

DEDICATED GRANT MECHANISM – (DGM)
FOR INDIGENOUS PEOPLES (IPS) AND LOCAL
COMMUNITIES (LCs) IN NEPAL



LABOUR MANAGEMENT PROCEDURE

February 2023

RURAL RECONSTRUCTION NEPAL (RRN)

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ABBREVIATIONS

CMP- Contract Management Plans

COC- Code of Conduct

CFUGs- Community Forest User Groups

CBOs- Community Based Organizations

DGM- Dedicated Grant Mechanism

DIFE- Department of Inspection for factories and Establishments

EHS- Environment, Health and Safety

ESF – Environment and Social Framework

ESS- Environmental and Social Standards

GBV- Gender-Based Violence

GESI- Gender Equality and Social Inclusion

GoN- Government of Nepal

GRM- Grievance Redress Mechanism

IPs- Indigenous Peoples

IPLCs- Indigenous Peoples and Local Communities LCs- Local Communities

LMP- Labor Management Procedure

NEA- National Executing Agency

OHS- Occupational Health and Safety

PDO- Project Development Objective

PMU- Project Management Unit

PPE- Personal Protective Equipment

PWD- Person with Disability

REDD+-Reducing Emissions from Deforestation and Forest Degradation

RRN- Rural Reconstruction Nepal

SEA- Sexual Exploitation and Abuse

SFM- Sustainable Forest Management

SH- Sexual Harassment

WB- World Bank

WHO- World Health Organization

EXECUTIVE SUMMARY

Rural Reconstruction Nepal (RRN) as the National Executing Agency (NEA) is implementing the Dedicated Grant Mechanism (DGM) Nepal project in Madhesh and Lumbini Provinces. The project goal is to specifically focus on supporting the institutional and technical capacities of individuals and representative institutions of forest-dependent IPLCs, especially at the local level to improve livelihoods and green jobs for IPLCs. The project constitutes two components particularly: Component 1 (\$ 1.5 million): Capacity building for IPs and LCs for enhancing their traditional livelihoods from sustainable forest-based activities, pursuing forest use and management rights, improving their customary governance systems, and engaging in national and global REDD+ processes; and Component 2 (\$ 2.1 million): Competitive Grants under which grants are offered to engage eligible beneficiary groups in exploring innovative livelihood and green job opportunities from forest-related activities and products, including forest-based small and medium enterprises (SMEs) and reducing pressure on forests by diversifying income sources and promoting nature-based solutions sustainably without impacting the forest and forest resources. The main beneficiaries of the DGM Nepal Project are forest-dependent IPLC organizations, groups and individuals in Madhesh and Lumbini Provinces. IPLC and their organizations, groups and individuals from other provinces may also benefit from selected activities supported under Component 1 of the project.

The Labor-Management Procedure (LMP) aims to ensure proper management of the workers and laborers in the project area by identifying potential labor-related risks and prescribing appropriate mitigation measures. This LMP mainly addresses legal compliance requirements as stipulated in Labor Act 2017 and Labor Rules 2018 along with the requirements of the World Bank's Environment and Social Standards (ESSs), especially ESS-2: Labor and Working Conditions and ESS-4: Community Health and Safety.

The exact estimation of the total workers over the period of 5 years during project implementation is yet to be specified however, this LMP applies to four types of workers viz., direct workers, contracted workers, primary supply workers, and community workers. Moreover, this LMP will apply to both; full-time and/or part-time workers, male, or female workers with a minimum age of 18. The project is expected to use a large number of community workers. Hence, detailed terms and conditions for using community workers in the project activities have been discussed in this LMP.

The LMP presents the policies and procedures that will be in place to ensure that the risks identified in this LMP are addressed during the project implementation. DGM Nepal activities are small and low-cost in nature and the possibility of significant labor risks is low. This LMP has classified the labor risks into various components and sub-components of the DGM project, therefore, labor risks would be identified according to the activities, typology of workers to be engaged in each activity, the labor requirements, and length of time carried out to accomplish the project. The key labor risks associated with the project activities are: (i) assignment of child labor and forced labor, (ii) use of unscrupulous labor practices, such as caste- or gender-based discrimination in the targeted beneficiary provinces, (iii) various employment contract risks such as non-compliance to Labor Act 2017, (iv) potential Occupational Health and Safety (OHS) risk due to hazardous work environments such as forestry activities, labor-intensive agricultural production, and plantation activities including the possible spread of communicable diseases, and v) potential SEA/SH and gender-based violence (GBV) risks associated with labor. The measures essential to mitigate the identified risks as prescribed by this LMP are ensuring fair labor and working conditions, enforcing contract management, and managing safety-related training/orientation for workers, particularly on worker's code of conduct (CoC) to be prepared by the contractors based on the template

provided in Annex 3 and as per the contract, and establishing worker's grievances, including the management of cases related SEA/SH, among others.

LMP will be the key instrument to guide labor risk management and it is a living document, hence it will be modified as the project progresses.

A Project Management Unit (PMU) under RRN/NEA will be responsible for the planning and implementation of the LMP. PMU will hold the overall responsibilities for implementation, monitoring, and reporting of the labor-management procedures covering project workers, community workers, and the primary supply workers. The Environmental and Social Safeguard Specialist(s) in the PMU in coordination with the GESI and IPLC Specialist(s) will be responsible for implementing the LMP. The I Specialist(s) will work closely with the Procurement Expert, program officers and Communication Specialist in implementing the LMP. Given that the subprojects have not been identified, it is not possible to determine at this stage the estimated number of contract workers as well as community workers that will be engaged. The PMU will update the LMP as the project proceeds and relevant information becomes available. The LMP will also be revised as the activities by the grant recipients for Component 2 becomes clear.

The project is obligated under the Labor Act, 2017 to take measures for the safety and protection of their workers, without any charge which includes providing a safe working place environment and procuring secure protective attire and equipment to carry out project activities with safety, disseminating information, education, and training on all issues of OHS requirements. The project will establish standard Code of Conduct (CoC), conditions of contract agreement, and compliance with Government of Nepal (GoN)'s act and regulation and ESS2 and ESS4 of the World Bank's ESF.

Based on national legislation and ESS2, the project will establish a Grievance Redress Mechanism (GRM) specifically to receive workplace concerns and grievances from project workers. The mechanism will be accessible to all the project workers without any discrimination. Information relating to the availability of GRM without any retribution, its institutional set-up, timings, and procedure for receiving complaints, mechanism of handling complaints, maximum time limits for redressal of complaints, and escalation level for unresolved cases and resolution thereof will be disseminated to the workers regularly. The Social Specialist(s) in the PMU and Provincial coordinators will provide overall implementation and capacity-building support for resolving all workers' grievances and will support the Project Coordinators.

Provisions related to SEA/SH and gender-based violence (GBV) are outlined in sections 6 and 132 of the Labor Act 2017. All SEA/SH-related complaints, with the survivor's consent, will be referred to the service provider identified by the PMU who will further manage the case in a survivor-centric approach¹ and will report back to the /GBV focal person within the project GRM.

¹ Principles of SEA/SH: Confidential, respectful, non-biased manner ensuring the safety, consent of and prompt referral for the survivor.

श्रम-व्यवस्थापन प्रक्रिया

सारांश

नेपाल ग्रामीण पुनर्निर्माण संस्था (RRN), ले मधेश र लुम्बिनी प्रदेशमा समर्पित अनुदान संयन्त्र (DGM), नेपाल परियोजना राष्ट्रिय कार्यान्वयन निकाय (NEA) को रूपमा कार्यान्वयन गर्दैछ। परियोजनाको लक्ष्य विशेष गरी वनमा आश्रित आदिवासी तथा स्थानीय समुदायहरू (IPLCs) को व्यक्ति र प्रतिनिधि संस्थाहरूको संस्थागत र सीपमुलक क्षमताहरूलाई विकास गर्नमा केन्द्रित छ, विशेष गरी IPLCs को लागि जीविकोपार्जन र हरित (Green) रोजगारीहरू सुधार गर्न परियोजनाले विशेष गरी दुई भागमा विभाजन गरेको छ ।

भाग -१ कम्पोनेन्ट १ (\$ 1.5 मिलियन):

दिगो वन-आधारित गतिविधिहरूबाट तिनीहरूको परम्परागत जीविकोपार्जन बढाउन, दिगो वन प्रयोग र व्यवस्थापनमा उनीहरूको अधिकारहरू सुनिस्चीत गर्न, तिनीहरूको परम्परागत शासन प्रणाली सुधार गर्न, र IPLCs को लागि क्षमता विकास , राष्ट्रिय र विश्वव्यापी REDD+ प्रक्रियाहरूमा सहभागी हुने ।

भाग -२ कम्पोनेन्ट २ (\$2.1 मिलियन):

प्रतिस्पर्धात्मक सानाअनुदानहरू जस अन्तर्गत योग्य लाभग्राही समूहहरूलाई वनमा आधारित साना तथा घरेलु उद्यमहरू (SMEs) लगायत वन सम्बन्धी गतिविधिहरू र उत्पादनहरूबाट नवीन जीविका र हरित रोजगारीका अवसरहरू खोज्न र आम्दानीका श्रोत विविधीकरण गरी वन र वनस्रोतलाई असर नगरी दिगो रूपमा प्रकृतिमा आधारित समाधान प्रवर्द्धन गरी वनमाथिको दबाव घटाउने ।

DGM नेपाल परियोजनाका मुख्य लाभग्राहीहरू विशेष गरी मधेश र लुम्बिनी प्रदेशका वनमा आश्रित आदिवासी तथा स्थानीय समुदायहरू (IPLCs) संस्था, समूह र व्यक्तिहरू हुन् । IPLCs र तिनीहरूका संस्थाहरू, समूहहरू र अन्य प्रदेशका व्यक्तिहरूले पनि परियोजनाको कम्पोनेन्ट १ अन्तर्गत चयन गरिएका गतिविधिहरूबाट लाभान्वित हुन सक्छन्।

श्रम-व्यवस्थापन प्रक्रिया (LMP) ले सम्भावित श्रम-सम्बन्धित जोखिमहरू पहिचान गरी उपयुक्त न्यूनीकरण उपायहरू तोकेर परियोजना क्षेत्रमा कामदार र मजदुरहरूको उचित व्यवस्थापन सुनिश्चित गर्ने लक्ष्य राख्दछ । LMP मा मुख्यतया श्रम ऐन २०१७ र श्रम नियम २०१८ मा उल्लेखित कानून र नियमहरू पालना गर्नुपर्ने र विशेष गरी विश्व बैंकको वातावरणीय र सामाजिक स्तर (ESS) को आवश्यकताहरू अन्तर्गत ESS-2 को श्रम र कार्य अवस्था र ESS-4को सामुदायिक स्वास्थ्य र सुरक्षा लाई सम्बोधन गर्दछ ।

परियोजना कार्यान्वयनको 5 वर्षको अवधिमा कुल कामदारहरूको सही अनुमान अझै निर्दिष्ट गरिएको छैन। यद्यपि यो LMP चार प्रकारका कामदारहरू जस्तै प्रत्यक्ष कामदार, अनुबंधित कामदार, प्राथमिक आपूर्ति कार्यकर्ता र सामुदायिक कामदारहरूमा लागू हुन्छ। यसबाहेक, यो LMP 18 वर्षको न्यूनतम उमेर भएका पूर्ण-समय र/वा अंशकालिक कामदारहरू, पुरुष वा महिला कामदारहरू दुबैमा लागू हुनेछ। परियोजनाले ठूलो संख्यामा सामुदायिक कामदारहरू प्रयोग गर्ने अपेक्षा गरिएको छ। तसर्थ, परियोजना गतिविधिहरूमा सामुदायिक कार्यकर्ताहरू प्रयोग गर्नका लागि विस्तृत नियम र सर्तहरू यस LMP मा छलफल गरिएको छ।

LMP ले यस परियोजनामा पहिचान गरिएका जोखिमहरूलाई परियोजना कार्यान्वयनको क्रममा सम्बोधन गरिएको छ भनी सुनिश्चित गर्नका लागि लागू हुने नीति र प्रक्रियाहरू प्रस्तुत गर्दछ। DGM नेपालको गतिविधिहरू साना र कम लागत प्रकृतिका छन् र महत्त्वपूर्ण श्रम जोखिमको पनि सम्भावना कम छ। यस LMP ले श्रम जोखिमहरूलाई DGM परियोजनाका विभिन्न घटक र उप-कम्पोनेन्टहरूमा वर्गीकृत गरेको छ, तसर्थ, श्रम जोखिमका गतिविधिहरू, प्रत्येक गतिविधिमा संलग्न हुने कामदारहरूको प्रकार (टाइपोलोजी), श्रम आवश्यकताहरू, र परियोजना पूरा गर्नको लागि गरिएको समयको आधारमा पहिचान गरिनेछ।

परियोजना गतिविधिहरू संग सम्बन्धित मुख्य श्रम जोखिमहरू यस प्रकार हुनेछन्:

- (i) बाल श्रम र जबरजस्ती श्रम को नियुक्ति,
- (ii) लक्षित लाभग्राही प्रदेशहरूमा जातीय वा लैंगिक भेदभाव जस्ता अनैतिक श्रम अभ्यासहरूको उपयोग,
- (iii) विभिन्न रोजगारी सम्झौता जोखिमहरू जस्तै श्रम ऐन 2017 को पालना नगर्ने,
- (iv) सम्भावित पेशागत स्वास्थ्य र सुरक्षा Occupational Health Safety (OHS) जोखिम कार्य वातावरण जस्तै वन गतिविधिहरू, श्रम-गहन कृषि उत्पादन, वृक्षारोपण गतिविधिहरू र संक्रामक रोग फैलावट र लैंगिक हिंसा; सम्भावित यौनजन्य गतिविधि र अपराध र जोखिमहरू।

यस LMP द्वारा तोकिए अनुसार पहिचान गरिएका जोखिमहरूलाई कम गर्न आवश्यक उपायहरू निष्पक्ष श्रम र कामको अवस्था सुनिश्चित गर्ने, अनुबंध व्यवस्थापन लागू गर्ने, र कामदारहरूको लागि सुरक्षा-सम्बन्धित तालिम / अभिमुखीकरण प्रबन्ध गर्ने, विशेष गरी कामदारको आचार संहिता (Code of Conduct) तयार गरिनेछ लगायत अनुबंध 3 मा प्रदान गरिएको टेम्प्लेटमा आधारित ठेकेदारहरू र सम्झौता अनुसार, र कामदारहरूको गुनासोहरू स्थापना गर्ने, Sexual Exploitations & Abuse/Sexual Harassments) सम्बन्धी मुद्दाहरूको व्यवस्थापन गर्ने।

यो LMP श्रम जोखिम व्यवस्थापन मार्गदर्शन गर्न प्रमुख साधन हुनेछ र यो एक जीवित दस्तावेज हो, यो परियोजना कार्यान्वयनको क्रममा आवश्यक भए परिमार्जन गरिनेछ।

RRN/NEA अन्तर्गतको परियोजना व्यवस्थापन इकाई (Project Management Unit) ले LMP को योजना र कार्यान्वयनको लागि जिम्मेवार हुनेछ। PMU ले परियोजना कार्यकर्ता, सामुदायिक कार्यकर्ता, र प्राथमिक आपूर्ति कार्यकर्ताहरूलाई समेट्ने श्रम-व्यवस्थापन प्रक्रियाहरूको कार्यान्वयन, अनुगमन र रिपोर्टिङको लागि समग्र जिम्मेवारी वहन गर्नेछ। PMU मा सामाजिक सुरक्षा विशेषज्ञ (हरू) वातावरण विशेषज्ञ (हरू) सँग समन्वयमा LMP कार्यान्वयन गर्न जिम्मेवार हुनेछन्। सामाजिक विशेषज्ञ(हरू) ले LMP कार्यान्वयन गर्न वातावरण विशेषज्ञ(हरू), खरीद विज्ञ र सञ्चार विशेषज्ञसँग मिलेर काम गर्नेछन्। उप-परियोजनाहरू पहिचान हुन नसकेकाले यस चरणमा करार कामदार र सामुदायिक कामदारहरू संलग्न हुने अनुमानित संख्या निर्धारण गर्न सम्भव छैन। परियोजना अगाडि बढ्दै जाँदा र सान्दर्भिक जानकारी उपलब्ध भएपछि PMU ले LMP अद्यावधिक गर्नेछ। कम्पोनेन्ट 2 को लागि अनुदान प्राप्तकर्ताहरू द्वारा गतिविधिहरू स्पष्ट भएपछि LMP पनि परिमार्जन गरिनेछ।

श्रम ऐन, 2017 अन्तर्गत परियोजनाले आफ्ना कामदारहरूको सुरक्षा र संरक्षणको लागि कुनै पनि शुल्क नलिई सुरक्षित काम गर्ने ठाउँको वातावरण प्रदान गर्ने र सुरक्षित सुरक्षात्मक पोशाक र उपकरणहरू खरिद गरी परियोजना गतिविधिहरू सुरक्षा, शिक्षा, र OHS आवश्यकताहरूको सबै मुद्दाहरूमा प्रशिक्षण जानकारीको प्रसार गर्नका लागि आवश्यक कदम चाल्नेछ। परियोजनाले आचार संहिता (Code of Conduct), ठेक्का सम्झौताका सर्तहरू, र नेपाल सरकार (GoN) को ऐन र नियमन र विश्व बैंकको ESF को ESS2 र ESS4 को मानक स्थापित र पालन गर्नेछ।

राष्ट्रिय कानून र ESS2 को आधारमा, परियोजनाले विशेष गरी कार्यस्थलका सरोकारहरू र परियोजनाका कर्मचारीहरूबाट गुनासोहरू प्राप्त गर्न गुनासो निवारण संयन्त्र (Grievance Redress Mechanism) स्थापना गर्नेछ। यो संयन्त्र बिना भेदभाव सबै आयोजनाका कामदारको पहुँचमा हुनेछ। कुनै प्रतिशोध बिना GRM को उपलब्धता, यसको संस्थागत व्यवस्था [सेटअप], गुनासो प्राप्त गर्ने समय र कार्यविधि, गुनासोहरू सम्बोधन गर्ने संयन्त्र, गुनासोहरूको समाधानको लागि अधिकतम समय सीमा, र समाधान नभएका मुद्दाहरूको लागि वृद्धि स्तर र त्यसको समाधान सम्बन्धी जानकारी प्रसारित गरिनेछ। कामदारहरूलाई नियमित रूपमा PMU र प्रदेश स्तरीय GRM को लागि तोकिएको कर्मचारी लगायत DGM नेपाल परियोजनाले सबै कामदारहरूको गुनासो समाधान गर्नको लागि समग्र कार्यान्वयन र क्षमता-निर्माण सहयोग प्रदान गर्नेछन्।

यौन शोषण तथा दुर्व्यवहार (SEA/SH) र लैङ्गिक-आधारित हिंसा (GBV) सम्बन्धी प्रावधानहरू श्रम ऐन 2017 को धारा 6 र 132 मा उल्लिखित छन्। सबै SEA/SH-सम्बन्धित उजुरीहरू, जीवित व्यक्तिको सहमतिमा, सेवा प्रदायकले पहिचान गरेको सेवा प्रदायकलाई पठाइनेछ। PMU जसले बाँच्न पाउने दृष्टिकोण [1] मा केस लाई थप व्यवस्थापन गर्नेछ र GRM परियोजना भित्र GBV फोकल व्यक्तिलाई रिपोर्ट गर्नेछ।

LABOUR MANAGEMENT PROCEDURE

1. INTRODUCTION

DGM Nepal is a World Bank-funded project that will contribute to *strengthening the capacity of targeted indigenous peoples and local communities (IPs and LCs) to participate in Nepal's REDD+ processes effectively and meaningfully at the local, national, regional, and global levels*. The project's three components have two broad divisions, (1) Capacity-building of IPs and LCs representing organizations to support Sustainable Forest Management (SFM) and other forest-relevant outcomes and (2) Enhancing the livelihoods and incomes of IPs and LCs and other forest-dependent communities by implementing sub-projects of their choice and under their control through demand-driven and participatory processes (3) Project management, monitoring, and knowledge management

While the DGM project will extend overall positive benefits in terms of capacity building and enhancing the livelihoods of IPs and LCs dependent on forest resources, some of the project activities will cause notable environmental and social impacts including concerns for occupational health and safety (OHS) of workers and community members. However, considering the activities of the project and the potential risks and impacts labor engagement in the project will be minimal. Risks associated with Occupational Health and Safety (OHS) such as; injury, falling from heights, the impacts of the low volume of waste generated, poor working conditions, and lack of personal protective equipment (PPE) are expected. Other risks around labor management may include engagement of forced and child labor, exploitative use of labor, discrimination against females, rights of the physically disabled, vulnerable and disadvantaged people, and non-compliance and unequal distribution of resources, and the mitigation measures will be placed to prevent the risks obliged with ESS2 and Government of Nepal's (GoN) policy on Labor Act 2017. Due to proximity and unemployment issues in the targeted area specifically in Madhesh Province, there are risks associated with labor influx; however, it is expected to be low and short-term. The project will generally encourage the engagement of local laborers to minimize and avoid labor influx. Considering that major Sexual Exploitation, Abuse and Sexual Harassment (SEA/SH) trigger such as labor influx are minimal in the project, SEA/SH risk rating is assessed to be 'low' using the Bank's standard SEA/SH screening tool.^f Although the SEA/SH risk is low for the project, the complexity/nature of the DGM Nepal project have the potential to augment the prevalence of GBV in various forms at the community level such as trafficking of girls, domestic violence, witchcraft accusation etc. which is an existing reality in both the project areas.

This LMP sets out the approach and mitigation measures that will be adopted to address risks and impacts related to workers and labor management of the project. This is prepared to meet the objectives and requirements of national labor-management regulations (i.e., Labor Act, 2017 and Labor Rule, 2018), the World Bank's ESF ESS2: Labor and Working Conditions and the guidance note on the ESS2 which provides guidance on the application of the standard. Among others, this LMP will include minimal measures required to mitigate and manage SEA/SH risks including activities in the LMP. It will also set out a mechanism by which workers on this project can lodge work-related grievances. It is a living document, hence, will be updated and modified as and when labor conditions are altered for project activities as the project progresses.

RRN, the National Executing Agency (NEA), will review risks related to workers periodically as the project progresses and will undertake appropriate mitigation measures to manage such adverse risks and impacts.

2. OVERVIEW OF THE LABOR USE IN THE PROJECT

The LMP applies to all types of project workers: direct workers, contracted workers, and community workers whether full-time, part-time, temporary, and seasonal or intra-province migrant workers. This LMP is applicable to the DGM project in the following types of workers and will be used to manage risks and impacts related to such workers who are directly holding technical, managerial, and other responsibilities under the project.

i. Direct Workersⁱ :

People employed or engaged directly by Rural Reconstruction Nepal (RRN) as the National Executing Agency (NEA). This includes people delegated to work specifically on project management. The direct workers listed below are under RRN/NEA:

Table 1: Direct workers employed by RRN/NEA

No	Title	Qty.
	Core team	1
	Team Leader	1
	Monitoring, Evaluation, and Knowledge Management Specialist	1
	Finance Manager	1
	Account Officer	1
	Procurement Officer	1
	Documentation and Communication Officer	1
	Program Officer	1
	Office Secretary	1
	Office support staffs	1
	Provincial Level	
	Grant/Field Coordinator	2
	Program Officer	2
	Support Staff	1
	Specialist consultants (hired as needed)	1
	Environment	1
	Social	1
	GESI and IPLCs	1
	Financial management and procurement	1
	Climate change, REDD+ and SFM	1
	Market Systems & Entrepreneurship	1
Total		22

Direct workers include core staffs and technical consultants employed by RRN/NEA who will be placed at the central level office and provincial level office. Core staff includes skilled technical staff with expertise in areas such as forestry, finance, environment, etc., and semi-skilled (office support staff – drivers and office assistants). These staff would be engaged until project completion. Core staff would be complemented by technical consultants hired as per the specific needs of the project.

ii) Contracted Workersⁱⁱ

These include people employed or engaged by the contractors and other third parties to perform work related to the core function of the project which may include specialized consultancy services for capacity building works, need assessments, unskilled and skilled construction workers, and others regardless of the location. These contracted workers have to ensure that the requirements of LMP are communicated to their sub-contractors such as their employees, subsidiary, and affiliated entities and that it is done in the local language and in a manner that is understood by all.

Contracted workers may include workers hired to carry out specific tasks for the project or enterprise development supported through the project. RRN/NEA requires different types of consultancy services to carry out capacity-building activities, training, communications, and others. RRN/NEA will contract different consultancy firms to support these activities and is expected to deploy an estimated 50 workers, constituting multidisciplinary consultants/professionals under short-term and long-term contracts. Similarly, the grantees (community and individuals) may hire contractors who will employ workers based on the level of skills and needs of the particular enterprise. Around 180 contracted workers are estimated to be engaged during different periods of the project is yet to be specified.

iii) Primary Supply Workersⁱⁱⁱ

These include people employed by the project's primary supplier for goods and materials to carry out its core functions and their workers during project implementation. Most of the project goods and materials include small-scale construction materials (brick, cement, sand, etc.), planning and harvesting equipment, and safety gears. Goods and materials required for the project will be supplied through the contractors hired for the project activities. The supply of these goods will be part of the contract with the local contractors who will independently procure from diverse local suppliers and supply them for project activities. Therefore, the engagement of primary supply workers is expected to be intermittent.

iv) Community workers

Community workers will be involved in IPLC-led forest management activities, planting of trees, the establishment of tree nurseries, conducting inventories on NTFP, forest-based income generation activities, and others. They may be engaged in payment or voluntarily to provide community labor in the project activity area. These are workers that will be mobilized through community forestry user groups (CFUGs) or CBOs to complete specific work tasks of the project. The estimated number of workers hired for this purpose is 200 in number. Community workers are expected to work according to their agreed plan and will have the flexibility of days and morning working hours as decided by the community consensual decisions maintaining the provisions in the Labor Act 2017 and WB's ESF.

3. ASSESSMENT OF THE KEY POTENTIAL LABOR RISKS

Key Labor Risks

The key labor risks associated with the project activities are: (i) assignment of child labor and forced labor, (ii) use of unscrupulous labor practices, such as caste- or gender-based discrimination in the targeted beneficiary provinces, and (iii) various employment contract risks such as non-compliance to labor act, 2017 (iv) potential Occupational Health and Safety (OHS) risk due to hazardous work environments such as forestry activities, labor-intensive agricultural production, and plantation activities, and v) potential SEA/SH risks associated with labor.

This LMP has classified the labor risks into various components and sub-components of the DGM project, therefore, labor risks would be identified according to the activities, typology of workers to be engaged in each activity, the labor requirements, and length of time carried out to accomplish the project.

Components 1 and 3:

The potential risks for labor for component 1 and component 3 are similar. Subcomponent 1.1. (Capacity-building for IPs and LCs for SFM and forest productivity) will include organizing knowledge-sharing activities, trainings focusing on skill development, visits, market promotion activities, and workshops among others. There is a risk of exposing direct workers (e.g., RRN staff) and contracted workers (e.g., trainers) to COVID-19 or other infectious diseases. Similarly, under Component 3 (Project management, monitoring, and knowledge) COVID-19 or infectious diseases may affect the project staff involved in the day-to-day administration, management, and monitoring of the project. The project workers, direct, contracted, and primary supply workers, may encounter various employment risks on unfair working hours, wage and salary, termination, leaves and benefits, working environment, and female worker discrimination (e.g., wage gap, no maternity leave, gender discriminatory practices, etc.), and SEA/SH related risks.

Component 2

The main labor risks under Component 2 (Competitive Grant to Support IPs and LCs Income-Generating Activities) are related to the labor-intensive work and enterprising activities resulting from SFM. These activities will be primarily executed by selected IPs and LCs groups and individuals in Madhesh and Lumbini Provinces.

The exact nature of the activities and the associated labor risks will be identified when the competitive grants are allocated and hence, will be updated in the LMP by RRN/NEA during the project preparation and implementation. The following could be some of the labor-intensive activities that the workers might be exposed to in terms of occupational health and safety, primarily including but not limited to:

- Chain saws and tree fall during timber cutting
- Environmental hazards (snakes, wasps, bees, wildlife, dengue mosquitos etc)
- Exposure to smoke from Forest Fires leading to various health issues.
- Exposure to airborne agents during the production of various organic products (incense-stick production, *Lapsi* processing, Nettle leaf drying and processing, etc.)
- Ergonomic hazards during the collection of raw materials and productions (Basketry, Fruit Nursery, Bamboo product value-addition, Ganoderma, and various potential cultivations, etc.)
- Exposure to chemical and hazardous substances (Resin harvesting turpentine production, Lokta paper making, Allo Fiber processing and product development, Sericulture farming, pesticide/weedicide from farming, etc.)

Subcomponent 2.2. (Training and Sustainability Assistance) includes the risk that the academic or training institutions contracted by RRN/NEA may not comply with the ESF requirements or national labor legislation.

Labor demand under this component, however minimal, will clearly trigger SEA/SH risks with the change in power dynamics that can arise with laborers and workers interacting with the communities, putting mostly women and girls at risk of SEA/SH. Therefore, the LMP will integrate appropriate SEA/SH mitigation activities.

Table 2: Key Labor risks and their corresponding activities

No.	Key Labor Risk	Activities Consistent with the Risk
1	Child and Forced Labor	<ul style="list-style-type: none"> • Engaging workers below the age of 18 in hazardous work. • Engaging workers below the age of 15 in the project activities. • Engaging workers in work or service under the threat of penalty/coercion and the workers have not offered themselves voluntarily.
2	Possible accidents or emergencies	<ul style="list-style-type: none"> • Accidents due to the hazardous work environment and lack of PPE. • Emergencies due to extreme weather conditions. • Emergencies due to political and local insecurity.
3	Occupational Health and Safety (OHS)	<ul style="list-style-type: none"> • Serious events and fatalities due to improper and lack of OHS measures. • Lack of OHS plan. • Lack of OHS and/or E&S Staff.
4	Infectious/ Transmissible diseases (COVID-19, HIV and STDs)	<ul style="list-style-type: none"> • Risk of an infectious disease outbreak and loss of life. • Inadequate provisions for worker protection equipment (PPE), including masks. • Unsanitary and ill-equipped facilities. Loss of income due to quarantines as a result of an outbreak.
5	Risks of Gender-Based Violence (GBV) and Sexual Exploitation and Abuse/ Sexual Harassment (SEA/SH)	<ul style="list-style-type: none"> • Unequal payments and wages for equal work for men and women. • Discrimination during recruitment and employment. • Acts and/or threats of Physical, Sexual, and psychological harm (targeting men and women) • Act of sexual exploitation or abuse and sexual exploitation (targeting men and women and girls including the family members)
6	Grievance Redress Mechanism (GRM) related risks	<ul style="list-style-type: none"> • Lack of independent and accessible GRM. • Lack of awareness regarding GRM amongst workers. • Inadequate tools such as trained resource person in dispute resolution, improper record-keeping of complaints, unavailability of phone or website to file complaints for the proper functioning of GRM. Lack of protection of victims and whistle blowers
7	Risks in the Recruitment process	<ul style="list-style-type: none"> • Nepotism & Corruption during the recruitment process. • Exclusion of local eligible labors. • Social conflict by IPs and local communities who feel excluded from employment opportunities due to caste, gender, or sexual orientation-based discrimination.

The risk mitigation measures of the project will be planned to fill the gaps between the Nepalese Labor Law and ESF. It will also include measures to enforce compliance with Labor Law requirements where these are consistent with ESF. Furthermore, when there are differences between national Labor Law and ESF requirements, the more stringent provisions of the two will apply.

4. BRIEF OVERVIEW OF NATIONAL LABOUR LEGISLATION AND WORLD BANK ESS2

The Constitution of Nepal, 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 remunerations, 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 enjoins the State not to discriminate against the 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 RRN's DGM project.

Table 3: Major gaps between the Nepalese Labor law and the WB ESS 2

WB ESS	Labor Act 2017 Gap
ESS2: Labor and Working Conditions	<p>The Labor Act, 2017 encompasses OHS legal provisions (Section 27) mostly related to manufacturing industries, and only a few special provisions for construction sectors have been stipulated.</p> <ul style="list-style-type: none"> • The Labor Act 2017 does not specifically require that development projects be assessed and reviewed in terms of labor working conditions including OHS requirements. • The Labor Act 2017 does not require development projects to prepare Labor Management Plan/Procedure or OHS Plan • There are no clear procedures and guidelines in place to promote non-discrimination and equal opportunity. It is not clear that quotas for the employment of people with disabilities are set firmly (as required by the Law) and/or enforced in practice. • Employment of children working alongside parents in agricultural labor is known to occur. There are persistent allegations that this is also a common practice in brick kilns, associated with debt bondage and hazardous working conditions.
ESS2: Ensuring non-discrimination and equal opportunities to project workers	<p>Clause 6 of the Labor Act 2017 bars discrimination against workers on the ground of religion, color, sex, caste & ethnicity, tribe, origin, language, ideological conviction, or other similar grounds. However, discrimination is still widespread in a construction project, particularly based on gender as male is still preferred and given higher wages.</p>
ESS2: Types of labor contracts	<p>Under Clause 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, especially in construction projects or small-scale industry works.</p>

ESS2: Benefits and deductions	The employment contract agreed between the employer and employee as per clause 103 of the Labor Act 2017 should mention remuneration, and benefits to be received by the labor. Similarly, Clause 38 also bars any deductions from agreed remuneration to except those allowed by the laws. Deductions of 10% of the basic remuneration as a contribution to the provident fund and 8.33% for the gratuity fund are the major deductions practiced in established businesses and industries. However, in the absence of employment contracts for construction workers in the construction project, the deductions and benefits are not clearly spelled out and enforced.
ESS2: 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 established businesses and industries. However, in the absence of a formal employment contract between the employee and employer in construction or small-scale projects, the implementation of leave entitlements for the project workers is weak.
ESS2: Develop and implement grievance measures for all project workers	Clause 113 of the Labor Act 2017 allows individual laborers to file a complaint against the employer in case of non-compliance with the contract and Clause 116 also allows the laborers to go to the labor offices if the complaint is unsolved.

The provisions of the constitution relative to the terms and conditions of workers are further codified in the Labor Act 2017 and Labor Rule 2018, and Child Labor (Prohibition and Regulation) Act, 2056 B.S. (2000) guaranteeing the rights, interests, provide adequate facilities, and safety of workers and establishing harmonious work culture between employers and employees. These national laws aim to establish equitable, fair, and professional relationships among employers and workers and foster a good culture of work.

Child Labor Legislations the Child Labor (Prohibition and Regulation) Act, 2056 B.S. (2000) prohibits engaging children in factories, mines, and other hazardous activities. In the context of DGM Nepal, intensive agro or forest-based labor or similar activities that involve the handling of heavy machinery could pose risks to underage workers. Under Section 3 of the Act, “child having not attained the age of 14 years is strictly prohibited to be engaged in works as a laborer”. Under Section 4, “engagement of a child in works as a laborer against his/her will by way of persuasion, misrepresentation or by subjecting him/her to any influence or fear or threat or coercion or by any other means is prohibited.”

The key legal obligations from the Labor Act 2017, as terms and conditions of work, applicable to DGM Nepal’s LMP are:

- Fundamental provision prohibiting the engagement of forced labor, child labor at work, discrimination, and unequal pay at work.
- Provision for employment of four categories of workers based on the time and nature of work; direct workers, contracted workers, primary supply workers, and community workers.
- Provision of employment contracts for all types of laborers. This includes (a) the nature of employment, (b) the primary work of the Employee and his/her position, (c) the statement that the Employees' Service Rule will be an integral part, (d) remuneration or wages, (e) overtime, compensation, and benefits, (f) terms of the employments of the Employee (g) date, time and schedule of work, (e) payment mode and such other matters as prescribed, (f) rest per week, annual

holiday and sick, maternity and family leave, as required by national law and labor management procedures

- Provision of part-time work and social security for the workers
- Provision for labor supply and the responsibility of the suppliers towards labor. This requires that the employer must obtain the workers from licensed labor suppliers. If outsourced workers are not from the licensed labor supplier, they are deemed to be workers of the main employer. The employer should ensure the workers are provided minimum remuneration and adequate facilities as per the Labor Act 2017.
- Fundamental provision on Occupational Health and Safety (OHS) including the role and responsibility of suppliers and manufacturers.
- Provisions for special types of industries and facilities provided.
- Provisions for a good culture of work, discipline at work, and performance of labor
- Provision against Sexual Exploitation, abuse (SEA), and sexual harassment (SH).
- Provision for collective bargaining.
- Provision for labor audit for each workplace.

The Labor Act 2017 covers all aspects and relevant areas related to labor and workforce risk management, including wage and salary, termination, redressing, work environment, female workers, recruitment, unionization, and child labor, among others. The salient features of the Labor Act 2017 that this LMP is guided by are as follows:

Work hours: Working hours will be 8 hours a day and 48 hours a week as per section 28 of the Labor Act 2017. Section 19(2) states that the maximum overtime is 4 hours a day and 20 hours a week. As per section 30 of the amendment of the act, the maximum overtime has been increased to 24 hours a week. The Act provides an arrangement for transportation while engaging female workers for an extended period after sunset.

Wages: The term "Wages" means all economic benefits including salary, any bonus, and remuneration for overtime work, holiday or leave, termination of employment, or other additional remuneration payable under the terms of employment. Every employer is responsible for the timely payment of wages to workers employed by them. The maximum wage period is one month. The wages of every worker must be paid before the expiry of the 7th working day after the last day of the wage period.

The Ministry of Labor, Employment, and Social Security has recently prescribed the minimum wage for the workers of NRs.15,000 per month under article 106 of the Labor Act 2017 by publishing a notice in the Nepal Gazette on 3rd May 2021 ("Gazette Notice"). In addition to the Minimum Wage, provident fund and gratuity will be provided in accordance with the Labor Act.

Where the employment of a worker is terminated by retirement or by the employer, whether by way of retrenchment, discharge, removal, dismissal or otherwise, the wages payable to him/her must be paid before the expiry of the 30th working day from the day on which his/her employment is so terminated. Wages have to be paid in legal tender, through cheque, and in some cases (given the requirement of the laborers) through an electronic transfer in favor of the bank account of the worker or through any other digital medium. Wages must be paid on a working day. No deduction can be made from the wages of a worker except those authorized by the worker.

Workers union: The Labor Act 2017 entrusted the right of labor to involve in or have an affiliation with the trade union organization. Although the DGM project will not have many instances for union

activities given the time frame and characteristics of the project, the workers will have the right to develop alternative mechanisms to express their grievances and protect their rights regarding working conditions, terms of employment as well as collective bargaining or alternative mechanisms.

Regular leaves and benefits: According to Labor Act 2017, every worker must enjoy paid sick leave, casual leave, festive holidays, and mourning leave. The worker would get festival allowances as per the rules. The Act provides the provision of terminal benefits to permanent workers and for certain benefits, such as gratuity, the workers should have completed a certain year of services. There have been also changes in the benefits such as the rate of gratuity and leave encashment, etc.

Maternity/Paternity leave: According to Labor Act 2017, female workers will get paid maternity leave. The Act makes it compulsory to allow maternity leave from two (2) weeks before the delivery up to at least 6 weeks after the delivery. An expecting mother is entitled to 98 days of maternity leave, and full payment up to sixty (60) days after submission of the necessary documents. The act also allows fifteen (15) days of fully paid paternity leave.

Safe work environment- Health/ Safety/ Welfare: The Labor Act 2017 entrusts to constitute a Safety and Health Committee where 20 or more workers are engaged (article 74). Also, the employer shall constitute the Collective Bargaining Committee (article 116) where 10 or more workers are engaged in the entity. This Act also ensures worker safety and health and aims to resolve any kind of disputes and unfairness.

Notice periods: The Labor Act 2017 made provision for the termination of employment voluntarily by submitting a resignation letter. The employer must approve the resignation within 15 days and provide notice thereof to the worker. Even if the employer does not approve the resignation, the resignation becomes effective on the next day of the expiry of the 15 days. However, if the worker continues to work in the entity even on the effectiveness of resignation in such a situation the resignation is deemed canceled. Termination is considered a “discharge” in the case that a worker is fired for reasons of mental or physical incapacity, illness, or other reasons not related to misconduct by the worker. The employer must pay compensation when a termination is unrelated to discharge or dismissal and must give justification when they terminate on grounds of discharge or dismissal.

The NEA will introduce the practices to develop a standard code of conduct (CoC), and conditions of contract agreement by including all legal clauses, collective agreements, and other special terms and conditions for each labor category, service providers, contractors, subcontractors, and other project parties.

5. OVERVIEW OF LABOUR LEGISLATION: OCCUPATIONAL HEALTH AND SAFETY

The special provisions related to OHS and working conditions are stipulated in section 12 of the Labor Act 2017. These provisions are aligned with ESS2 and the WBG General EHS Guidelines 2007 and mentioned in section 7 of Labor Rule, 2018. The provisions aim to protect the labor and concerned people at the workplace against safety and health hazards arising from project-related activities. The Labor Act 2017 entrusts the employer with the obligation to ensure the safety and health of all its employees, and also to mitigate risks of exposure to any hazards in the workplace.

The legal obligations related to OHS, applicable to LMP, are listed below:

- There must be a provision to inform OHS policy at the workplace to the workers, beneficiaries, and stakeholders.
- Responsibility of the employer towards workers such as access to information, facility, personal protective equipment (PPE), and training on all kinds of OHS-related issues and the responsibility of workers to use precaution and safety gear while working.
- Provision regarding the protection of non-workers such as visitors and others.
- Provision regarding non-discrimination based on caste/ethnicity, gender, religion, language, origin, and ideology.
- Provision for appointment of qualified and responsible persons as OHS officers at the workplace for OHS implementation. The officer will have the responsibility to have a joint safety and health committee comprising supervisors and workers at the provincial subproject worksite.
- Provision for the immediate shutdown of work and all the machinery in case of severe OHS concern.
- Provision for eye protection, protection against harmful chemicals, operation of pressurized machine/vessel, machine guarding, handling/lifting of load, fire protection, and provision against fatigue.
- Provision for treatment and prevention of communicable and infectious diseases.
- Specific requirements for the workplace in terms of health and safety include proper cleanliness, the adequate passage of fresh air, proper light and temperature, solid waste management, noise control measures, potable drinking water, bathroom or modern toilet facilities, a mandatory medical check-up for workers undertaking hazardous activities, regular sanitation inspections of lavatories, water dispensers, resting stations, etc., an appropriate amount of time for lunch, and a childcare center for workers' children under three years.
- Provision for onsite first aid and primary health care facilities.
- Provision for timely accident investigation, inventory of work-related diseases, and compensation.
- Clause 78 of the Labor Act 2017 provides for comprehensive OHS and empowers the Department of Inspection for Factories and Establishments (DIFE) to conduct inspections of establishments and to impose penalties for violations or non-compliance.

The above OHS measures for addressing health and safety issues comply with national legislation, WB's ESF requirements, and other applicable requirements which relate to OHS hazards.

Health and Safety Offences

The Labor Act 2017 provides stringent sanctions for the violation of the provision of such an Act. The Sanctions include fines, imprisonment, or both. The authority to impose sanctions also depends on the nature of the violation. As per the law, there are three institutions viz.; the Labor office, Labor Department, and Labor Court. An entity found guilty of discriminating against workers may be fined up to NRs 100,000 in an order to maintain equality among workers going forward. Similarly engaging a worker without an appointment letter or employment agreement can attract a fine up to NRs. 500,000 at a rate of NRs.10, 000 per worker; the order to conclude an employment agreement and provide an appointment letter shall also be given. Additionally, engaging a bonded labor can attract imprisonment of up to 2 years and a fine up to NRs. 5000,000 or both. The Labor Court may require the offending entity to provide such bonded labor with remunerations, allowance, and other facilities, as well as to indemnify the bonded labor with an amount double such remunerations, allowance, and other facilities.

If the entity does not make health and safety arrangements knowingly and as a result the worker dies or suffers physical or mental injury: Imprisonment is up to 2 years, except otherwise provided. The person suffering the injury should be compensated.

Table 4: Conformance of the Nepal Labor-related laws with key elements of the ESS2

Key Elements of ESS2	Provisions in the Labor Act 2017 and related labor laws
Equal opportunity to all and Non-discrimination based on castes, ethnicity, religion, gender/sex, age, and disabilities among others	<p>The law contains important provisions prohibiting discrimination based on sex and disability, including equal wages for equal work (articles 6 and 7)</p> <p>The Caste-Based Discrimination and Untouchability (Offence and Punishment) (First Amendment) Act 2075 (2018) pursuant to Article 83 of the Constitution of Nepal 2072 (2015) prohibits untouchability and discrimination, on the ground of origin, caste, race, descent, community, occupation or business or physical condition</p>
Timely payment	Clause 35 of the Labor Act 2017 says that wages must be paid within three days from the date of completion of the work in the case of a laborer working for a period of less than one month. However, in the case of a laborer employed in casual work, payment should be made immediately after the completion of the work.
Working hours and overtime	Clause 17 of the Labor Act 2017 provisions that the working hours should be 48 hours per week extendable up to 72 hours with 24 hours of overtime
Minimum Wage	The minimum wage (section 8) and the payment will be paid, which is NRs. 15, 000 per month. Section 2, per Article 35.
Worker Rights	Chapter 9 (Clauses 40-51) of the Labor Act 2017 provisions various types of leaves for workers while clause 103 of the Labor Act 2017 talks about the benefits to be awarded to the workers. Similarly, as per Clause 144 of the Labor Act 2017, the employer must provide notice and reasons for termination.
Prevents the use of all forms of forced labor and child labor	<p>Clause 4 of the Labor Act 2017 bars employing any forced labor and Clause 5 of the Act prohibits employing a child of 14 years old or below.</p> <p>The minimum age for admission to any type of employment or work which by its nature or the circumstances in which it is carried out is likely to jeopardize the health, safety, or morals of young persons shall not be less than 18 years. (Article 3)</p> <p>Article 7, Section 27 states that National laws or regulations may permit the employment or work of persons 13 to 15 years of age on light work which is: - Not likely to be harmful to their health or development; and not such as to prejudice their attendance at school, their participation in vocational orientation or training programs approved by the</p>

	competent authority, or their capacity to benefit from the instruction received.
OHS	The law provides for comprehensive OHS and empowers the Department of Labor and Occupation Safety to conduct inspections of establishments to impose penalties for violations or non-compliance (section 27)
Children of Working Age	No children below the age of 18 can work (section 2, article 3)
Women	Clause 45 of the Labor Act 2017 has provisions of 60 days of paid maternity leave for expectant mothers as mandatory
Persons with Disabilities (PWD)	Persons with disabilities Rights and Protection Act 2016 provides for rights to discrimination-free employment opportunities
Migrant Workers	No special provisions for migrant workers but provisions for foreign workers (article 6)
Community Workers	The labor law does not recognize community workers as defined in the ESS2, hence does not provide any special considerations for such contracting arrangements. The Labor Act 2017 requires that all labor supply contracting agencies will have to be formally registered and workers should first be the responsibility of the contracting agency.
Primary Supplier/ Supply workers	The law does not assign any responsibility to the project and NEA on the supplier's workers and their working conditions, workers of suppliers will have to be the responsibility of the suppliers.
Freedom of association and collective bargaining	Clause 116 of the Labor Act 2017 says that Where 10 or more workers are engaged in the entity, the employer shall also constitute the Collective Bargaining Committee as per section 116 of Labor Act 2017 but the government does not permit any collective demand in the following area providing essential service, or (a) established in Special Economic Zone, (b) state of Emergency declared as per the Constitution.
Access to a grievance redress mechanism	Clause 113 of the Labor Act 2017 allows individual laborers to file a complaint against the employer in case of non-compliance with the contract. Workers can also seek direct civil law redress from the Labor courts for complaints regarding terms and conditions of employment and wages. While health and safety, maternity welfare, and child labor offenses are subject to criminal prosecution.

6. POLICIES AND PROCEDURES

Based on the requirements of ESS to national labor laws the following policies and procedures for application 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 unfair 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, and promotion, termination of employment or retirement, or disciplinary practices. The contractual arrangement with each project worker must be clearly defined in accordance with national law.

Contractor responsibility for Labor management

Most labor-management-related impacts resulting from activities directly under the control of contractors will be mitigated directly by the contractors. The RRN/NEA will incorporate standardized labor-related clauses including the requirements of the SEA/SH Action Plan and Worker COC in the documentation and contract documents, to create awareness about project impacts among potential grantees while demonstrating project expectations about contractor performance, and to impose liability for compliance with the labor performance requirement of GoN and the World Bank. The RRN/NEA will enforce compliance by contractors with these clauses. As a core contractual requirement, the contractor is required to ensure all documentation related to labor management is available for inspection at any time by NEA and other concerned offices. Likewise, similar obligations will be required for third-party contractors.

No forced and bonded labor:

In the DGM project Nepal, the contractors, primary suppliers, or subcontractors shall not engage any 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 issue documents or personal belongings, 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 fine, physical punishment, use of security or other personal force of extract work from project workers, or are the restrictions that compel a project walker to work in a non-voluntary basis can be referenced or a next to the LMP, together with any other supporting documentation. RRN/NEA together with communities (IPLCs) will monitor and report any child and forced labor issues. A grievance mechanism will also be established, and access will be ensured to all project workers and will be regularly monitored.

Labor and working conditions:

Contractors will keep records in accordance with the specifications put out in this LMP. The NEA may at any time require records from contractors to ensure that labor conditions are met. The project management unit will review records against actuals at a minimum monthly and can require immediate remedial action if warranted.

6.2 Occupational, health, and safety (OHS)

The DGM Nepal project is committed to:

- Comply with legislation which relates to occupational health and safety hazards as stipulated in Labor Act 2017, Labor Rule 2018, ESS2, ESS4, and Child Labor (Prohibition and Regulation) Act 2000.
- Enable active participation in OHS risk elimination through the promotion of appropriate skills, toolbox meetings, as well as training on risks and hazard awareness.
- Continually improving the OHS management system and performance.
- Communicating OHS procedures to all persons working on the project with an emphasis on individual safety awareness and responsibilities.

The RRN/NEA will assign a qualified OHS specialist/Officer for the workplaces or a section of the workplace for an agreed period at the provincial level and project sites. At a minimum, the officer must:

- a. Identify, assess, and verify potential risks and hazards.
- b. Collaborate 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 and workplace;
- d. Accompany a third-party inspector(s) whilst they are carrying out project-related site inspection duties in the workplace;
- e. Report to the NEA any matters of concern or make recommendations in respect of safety and health matters affecting workers.

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

- Identify, assess, and verify work related potential risks and hazards.
- Prepare and implement the procedures to avoid, minimize and mitigate the identified workplace hazards and risks
- Provide occupational health and safety training to all employees involved in work.
- Provide protective masks, helmets, overall and safety shoes, and safety goggles, as appropriate.
- Provide workers in high-noise areas with earplugs or earmuffs.
- Ensure the availability of a well-stocked first aid box.
- Provide employees with access to toilets and potable drinking water.
- Provide safety and occupational safety measures to workers with Personal Protection Equipment (PPE) when installing pumps to prevent accidents during replacement and installation and follow safety measures in installing a submersible pump and cleaning the raiser pipes.
- Properly dispose of solid waste at designated permitted sites landfill allocated by the local authorities and cleaning funds; and attach the receipt of waste from the relevant landfill authority.
- Carry out all procedures to prevent leakage of generator oil into the site.
- Carry out the supervision and monitoring of workplace hazards and risks, implementation of LMP including the OHS procedures and near miss and accidents.

Contractors are responsible and liable for the safety of site equipment, laborers, and daily workers attending to the construction site and the safety of citizens for each subproject site, as mandatory

measures. Contractors ensure day-to-day compliance with specified safety measures and records of any incidents. Minor incidents are reported to the RRN/NEA monthly, and serious incidents are reported immediately. Minor incidents are reflected in the quarterly reports of the project; major accidents including lost time injuries and fatal accidents should be reported to the World Bank immediately.

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

Labor Influx and Gender-Based Violence

The project will ensure a working environment that is dignified, safe, and free of violence for everyone. NEA will develop and adhere to a Code of Conduct (COC) against SEA/SH behaviors and will ensure its compliance by all workers. The COC commits all persons engaged by the contractor, including subcontractors and suppliers, to acceptable standards of behavior. The COC must include sanctions for non-compliance with standard CoC, including non-compliance with specific policies related to gender-based violence, sexual exploitation, and abuse, and sexual harassment (e.g., termination). The COC should be written in plain language and signed by each worker to indicate that they have:

- i. Received a copy of the COC as part of their contract
- ii. Had the COC explained to them as part of the induction process
- iii. Acknowledged that adherence to this COC is a mandatory condition of employment
- iv. 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 shall be displayed in a location easily accessible to the community and project-affected people. It shall be provided in Nepali language. RRN/NEA must address the risk of SEA/SH through:

- i. Mandatory training and periodic awareness-raising for the workforce about refraining from unacceptable conduct toward local community members, specifically women
- ii. Informing workers about national laws that make sexual harassment and gender-based violence a punishable offense that is prosecuted
- iii. Adopting a policy to cooperate with law enforcement agencies in investigating complaints about gender-based violence.

This process will be under the portfolio of a designated officer who shall identify and engage the relevant stakeholders on GBV issues.

7. RESPONSIBLE STAFF

RRN/NEA has the overall responsibility to oversee all aspects of the implementation of this LMP. This section identifies the functions and/or individuals within the project who will be responsible to carry out the following activities:

- Engagement and management of project workers
- Engagement and management of contractors/subcontractors
- Occupational health and safety (OHS)
- Training of workers
- Addressing worker grievances
- Emergency preparedness plan

Table 5: Key personnel and responsibilities

No	Officers responsible	Key Responsibilities
1	Project Manager	<ul style="list-style-type: none"> - Overall responsible for implementation, monitoring, and reporting on the compliance of the LMP. - Provide guidance and advice to the social, procurement, gender, and monitoring and communication specialists in the central and provincial offices in implementing LMP and complying with the applicable labor legislations.
2	Environmental and Social Development Specialist (s)	<ul style="list-style-type: none"> - Operational Responsibility for implementing the LMP through the field staff and reporting of the implementation. - Prepare necessary training modules and organize training programs for the staff as well as the contractors on the implementation of the LMP. - Work closely with the procurement specialist, monitoring, and communication specialist in implementing the LMP. - Coordinate with grantees, Community Forest User Groups and CBOs, and Division Forest Officer(s) to implement LMP effectively. - Responsible for tracking and reporting of workers' GRM. - Ensure that all contractors, subcontractors and workers understand and sign the Code of Conduct prior to the commencement of works and supervise compliance with the code.
3	Procurement Officer	<ul style="list-style-type: none"> - Support the RRN in implementing the LMP in procurement activities including planning, monitoring - Incorporate labor-related requirements into procurement of works and suppliers
4	Financial Management Specialist	<ul style="list-style-type: none"> - Support RRN/NEA in all financial and other support required in implementing LMP.

5	Contractors	<ul style="list-style-type: none"> - Ensure that all workers understand and sign the Code of Conduct prior to the commencement of work and supervise compliance with the code. - Supervise the implementation of LMP by their sub-contractors. - Maintain records of workers
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8. AGE OF EMPLOYMENT

This section sets out details regarding:

- The minimum age for employment on the project
- The process that will be followed to verify the age of project workers.
- The procedure that will be followed if underage workers are found working on the project.
- The procedure for conducting risk assessments for workers aged between the minimum age and 18.

Regardless, due to the hazardous nature of the work, no children under the age of 18 will be employed on any aspect of the Project. **The use of forced labor to carry out any activities is also prohibited.**

Contractors will be required to verify and identify the age of all workers. This will require workers to provide official documentation, which could include a birth certificate, national identification card, passport, or medical or school record. If a minor under the minimum labor-eligible age is discovered working on the project, measures will be taken to immediately terminate the employment or responsibly reassign the minor to another activity, considering the best interest of the minor. Further, awareness-raising sessions will be regularly conducted in the community to sensitize on prohibition and the negative impacts of child and forced labor.

If any contractor employs a person under the age of 18 years, that contractor will not only be terminated but also be reported to the authorities for legal prosecution

9. TERMS AND CONDITIONS

This section sets out details regarding:

- Specific wages, hours, and other provisions/benefits that apply to the project workers.
- The maximum number of hours that can be worked on the project.
- Any collective agreements that apply to the project. When relevant, provide a list of agreements and describe key features and provisions.
- Other specific terms and conditions of employment

As specified in the Labor Act 2017, the employment of project workers will be based on the principles of non-discrimination and equal opportunity. There will be no discrimination permitted in any aspect of the employment relationship, such as recruitment, compensation, working conditions and terms of employment, access to training, promotion, or termination of employment.

The terms and conditions applying to NEA and other direct employees are set out in the contracts which provide for the rights of employees in line with the Labor Act. Terms and conditions of contracted workers are determined by their individual contracts. The working hours are 48 per week for direct workers who are employees of NEA.

As a core contractual requirement, the contractor is required to ensure all documentation related to LMP implementation, is available for inspection at any time by the NEA. The contractual arrangements with each project worker must be clearly defined. All labor-management requirements will be included in the bidding documents and contracts.

Worker's Organization

The Labor Act 2017 has protected the right of labor to involve or affiliate with the trade union organization. Besides, as a member state of ILO, it has obligatory requirements that apply minimum conditions in terms of workers' organization. This act gives effect to collective bargaining, amongst other purposes. The Act allows for the collective negotiation of terms and conditions of employment. The DGM Nepal provides employees with the right to join and form an organization for purpose of labor representation. These unions have the right to represent their members during hearings and to negotiate favorable terms and conditions for their members among other rights.

10. GRIEVANCE REDRESS MECHANISM

In accordance with the DGM Framework, a GRM has been established by RRN/NEA to manage all complaints and concerns received from beneficiaries and other stakeholders. RRN will further develop and implement a grievance mechanism to address workplace concerns and grievances from project workers. Contractors engaged in the project will be required to develop and implement a grievance mechanism for their workers. At each level (RRN, Grantees, CBOs, Contractors) a person will be designated to address all work-related grievances. All project workers will also be informed of the GRM as part of their contract. These mechanisms will be accessible to all the project workers without any discrimination. These mechanisms and procedures will also ensure that all complaints received from workers will (a) have a properly written record, (b) receive timely resolution of issues, and (c) be publicly reported/informed (with regard to complaints received and actions taken on each complaint). Regardless of the nature of the grievance except for SEA/SH-related grievances, the DGM will ensure that a transparent, timely, and fair process is adopted to address each complaint. All SEA/SH grievances received at the labor GRM will be referred to the project-level GRM. Information on worker GRM will be available to all workers in a culturally appropriate manner, depending on local circumstances.

The Grievance Redress Mechanism for workers will be organized as follows for the DGM Project:

- i. For all worker-related grievances: The Project Manager and Social Development Specialists hired by RRN/NEA will be responsible for providing guidance and advice on all worker-related grievances and redress, in line with the national legislations and the LMP. Social Development Specialist will also provide overall capacity-building support on resolving all workers' grievances and ensure GRM is accessible to all project workers.

- ii. Direct workers: The Social Development Specialist in the PMU, in coordination with the Environmental Specialist will hold overall responsibility for establishing and implementing the GRM for project workers and reporting on it.
- iii. Contract workers: The Contractor will be responsible for establishing and operationalizing the contract workers' GRM. The Contractor will appoint a GRM focal point who will also be responsible for keeping a GRM log. All workers will be informed of the GRM prior to the commencement of work.
- iv. Community workers: RRN/NEA will be responsible for providing guidance and advice on all community worker-related grievances. The concerned chairperson of the CFUGs or CBOs will be responsible for establishing and operationalizing the community workers' GRM (who will be engaged in payment or provide in-kind contributions to the project work). The group's executive committee will support them in maintaining records and regular reporting of grievances.

Grievances related to SEA/SH

Recognizing the fact that SEA/SH-related cases can occur among workers, this LMP adopts survivor centric approach, where any SEA/SH related grievances that come to the worker's GRM will be immediately referred to the GBV focal person of the project. Grievances related to SEA/SH will be recorded along with the age of the complainant, and relation to the project will be recorded but the issue will be referred to relevant GBV service providers. GBV focal person within the project, contractor and CBOs will be trained on survivor centric referral process.

11. CONTRACT MANAGEMENT

DGM Nepal requires that contractors monitor, keep records, and report on terms and conditions related to labor management. The contractor must provide workers with evidence of all payments made, including social security benefits, pension contributions, or other entitlements regardless of whether the worker is being engaged on a fixed-term contract, full-time, part-time, or temporary. The application of this requirement will be proportionate to the activities and the size of the contract, in a manner acceptable to DGM Nepal and the World Bank:

i. Labor conditions: Records of workers engaged under the project, including contracts, registry of induction of workers including COC, hours worked, remuneration and deductions (including overtime), and collective bargaining agreements.

ii. Safety: Recordable incidents and corresponding Root Cause Analysis (lost time incidents, medical treatment cases), first aid cases, high potential near misses, and remedial and preventive activities required (for example, revised job safety analysis, new or different equipment, skills training, and so forth).

iii. Workers: Number of workers, an indication of origin (local and migrant), gender, ethnicity, disability (if any), age with evidence that no child labor is involved, and skill level (unskilled, skilled, supervisory, professional, management).

iv. Training/induction: Title, venue, date, objectives, participant's number by gender and ethnicity, training methodology and materials, content and training schedule, training logistics, estimated budget, training evaluation, and the trainers.

The Project's oversight of contractor performance is set out in Annex 5 of this LMP. The following procedures are to adhere to the contractor management:

- Ensure that the contractors have valid contracts with clearly defined service level agreements by all environmental and social clauses, as applicable.
- Contractor induction to DGM Nepal standards and LMP
- Monthly submission of records: Contractor submission to RRN. This includes managing incidents and accidents and Contractor employees' record
- Monthly site visits (at a minimum) and reports
- Concerns or issues tracking using the monitoring register
- Evaluation of contractor requirements. This includes training, OHS files, certifications, and other
- Training needs identification recorded in the Contractor Training Schedule
- Annual Contractor Management Plans

12. COMMUNITY WORKERS

The project is expected to use a large number of community workers. ESS2 requirements related to working conditions and Occupational Health and Safety will apply to this category of workers. The involvement of individuals from the community level for labor contributions or on a payment basis in community-driven projects is common in Nepal. While there is no clear national-level regulatory framework that defines the terms and conditions for community workers, the following terms and conditions stipulated in the Labor Act 2017, Labor Rule 2018, and Child Labor (prohibition and regulations) Act 2000, are applicable for community workers of DGM Nepal as well:

- Provisions of work hours, rest breaks,
- Prohibition against the engagement of forced labor, bonded labor, child labor, and discrimination. The act also promotes equal pay for equal work.
- Fundamental provision on Occupational and Community Health and Safety (OHS).
- Provision for a good culture of work, discipline at work, and performance for labor.
- Provision for labor audit for each workplace.
- Provision against sexual exploitation, abuses and sexual harassment
- Specific requirements for the workplace: health and safety such as proper cleanliness, the passage of fresh air, proper light and temperature, solid waste management, noise control measures, safe drinking water, toilet, a mandatory medical check-up for the entities undertaking health-hazardous activities; appropriate lunchtime, a childcare center for children under three years
- Provision of accident investigation, inventory of work-related diseases, and compensation.

Accordingly, DGM Nepal will be responsible for assessing and managing identified risks. The project will:

- Ensure compliance with legislation that relates to OHS as stipulated in Labor Act 2017, Labor Rule 2018, ESS2 and ESS4, and Child Labor (Prohibition and Regulation) Act 2000.

- Develop a budgetary plan for OHS provisions.
- Communicate and provide training to all community workers on individual OHS responsibilities.
- Provide OHS measures to workers with PPE such as protective masks, safety shoes, and others, as appropriate
- Ensure availability of health and safety measures including first aid box, potable drinking water, and sanitation facilities among others.
- Assess and monitor the use of child labor and forced labor.

Additionally, DGM Nepal will document the agreements reached with community workers. It will include:

- How agreements were reached in identifying and engaging community workers (e.g., community meetings, etc.)
- Activities/responsibilities that have been agreed upon between DGM Nepal/contractor and community worker,
- Set out terms and conditions on which community labor is engaged, including the wage rates, work hours, and rest breaks.
- How community workers can raise a grievance concerning the project.
- Roles and responsibilities for monitoring community workers.

In the case of labor contribution, DGM Nepal will also be required to monitor that community labor is provided voluntarily. For this the DGM Nepal will:

- Ensure the concerned community is informed about the project activity and plans.
- Conduct awareness sessions/campaigns.
- Include a code of conduct in the agreement with the community worker.
- Regular monitoring and reporting by the RRN.

ⁱ A “direct worker” is a worker with whom the Program has a directly contracted employment relationship and specific control over the work, working conditions, and treatment of the project worker. 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 and are not covered by the provisions of this LMP, except on issues related to OHS, forced and child labor; unless there has been an effective legal transfer of their employment or engagement to the project.

ⁱⁱ A “contracted worker” is a worker employed or engaged by a third party to perform work or provide services related to the core functions of the project, where the third-party exercises control over the work, working conditions, and treatment of the project worker

ⁱⁱⁱ A “primary supply worker” is a worker employed or engaged by a primary supplier, providing goods and materials to the project, over whom a primary supplier exercises control for the work, working conditions, and treatment of the person

ANNEX

ANNEX 1: Terms and References:

Written particulars of employment

1. Name of Employer
2. Name of Worker
3. Date of Employment began
4. Wage and Method of Calculation
5. Interval at which wages are paid
6. Normal Hours of work
7. Short description of worker's work
8. Probation Period
9. Annual Holiday Entitlement
10. Paid Public Holiday
11. Payment during sickness
12. Maternity Leave (if worker female)
13. Nursing Break Entitlement (for female worker)
14. Notice worker entitled to receive
15. Notice employer required to give
16. Pension Schedule, Provident Fund Gratuity Schedule etc.
17. Any other matter either party wishes to include

Employer's signature

Witness

Worker's signature

Witness

Date

ANNEX 2: GRIEVANCE REDRESS MECHANISM

2.1. Grievance Registration Form

Contact Number	
Name	
Address & Telephone	
Grievance is related to project component	
Any attachment/ Remarks	
Date of Registration	

2.2. Grievance Redress Registering and Monitoring Form

Complainant Information (Person Reporting)

1. Name:
2. Address:
3. National ID:
4. Gender: Male ☐ Female ☐
5. Telephone:
6. Email:
7. Fax:
8. Type of complainant:
 - ☐ Affected person/s
 - ☐ Intermediary (on behalf of the complainer)
 - ☐ Civil organization
 - ☐ Service organization (e.g., local government institution)
 - ☐ Others (specify)
9. Registration Verified by (assigned):

Complaint Details

10. Mode of receiving the grievance:
 - ☐ Letter
 - ☐ Phone call
 - ☐ Fax
 - ☐ Email
 - ☐ Verbal complaint (walk-in)
 - ☐ Suggestion box
 - ☐ Others (specify)
11. Location of the problem/ issue specified in the complaint:
 - Targeted Province area :
 - Province:

12. Short description of the problem:

13. Short description of the factors causing the problem:

14. Person/ agency responsible for causing the problem:

- ☐ Project implementing agency
- ☐ Affected parties
- ☐ Service delivery agencies
- ☐ Local political authority
- ☐ Civil Organizations
- ☐ Funding agencies
- ☐ Others (specify):

15. Past action/s taken by the complainant (if any) :

16. Details of the focal point that received the complainant”

Name of the person who received the complaint:

Position:

Name of the receiving office:

Date:

17. Actions taken by the Receiving Office

Action 1	Action 2	Action 3	Action 4
Short Description	Short Description	Short Description	Short Description
Name of Action Officer	Name of Action Officer	Name of Action Officer	Name of Action Officer
Office	Office	Office	Office
Date	Date	Date	Date

18. Final Resolution

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Name of the person completing the form:

Signature:

Date:

ANNEX 3: CODE OF CONDUCT (CoC)

Preamble

A **code of conduct** (CoC) is a set of rules, and frameworks dictating the social norms and rules and responsibilities of, or proper practices for, an individual, party, or organization. Related concepts include ethical, honor, moral **codes**, and religious laws. The DGM Nepal project CoC defines labor standards that aim to achieve decent and humane working conditions. The Code's standards are based on national law and accepted good labor practices.

This code of conduct is applicable to all workers engaged in the Dedicated Grant Mechanism (DGM) Nepal project regardless of caste, creed, ethnicity, gender, and geographic setting/region and are expected to comply with all relevant and applicable laws and regulations of the country in which workers are employed and to implement the Workplace Code in their applicable facilities. When differences or conflicts in standards arise, affiliated entities are expected to apply the highest standard.

The DGM Nepal project monitors compliance with the Workplace Code by carefully examining adherence to the Compliance Benchmarks and the Principles of Monitoring. The Compliance Benchmarks identify specific requirements for meeting each Code standard, while the Principles of Monitoring guide the assessment of compliance. The project expects affiliated companies to make improvements when Code standards are not met and to develop sustainable mechanisms to ensure ongoing compliance.

The DGM Nepal project provides a model of collaboration, accountability, and transparency and serves as a catalyst for positive change in workplace conditions. DGM Nepal project strives to be a global leader in establishing best practices for the respectful and ethical treatment of workers, and in promoting sustainable conditions through which workers earn fair wages in safe and healthy workplaces.

Employment Relationship

Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations.

Non-discrimination

No person shall be subjected to any discrimination in employment, including hiring, compensation, advancement, discipline, termination, or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, regionalism, political opinion, social group, or ethnic origin.

Harassment or Abuse

Every employee shall be treated with respect and dignity. No employee shall be subjected to any physical, sexual, psychological exploitation, or verbal harassment or abuse.

Forced Labor

There shall be no use of forced labor, including bonded labor or other forms of forced labor.

Child Labor

No person shall be employed under the age of 18

Freedom of Association and Collective Bargaining

Employers shall recognize and respect the right of employees to freedom of association and collective bargaining.

Health, Safety, and Environment

Employers shall provide a safe and healthy workplace setting to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employers' facilities. Employers shall adopt responsible measures to mitigate the negative impacts that the workplace has on the environment.

Hours of Work

Employers shall not require workers to work more than the regular work hour, however, the overtime hours are allowed by the law of the country. The regular workweek shall not exceed 48 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances, while deploying any worker or employee to work overtime, generally the duration shall not exceed four hours per day and twenty hours per week.

Compensation

Every worker has a right to compensation for a regular workweek that is sufficient to meet the worker's basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any fringe benefits required by law or contract. Where compensation does not meet workers' basic needs and provides discretionary income, each employer shall work with the DGM Nepal project to take appropriate actions that seek to progressively realize a level of compensation that does.

(Note: This code of conduct may be revised at any point of time and it is the obligation of the National Executing Agency (NEA) to implement any such revisions.

ANNEX 4 : FORMAT FOR REPORTING ON COMPLIANCE WITH CONDITIONS OF WORK WITH ESS2 for third parties engaging contracted workers

Assignment name:
Contract ref. No:
Contract period: Start date (M/D/Y) End date (M/D/Y)
Contractor/Service Supplier:
Reported period:
Date of report:
Signature of authorized person:

	Terms and conditions	Yes / No	Notes
1	All project workers have an employment contract or engagement agreement in writing.	Yes <input type="checkbox"/> No <input type="checkbox"/>	If “No” please specify and explain
2	All project workers are paid at least once a month	Yes <input type="checkbox"/> No <input type="checkbox"/>	If “No” please specify and explain
3	All project workers worked 8 hours a day, 40 hours a week	Yes <input type="checkbox"/> No <input type="checkbox"/>	If “No” please explain and specify the hours worked
4	All project workers had a regular daily and weekly rest	Yes <input type="checkbox"/> No <input type="checkbox"/>	If “No” please specify and explain
5	Number of project workers were terminated from employment with termination in line with national labor law and ESS2	Yes <input type="checkbox"/> No <input type="checkbox"/>	If “Yes” please specify number and explain conditions of termination
	Any workplace hazards and risks identified at the project sites	Yes <input type="checkbox"/> No <input type="checkbox"/>	If “Yes” please specify number and explain conditions of termination

6	Number of project workers attended OHS related training program	Yes <input type="checkbox"/> No <input type="checkbox"/>	If "Yes" please specify number and explain
7	Project workers were granted leaves they are entitled to	Yes <input type="checkbox"/> No <input type="checkbox"/>	If "Yes" Please specify the type and number of leaves
8	Project workers were involved in near miss/accidents at work resulting in injuries or fatalities	Yes <input type="checkbox"/> No <input type="checkbox"/>	If "Yes" please specify and explain
9	Project workers reported on cases of discrimination, harassment, sexual harassment or non-compliance with law	Yes <input type="checkbox"/> No <input type="checkbox"/>	If "Yes" please specify and explain
10	1Project workers raised grievances or started voluntary arbitration / legal proceedings to settle a dispute	Yes <input type="checkbox"/> No <input type="checkbox"/>	If "Yes" please specify and explain
11	In the reported period there were some incidents on noncompliance with the LMP	Yes <input type="checkbox"/> No <input type="checkbox"/>	If "Yes" please specify and explain

ANNEX 5: THIRD PARTIES STATEMENT (POTENTIAL CONTRACTORS AND SERVICE PROVIDERS) ON COMPLIANCE WITH PROVISIONS OF LABOR LEGISLATION AND THE PROJECT'S LMP

Date and place of issuance: _____

Name and address of the issuer (Bidder): _____

STATEMENT OF LEGAL AND REGULATORY COMPLIANCE

Hereby we declare thatⁱⁱⁱ

- We are aware of, and comply with, the standards laid down in the Labor Management Procedures;
- We conform to all national laws* and applicable regulations concerning employment, labor and employee relations, and labor and working conditions;
- We are committed to providing a safe and healthy environment for our employees and to implementing all occupational health and safety requirements as stipulated by national legislation;
- We do not tolerate any form of child, forced or slavery work.
- We prohibit any form of harassment, sexual harassment, abuse, violence, including Gender Based Violence (GBV) at work and forbid direct or indirect discrimination against any employee or groups of employees on any ground and for whatever reason.
- We confirm that a worker GM is available
- We confirm that no worker GM is available but will be established by the time the contract is signed.

We hereby state that should we be awarded with the contract; we shall adopt the Labor Management Procedures applicable to the project and incorporate them in our practice.

We understand that the failure to respect any of the above stated commitments could lead to termination of the contract and exclusion from the project.

Signature:

Name:

Position:

*National Laws refers to the Nepal's Labor La

ANNEX 6 : PRIMARY SUPPLIERS STATEMENT OF COMPLIANCE WITH PROVISIONS OF LABOR LEGISLATION and THE PROJECT'S LMP RELATED TO CHILD LABOR, FORCED LABOR AND OHS

Date and place of issuance: _____

Name and address of the Supplier: _____

STATEMENT OF LEGAL AND REGULATORY COMPLIANCE

Hereby we declare that

- We conform to all national laws* and applicable regulations concerning employment, labor and employee relations, and labor and working conditions;
- We are committed to providing a safe and healthy environment for our employees and to implementing all occupational health and safety requirements as stipulated by national legislation;
- We do not tolerate any form of child, forced or slavery work.
- We prohibit any form of harassment (including sexual) abuse, violence and Gender Based Violence at work and forbid direct or indirect discrimination against any employee or groups of employees on any ground and for whatever reason.
- We shall maintain records related to labor, occupational injuries, illness, near misses and incidents.

We hereby acknowledge our understanding that our company may be subjected to announced and unannounced visits, site checks and labor and working condition audits by the Contractor through which materials and good are supplied to the Project, PMU staff and independent third parties with the aim to verify compliance with the above statement.

We understand that the failure to respect any of the above stated commitments could lead to termination of the contract and exclusion from the project.

Signature:

Name:

Position: