was reported. The survivor was referred to the following services.

1. Legal counselling/support
2. Psychosocial counselling
3. Shelter
4. Medical support
5. Police
6. Child helpline/children service providers: Child Helpline: 1098
7. OCMC (One Stop Crisis Management Centre)
8. Other

STATUS OF THE CASE

In coordination with the referred service provider, please provide information on the status of the case and accordingly document it 'CLOSED' in the GRM



Annex 5: Consent for release of information

Note: The purpose of this form is to obtain the Survivor's permission to share their information about the incident with other authorized organizations/individuals. The survivor should be informed about the authorized organization/individuals (WB, project Manager, Service providers) to whom the information will be disclosed

I, _____, give my permission for (Name of Organization) to share information about the incident I have reported.

I understand that in giving my authorization, I am giving (Name of Organization) permission to share the specific case information from my incident report with the PIC of the project/World Bank/Service Providers, so that I can receive the best possible care and assistance with safety and as per my need. I understand that the information will be treated with confidentiality and respect and shared only as needed to provide the assistance I need and request. I understand that releasing this information means that a person from the referred service provider may come to talk to me.

Signature or thumb print of the survivor:

Signature or thumb print of the parent/guardian (if survivor is under 18):

