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|  | ***LABOR MANAGEMENT PROCEDURES (LMP) for Inclusive Primary Education Improvement Project (P181557) for Republic of Serbia*** |

 **ABBREVIATIONS**

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| IPEIPCFU | Inclusive Primary Education Improvement ProjectCentral Fiduciary Unit |
| EHS | Environmental Health and Safety |
| ESFESSI | Environmental and Social FrameworkEnriched Single Shift Initiative |
| ESMF | Environmental and Social Management Framework |
| ESS | Environmental and Social Stands |
| GIIP | Good International and Industry Practices |
| GMA | Guaranteed Minimum Assistance |
| GRM | Grievance Redress Mechanism |
| HSE | Health, safety and Environment |
| LMP | Labor Management procedures |
| MoE | Ministry of Education |
| OG | Official Gazette  |
| OHS | Occupational Health and Safety |
| PDO | Project Development Objective |
| PMU | Project Management Unit |
| POM | Project Operations Manual |
| PPE | Personal Protective Equipment |
| SEA | Strategic Environmental Assessment |
| WBGWDS | World Bank GroupWhole Day Schooling initiative |

## INTRODUCTION

The Project Development Objective (PDO) is to enhance the overall quality of learning conditions in targeted primary schools across Serbia. In targeted schools, improvements in the overall quality of learning conditions will be the result of the implementation of the Whole Day Schooling initiative (WDS) and will bring improvements in physical learning spaces for single-shift schools, as well as increased access to enriched learning programs that target cognitive and non-cognitive skills, better managerial and teaching practices driven by the implementation of school improvement plans. These efforts will be complemented by investments that will benefit a broader group of students and teachers. On the one hand, the introduction of learning assessments nation-wide will allow all schools to have better diagnostics of learning gaps and better target their efforts. On the other hand, improvements in the Teacher Professional Development (TPD) contents and structure will benefit all Serbian teachers in the long run, while in the short run, benefits will be concentrated in the enriched single-shift schooling initiative (ESSI) and WDS schools, where teachers will be trained as part of the project.

The project will be implemented over five years, with the Ministry of Education (MoE) as the key implementing agency acting as a focal point for reforms to be implemented by the MoE along with the Institute for the Improvement of Education (IIE), Institute for Education Quality Evaluation (IEQE), and selected local authorities. The existing PMU along with the Central Fiduciary Unit (CFU) will continue to be responsible for day-to-day project implementation, overall project coordination, monitoring and evaluation (M&E), Environmental and Social Framework (ESF), citizen engagement, and fiduciary functions.

## 1.2 About the Project

The proposed Project seeks to strengthen the learning conditions for the most disadvantaged Serbian children in primary education, while also contributing to system-wide improvements. The Project will finance a gradual introduction of the WDS model, whose design builds on the lessons learned from the ESSI and international relevant examples of extended school day. The WDS model will target disadvantaged children in the poorest municipalities across all four regions in Serbia and will contribute to improve children’s cognitive and non-cognitive abilities combining: i) inclusive, energy-efficient, healthy, and learning-centered infrastructures; ii) school improvement plans; iii) an expanded set of curricular and extra-curricular activities, with a strong focus on foundational learning, mental well-being and socioemotional learning; iv) improved training for school principals. Children attending schools implementing longer school days, either under the ESSI or the WDS, will also benefit from better teaching practices, resulting from improved and more comprehensive teacher professional development programs, that will be subsequently scaled up to the whole system. Nationwide, all children will benefit from the implementation of learning assessments, that will allow for better diagnostics of student gaps. To maximize the learning potential of the gradual implementation of the WDS model, the Project will support a real-time evaluation strategy, combining frequent focus groups and innovation funds to reward and potentially improve the most promising curricular and extra-curricular activities.

## 1.3 Environmental and Social Aspects

Inclusive Primary Education Improvement Project addresses the environmental and social aspects through the World Bank’s Environmental and Social Stands (ESS) approach/ framework. One of the Standard- ESS2 relates to Labor and Working Conditions and expects the Borrowers to develop labor management procedures (LMP). Purpose of LMP is to facilitate planning and implementation of the project. The LMP enables identify main labor requirements and risks associated with it, and help the Borrower to determine the resources necessary to address labor issues. The LMP is a living document, which is initiated early in project preparation, and is reviewed and updated throughout development and implementation of the project. Accordingly, this document details out the type of workers likely to be deployed by the project and the management thereof. Key aspects of the LMP should be incorporated into contractual obligations of contractors and subcontractors.

## OVERVIEW OF LABOR USE ON THE PROJECT

**Type of Workers**

The key implementing agency for the Project will be the Ministry of Education (MoE), but it will closely collaborate with Institute for Education Quality Evaluation, Institute for Improvement of Education, School administrations and municipalities.

The WB ESS 2 categorizes the workers into: direct workers, contracted workers, community workers, and primary supply workers. For the IPEI project following categories of workers are important: direct workers and contracted workers. All resources/contracts to be exclusively managed by direct workers.

The LMP applies to all project workers, namely:

* People employed or engaged directly by the Implementing Agencies to work specifically in relation to the project (**direct workers**).
* People employed or engaged through third parties to perform work related to core function of the project, regardless of location (**contracted workers**).
* **Primary supply workers**. Primary suppliers, according to ESS2 are those suppliers who, on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project.
* **Migrant/foreign workers** are workers who have migrated from one country to another or from one part of the country to another for purposes of employment.
* **Community workers** are people employed or engaged in providing community labor. It is not expected engagement of Community workers on IPEIP.

**Direct workers**

Direct Workers include the Implementing Agencie's staff and consultants at the component specific PMUs. The Project Management Unit (PMU), which is currently implementing the ECEC would be responsible for procurement, disbursement, monitoring, and reporting on the use of loan proceeds.

The current PMU within the MoE will engage environmental and social safeguards specialists who would be responsible for implementation of provisions of ESMF. Implementation arrangements would assure continuous strengthening of MoE’s capacity, to promote long-term sustainability of the reforms.

**Contracted Workers**

These are workers of third parties hired to deliver primary functions of the project. This will mainly be workers of the contractors hired in relation to the works, as well as workers of service companies hired under Project's components.

Workers of service companies hired under project will be mostly highly trained staff and professionals in the fields of architecture and engineering, as well as construction workers. The service companies will be responsible to ensure that the principles of labor management, including prohibition of child labor and access to a grievance redress mechanism for these workers is in line with national legislation and the ESS 2. Where a GRM is not available, these workers may access the main project GRM.

The civil works under the project are expected to be conducted by authorized contractors for varying durations depending on the works requirements. It is not known at this time whether the contractor will engage any subcontractors to carry out some aspects of the work. Contracted workers will be those working under the civil works contractors. According to the Law on Spatial Planning and Building Construction the Contractors shall execute construction in conformity with the relevant project documentation and permits as well as in line with technical regulations etc. The contractor will be responsible for the performance and management of contracted workers, ensuring that appropriate skillsets are available as well as a construction site manager responsible for safety standards (among others) in line with the provisions of ESS 2 and the national legislation. The designer is responsible for ensuring that the designs comply with the prescribed requirements and that the designed works are in conformity with the relevant permits in line with the Law on Spatial Planning and Building Construction or any other legal or sublegal act defining requirements for foreseen works. The supervising engineer shall be responsible for the completeness and coordination of the building surveillance and for drawing up a final report thereof. The work in a safe manner is drafted and signed by the occupational health and safety specialist of the Contractor.

As for the Primary Supply workers, it is expected that their engagement will be on a one-time-basis, during the supply and installation of e.g. furniture or lab equipment on the site, but not on an ongoing basis.

Contracted and subcontracted workers will have access to a grievance mechanism described afterward. At this stage the exact number of workers is not known, and it will be known when implementation of subprojects begins. The number of workers is expected to vary depending on the works requirements at each location subproject as well as per each component.

**Public servants**

People employed or engaged by the Borrower’s Implementing Agencies (public servants) are expected to facilitate IPEIP activities, but are subject to the Law on public servants and remain under their contractual obligations.

Public servants assigned to work on project related activities, regardless of whether they work full time or part time, will continue to work under the terms and conditions of their existing contracts or appointments in the public sector. WB ESS2 provisions on occupational health and safety, and prohibition of child and forced labor shall apply to civil servants engaged in the project.

**Migrant Workers**

During project implementation potential shortage of workers in the construction sector could occur and migrant/foreign workers (local from outside the sub-project area or foreigners) might be deployed to work on the project. Contractors may engage migrant workers subject to meeting national requirements for work permits.

**Number of Project Workers**:

Direct Workers. Total number of workers that will implement the IPEI project within the PMU will be 15 consultants.

Contract Workers. The precise number of project workers who will be engaged are not known as of now. This number will change during the project implementation, based on the specific needs of each phase.

Public servant. The precise number of project workers who will be assigned to work on this project are not known as of now. This will become known as and when implementation begins, but we should keep in mind that that number vary significantly throughout the Project. Civil Servants are expected to facilitate project activities by providing necessary data and information, but not to work directly on implementation.

**Timing of Labor Requirements**:

The direct workers will generally be required full time and around the 6 years for the project duration. The contract workers will be engaged depending of the project needs and the period of the project that need the specific work to perform.

## ASSESSMENT OF KEY POTENTIAL LABOR RISKS

**Key Labor Risks:**

Project activities do not involve activities that have a high potential for harming people or the environment. Civil works and installation of equipment under this project are expected under Component 2, related to upgrading infrastructure (maintenance, renovation, expansion, and reconstruction) in selected schools that are ready to undergo transition meeting specific criteria for the single-shift model schools . The contractor might engage subcontractors to carry out some aspects of the work. In the IPEI project, risks for project workers are expected during the construction/reconstruction/adaptation of the facilities and operational phase of the facilities that are planned to be constructed/reconstructed/ adapted.

The Contractor shall follow the standards and requirements stipulated in the national legislation on protection of workers prescribed in Law on Occupational Safety and Health (“Official Gazette of the Republic of Serbia”, no. 35/2023) and other secondary legislation.

Many workers will be exposed to occupational health and safety hazards, primarily including but not limited to:

* Working at height.
* Electrocutions and Electrical works.
* Lifting of heavy structures.
* Exposure to construction airborne agents (dust, etc.).
* Ergonomic hazards during construction.
* Vibration of heavy construction equipment.
* Use of rotating and moving equipment.
* Lack of workers’ awareness on occupational health and safety requirements such as the use of personal protective equipment (PPE) and safe workplace practices.
* Exposure to hazardous substances (e.g., paints, varnishes, asbestos);
* Working with heavy and dangerous machinery.
* Working around pits, ditches, stacked materials, traffic, loading and unloading, etc.
* Unequal treatment of migrant workers
* SEA/SH risks.

Site personnel may experience heat stress (heat rush, cramps, heat exhaustion, heat stroke, etc.) due to a combination of elevated ambient temperatures and the concurrent use of PPE. This will largely depend on the type of work and the time of year. Over exposure to UV radiation in sunlight can result in sunburn to exposed skin. This risk can be mitigated by the execution of works in a way to avoid heavy works at open spaces during sun peak. Storms, strong wind, and other extreme weather condition pose a risk. Limit working in extreme weather conditions is a way of risk mitigation, in addition to the adequate PPE. If asbestos is found during civil works, Asbestos Removal and Management Plan will be prepared adhering to national legislation, WB EHSG and GIIP, subject to WB approval.

The project risk on gender-based violence (SEA/SH) exists through preliminary has been assessed as low, . The influx of workers and subsequently followers is not expected to be large and is not expected to have adverse social impacts. The risk factors weighted where the institutional capacity of the implementing agency, low volume Labor influx, no preexisting social conflict and tensions, strong local law enforcement which resulted in the conclusion that it is a low-risk environment and risks can be managed through the requirements of ESMF and this LMP and there is no need to develop a more specialized instrument. As precautionary mitigation measure, the Contractor will be required to prepare and enforce a Code of Conduct for Contractors Personnel including on prohibition of SEA/SH behaviour (Annex I) and implement workers GRM. Also, for all project workers project GRM is available.

All contractors will be required to have a written contract with their workers materially consistent with national legislation and ESS2.

The working conditions and terms of employment of migrant (foreign) workers should be the same or substantially equivalent to those of non-migrant project workers performing the same type of work. This applies to migrant project workers employed or engaged directly by the Borrower or through a third party. Conditions for the residence and work of third-country citizens in Serbia are governed by the provisions of the Foreigners Act (OG RS, no. *24/2018, 31/2019 i 62/2023*).

According to national law, every construction company is required to carry out a risk assessment for each job before commencing activities. The Contractor is required to provide:

* appropriate protection / equipment and clothing depending on the needs of each workplace, especially for workers who will work on height (appropriate ergonomic clothing);
* fire protection through the purchase of firefighting equipement and training of workers for fire protection (all workers must be familiar with the fire hazards and fire protection measures and must be trained to handle fire extinguishers, hydrants and other devices for extinguish fires);
* health protection-first aid kits and medical service on sites;
* emergency and normal first aid procedure for any injury if occur through construction work.

The Contractor should follow safety guidelines:

* for the storage, transport, and distribution of hazardous materials to minimize the potential for misuse, spills, and accidental human exposure;
* for handling with chemicals (e.g., paints, glue, oils);
* for handling the waste generated from un proper storage of the different types of waste;
* The companies that will maintain the facilities are obliged to have the appropriate standards and equipment necessary to carry out their duties.

All these minimum requirements should be followed by the Contractors, but also, they need to ask these issues to be followed by their sub-contractors.

## BRIEF OVERVIEW OF LABOR LEGISLATION: TERMS AND CONDITIONS

The main legislative Act at national level is **Labor Law** (OG of RS no. *24/2005, 61/2005, 54/2009, 32/2013, 75/2014, 13/2017 – Decision of Constitutional Court, no. 113/2017 and 95/2018 – authentic interpretation)*, manages relationship between parties involved in the process of employment. It protects and applies to any natural person that has concluded an employment contract with an employer. The principle of equal treatment implies a ban on direct and/or indirect discrimination. Any kind of forced or child labor are strictly forbidden. The Law regulates all forms of employment, relations between employees and employers, retirement, lay-offs, and union operations. Special protection is guaranteed to employees under 18, workers with disabilities, pregnant women, women, and single parents.

**Law on Companies** (OG of RS no. *36/2011, 99/2011, 83/2014 - dr. zakon, 5/2015, 44/2018, 95/2018, 91/2019 and 109/2021.* allows that natural person can also be engaged in a form of Entrepreneur.

**Law on Social Protection** (OG of RS no. *br. 24/2011 i 117/2022 – Decision of the Constitutional Court*). Social welfare and protection in Serbia comprise of services and benefits from the tax-financed social welfare system (social prevention – which according to the Law on Social Protection includes - educational and advisory work, development of self-assistance forms, volunteering work etc., institutional care, non-institutional care and monetary assistance) and contributory- based social insurance system (pensions and disability, health and unemployment insurance).

**Law on Pensions and Disability Insurance** (OG of RS no. *34/2003, 64/2004 –* *Decision of Constitutional Court, 84/2004 - dr. zakon, 85/2005, 101/2005 - dr. zakon, 63/2006 - Decision of Constitutional Court, 5/2009, 107/2009, 101/2010, 93/2012, 62/2013, 108/2013, 75/2014, 142/2014, 73/2018, 46/2019 - Decision of Constitutional Court, 86/2019, 62/2021, 125/2022, 138/2022 i 76/2023)* defines the obligatory pension insurance of workers under working contract and the natural persons performing activity, the bases of the capital funded pension insurance, as well as the special conditions how certain categories of insured persons receive the right to pension and enjoy disability insurance. The rights deriving from the pension and disability insurance are the following: right to age-related pension, right to disability pension, right to re-allocation to other adequate, working post, right to adequate employment, right to re-qualification or higher qualification and right to adequate financial compensations, right to family pension, right to monthly compensation for physical damage, and right to minimal pension.

Other labor and workforce related laws are:

* + Law on Employment and Insurance Against Unemployment
	+ Law on Labor Inspection
	+ Law on Employment of Disabled Persons
	+ Law on Peaceful Settlement of Labor Disputes
	+ Law on Protection from Harassment at the Workplace

In general, the national labor legislation is aligned with ESS2 and EU Labor Law.

**Management of Labor Relations and Working Conditions**

In Serbia employees are entitled to specific working conditions that include limited working hours, vacation time, and absences, as well as the suspension of rights and obligations arising from employment. They are also guaranteed protection in the workplace, fair wages, salary compensation, and other benefits as defined by law, collective agreements, and their employment contracts. If an employee starts work without signing a written contract, the law assumes that the employment relationship is for an indefinite period (Labor Act). In such cases, a written indefinite employment contract must be signed within five days from the commencement of work.

**Working Hours**

Working hours are defined as the time during which an employee performs tasks associated with their job, including periods when the employee is available to the employer, regardless of location. However, time spent on standby does not count as working hours unless the employee is called to perform work. Full-time working hours are typically set at 40 hours per week, though they may be reduced in workplaces where safety and health measures cannot fully mitigate harmful conditions. In such cases, working hours may be reduced to as little as 36 hours per week without affecting the classification of full-time employment.

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

**Law on Occupational Health and Safety** (Official Gazette RS, No. 35/23). The OHS law defines the occupational health and safety measures, the employers’ obligations and the employees’ rights and duties in the field of occupational health and safety, as well as the preventive measures against occupational risks, elimination of accident-related risk factors, information, consultation, training of workers and their representatives and their engagement in planning and implementing occupational health and safety measures. Prevention of occupational injuries and diseases and work-related illnesses is the fundamental principle of the OHS law.

Relevant OHS Rulebooks are:

* **Rulebook on preventive measures for OHS at the workplace** (Official Gazette No.21/09, 1/19);
* **Regulation on PPE**(Official Gazette No.23/20) defines mandatory provision of PPE for workers.
* **Rulebook on the procedure for inspecting and checking equipment for work and testing working environment conditions** (Official Gazette RS, No.15/23) defines mandatory periodical testing of work equipment.
* **Regulation on OHS in Use of Work Equipment**(Official Gazette No.116/07)defines that adequate and safe work equipment must be available to workers; employers must take measures to minimise risks, including providing appropriate notices and written guidelines for workers, as well as providing training on risks.
* **Regulation on OHS on temporary or mobile construction sites** (Official Gazette RS, No. 14/2009, 95/2010, 98/2018 and 35/2023) defines the obligation of contractors to develop an OHS Plan.
* **Rulebook on the procedure for determining the fulfilment of prescribed conditions in the field of OHS** (Official Gazette No.60/06) defines the following obligations of employers: providing clear routes to emergency exits; carrying out technical maintenance of the workplace, equipment and devices; keeping the workplace, equipment and devices at an adequate level of hygiene; providing first aid rooms fitted with essential first aid installations and equipment; taking into consideration the needs of disabled workers.
* **Regulation on OHS of Workers Exposed to Noise Pollution** (Official Gazette RS, No. 96/11, 78/15 and 93/2019) defines mandatory measurement of noise levels at workplaces, prohibits work on locally recognised days of rest, outside of the normal working hours or in extreme weather conditions.
* **Regulation on OHS Signs**(Official Gazette No.95/10 and 108/17)defines mandatory health and safety signs for any hazardous work activities and providing suitable instructions to workers.

## RESPONSIBLE STAFF

The MoE will be the main implementing agency for this Project. The MoE PMU has a solid track-record of implementing World Bank-financed project, with the ECEC currently on track in terms of implementation progress and progress towards the PDO. Despite this experience, the capacities of the Ministry in terms of financial management, procurement, ESF, and monitoring and evaluation remain limited and thus the existing PMU will continue to be responsible for day-to-day project implementation, overall project coordination, monitoring activities, ESF and fiduciary functions, and reporting. The PMU will be housed within and will report to the MoE.

MoE will be accountable for Component 1 in close collaboration with the Institute for Education Quality Evaluation and Institute for Improvement of Education. On the other hand, MoE will also be accountable for Component 2 in close collaboration with selected municipalities and schools.

The PMU shall be responsible for the following:

* + - * Implement this labor management procedure.
			* Monitor contractors’ implementation of labor and occupational safety and health procedures given in the signed contracts.
			* Ensure that the grievance redress mechanism for project workers is established and implemented and that workers are informed of its purpose and how to use it.
			* Have a system for regular monitoring and reporting on labor and occupational safety and health performance.

The Contractors shall be responsible for the following:

* + - * Work in accordance to the national regulation regarding Labor, Safety and Health at Work.
			* Follow the labor management procedures and occupational health and safety requirements as stated in the contracts signed with MoE.
			* Contractors will keep records in accordance with specifications of the job description.
			* Supervise the subcontractors’ implementation of labor management procedures and occupational health and safety requirements.
			* Maintain records of recruitment and employment of contracted workers as provided in their contracts.
			* Provide regular training to employees in labor protection requirements, including training on their rights on safe labor under legislation in Serbia on the risks of their jobs, and on measures to reduce risks to acceptable levels.
			* Ensure that all contractor and sub-contractor workers understand and sign the Code of Conduct prior to the commencement of works.
			* Establish and implement a procedure for documenting specific incidents such as project-related occupational injuries, illnesses, and lost time accidents. Maintain such records, and require all third parties and primary suppliers to maintain them. Such records will form an input into the regular review of OHS performance and working conditions.
			* In instances of medium, severe, fatal and mass accidents, inform the law enforcement bodies, the labor inspection and the employees OHS representative.

## POLICIES AND PROCEDURES

The Contractors will prepare labor management procedures in line with this labor management procedure and national labor law. The principles and procedures presented below represent the minimum requirements but is not an exhaustive list of requirements.

Engagement of project workers within the IPEIP (workers that will be engaged within IPEIP based on signing a consultancy type of contract) will be based on the principles of non-discrimination and equal opportunity. There will be no discrimination with respect to any aspects of the engagement relationship, including recruitment, compensation, working conditions and terms of employment, access to training, promotion or termination of engagement. The following measures, will be followed by the PMU, to ensure fair treatment of all project workers:

* Recruitment procedures will be transparent, public and non-discriminatory, and open with respect to ethnicity, religion, sexuality, disability or gender.
* Clear job descriptions will be provided in advance of recruitment and will explain the skills required for each post.
* All workers will have written contracts describing terms and conditions of work and will have the contents explained to them. Workers will sign the consultancy contract.
* The contracted workers will not be required to pay any hiring fees.
* All workers will be 18 years old or above.
* Normal working time should not exceed 40 hours per week. With a five-day working week, the duration of daily work is determined by the internal work regulations approved by the contractor.

MoE will include into the bidding documents for Construction/reconstruction works, specific OHS standard requirements that all contractors and sub-contractors will meet under this project. The standards will be consistent with local regulations, WBG EHS guidelines and GIIP (Good International and Industry Practices).

Contractors will provide a safe workplace; therefore, a risk assessment will be completed before the commencement of any construction activities, and safety measures will be implemented in accordance with applicable safety standards. OHS Plan will be developed by the Contractor if risk assessment determines need for performing works that include construction activities, use of chemicals and OHS plan must be developed in compliance with WBG EHS guidelines. The supervision consultant will review and approve contractors’ safety plans and procedures, if such need occurs.

At a minimum, the following elements should be included in the Occupational Health and Safety Plan developed by contractors:

* Risk assessment procedures.
* Work permits for high-risk activities (e.g., working at heights, handling hot materials, working on live electrical lines, working in confined spaces).
* Rules for life-threatening work.
* Emergency response procedures.
* Measures to prevent falls and ensure safety when working at heights.
* Safety protocols for excavation, use of ladders and scaffolding, welding and cutting operations, crane operations, and the use of forklifts, electric and hand tools.
* Measures to prevent respiratory hazards from airborne chemicals and substances (including dust, silica, and asbestos); electrical safety (hazardous energy management, lockout-tagout systems, energy verification, safe distances, wiring and protective design, grounding, circuit protection, arc fault protection, electrical safety, personal protective equipment, and dielectric tools); hazard marking; noise and vibration control; safety during steel structure assembly; fire prevention; safe material handling; and safety in reinforced concrete work.
* Provision of personal protective equipment (PPE) on construction sites.
* Training in occupational health and safety.
* Policies allowing employees to refuse work assignments that pose a risk to their health and safety.

The Supervision Consultant engineer will conduct periodic supervision of contractor's OHS performance, including through daily site visits. These supervisions will cover compliance with above mentioned standards, accidents, violations of golden safety rules, recommendations, and progress of ongoing corrective actions. The supervisory consultant will review and approve contractors' safety plans and procedures. The Borrower will inform the Bank within 48 hours about any incident or accident related to the project which has, or is likely to have a significant adverse effect on the environment, the affected communities, the public or workers (labor, health and safety, or security incident, accident or circumstance), but no later than three calendar days after the occurrence of the event. Such events can include strikes or other labor protests, serious worker injuries or fatalities, project-caused injuries to community members or property damage. The Borrower will prepare a report on the event and the corrective action and submit to the Bank within 30 calendar days of the event. The construction contractor will develop and implement Code of Conduct. In addition, Contractors shall report to the PMU about any inspections and audits carried out by authorities responsible for inspection and compliance control with rules set in relevant legislation regulating Labor and OHS. The findings of the labor inspections will be presented to the PMU and the Bank at request. Contractors shall use the recommended Format for Report on Compliance with Conditions of Work with ESS2, provided in Annex 1 of the LMP, to prepare reports on labor & OHS issues.

**Safety Standards and PPE:** Contractors must ensure a safe workplace by completing a risk assessment before starting any construction work and implementing safety measures according to the relevant safety standards. Employees must be provided with PPE and other preventive measures at no cost. Employees must adhere to strict rules for life-threatening work, which are non-negotiable safety and health rules tailored to the job's nature. Employers are responsible for providing and replacing any necessary PPE at their own expense.

**Health and Safety Training:** Employers must organize health and safety training for employees in a language they understand before employment begins. This training must cover:

* General safety and health principles.
* Work procedures, equipment, machinery, manuals, and instructions for use and maintenance.
* Emergency and evacuation plans and their implementation.
* Existing threats and risks, along with the measures to mitigate them.

**Site Access Control:** Contractors must control access to the construction site, ensuring that only authorized persons enter. They must verify that employees meet the training and accreditation requirements for their roles, as per the standards for professional training and regulatory requirements (e.g., if a license is required project workers must have it). Employees must be trained to handle dangerous work, such as working at heights or in confined spaces, and welding. At a minimum, all employees must complete a basic health and safety course to gain access to the construction site.

**Refusal to Undertake Risky Work:** Employees have the right to refuse tasks or orders that pose a health and safety risk. They are also entitled to leave the workplace if they encounter danger. Contractors are prohibited from dismissing or penalizing employees who exercise this right.

**Accident Reporting System:** Employers must establish and implement a system for reporting accidents, illnesses, and workplace incidents.

**Occupational Health and Safety Committee:** An occupational health and safety committee will be established at the construction site, comprising representatives from employees, the PMU, and all subcontractors. This committee will hold regular meetings to discuss prevention measures, deviations, non-conformities, accidents, and corrective actions. Contractors must conduct internal health and safety audits to ensure compliance, documenting non-conformities and implementing corrective actions within a specified time frame.

**Daily Safety Briefings:** At the beginning of each workday, contractors must conduct safety briefings, emphasizing the specific hazards and preventive measures for each workplace. Contractors must document and report all accidents, illnesses resulting in more than one day of absence, deaths, or serious injuries occurring on site.

**First Aid:** First aid resources and facilities for serious injuries must be available on site, including pre-arranged healthcare facilities for treatment, care, and transportation of injured employees.

**Employee Accommodation:** If employee accommodation is provided, contractors must ensure that it meets good hygiene standards, with access to fresh drinking water, clean beds, toilets, showers, well-lit and ventilated rooms, secure storage, safe electrical installations, fire and lightning protection, and separate areas for food preparation and consumption. Separate rooms for men and women are required. Contractors must comply with the IFC and EBRD Guidelines "Worker Accommodation: Processes and Standards.

**Monitoring and Reporting:** The PMU or its consultants can conduct periodic safety inspections, including site visits. These inspections will verify compliance with safety standards, document accidents, identify violations of the key safety rules and monitor the implementation of corrective actions. Contractors must report regularly on occupational health and safety performance, including accidents, severity levels, non-conformities, safety rules violations, fatalities, and serious injuries, as well as any penalties for non-compliance. The contractors are required to submit periodic performance reports for review to the PMU and Implementing Agencies. In addition, the contractor is obliged to inform the PMU and Implementing Agencies about all inspections and audits conducted by relevant ministries, such as the Labor Inspection.

**Accident and Incident Reporting:** The contractor must immediately report to the PMU and Implementing Agencies (and then they to the WBs) any fatal, collective, or serious individual injury that results in more than three consecutive days of work absence, or any dangerous event that could endanger employees' health and safety, to the Labor Inspectorate and the Ministry of Internal Affairs (police) immediately, or within 24 hours at the latest.

**Code of Conduct:** Contractors are required to create and implement a Code of Conduct, which must be submitted to the PMU of the Implementing Agencies for review and approval. The Code of Conduct should reflect the company's core values and work culture. The content of the Code of Conduct is included in the standard tender documentation of the World Bank and contains provisions related to the prevention of sexual exploitation and abuse/sexual harassment.

**Sexual Exploitation and Abuse, and Sexual Harassment:** Sexual exploitation involves the abuse of power or trust for sexual purposes, including for financial, social, or political gain. Sexual abuse includes any actual or threatened sexual act, either by force or under coercive conditions. Sexual harassment encompasses any unwanted sexual behavior, requests for sexual favors, or other verbal or physical actions of a sexual nature. Project employees are strictly prohibited from engaging in any form of sexual exploitation, abuse, or harassment. They are required to sign the Code of Conduct upon employment and complete training on the prevention of sexual exploitation, abuse, and harassment. Serbian law prohibits harassment and sexual harassment in the workplace. Harassment is defined as any unwanted behavior that violates the dignity of a person seeking employment or an employee, creating a hostile, humiliating, or offensive environment. Sexual harassment includes any behavior of a sexual nature that violates the dignity of a person seeking employment or an employee, causing fear or creating a hostile, humiliating, or offensive environment. The Law on Gender Equality of Serbia (OG RS, no. 52/21) considers harassment, sexual harassment, or sexual extortion in the workplace as a breach of duty, which can result in the termination of the employment contract and dismissal. Employees must inform the employer in writing about any harassment, sexual harassment, or extortion they experience, and the employer is obligated to provide effective protection.

## AGE OF EMPLOYMENT

The minimum age for employment on this project shall be 18 years. National laws prohibit child labor. Contractors are responsible for verifying the identity and age of all employees. Employees must therefore provide official documents to confirm their age, such as a national ID card, passport, driver’s license, birth certificate, or valid health or school records. No additional age restrictions will be imposed for employment, and age will not be a criterion for decisions regarding the hiring or promotion of project employees, including termination.

If it is found that a child below the minimum employment age is working on the project, immediate action will be taken to responsibly terminate the child’s employment, ensuring the best interests of the child are considered.

Additional mitigation measures may be implemented:

* Conducting training sessions or seminars to raise awareness about the dangers of child labour and to educate on national laws prohibiting it.
* Including procedures for age verification in these training sessions.
* The PIUs will inform project workers about a grievance mechanism available for reporting child labour, including anonymous reporting.
* Contracts will include clauses prohibiting child and forced labour, along with penalties if such labour is found to be in use.
* The PMU will conduct periodic visits to monitor and ensure that children are not participating in project activities.
* Whenever possible, collaboration with relevant state institutions mandated to prevent and eliminate child labor will be pursued.

## TERMS AND CONDITIONS

The conditions for employees in the PMU are governed by their internal regulations or personnel policies, which outline employee’s rights in accordance with the domestic Labor Law. Wages will be paid at least once per month.

In line with the Labor Act of Serbia, the standard workweek consists of five days, with regular working hours totaling 40 hours. Overtime is permitted only to the extent necessary to address the reasons it was required.

Project employees are entitled to compensation for work performed on public holidays, night work (if not included in the basic salary), and overtime, as per the internal regulations of their employing company. Employees are entitled to a weekly rest period of at least 24 hours, in addition to a break of 12 consecutive hours between two working days within a 24-hour period. Weekly rest is typically on Sundays, although the employer may arrange this differently if the nature of the work or its organization requires it.

Employees are also entitled to annual leave, sick leave, and parental leave in accordance with the Labor Law. All earned wages, social security benefits, unused vacation time, pension contributions, and other rights will be settled on or before the termination of the employment contract. Notice periods will comply with the requirements of the Labor Law.

The contractor’s work management procedures will define the conditions for contract employees. These conditions must at least meet the standards set by these labor management procedures, the Labor Law of Serbia and the General Conditions of the World Bank’s Standard Tender Documentation.

## GRIEVANCE MECHANISM

A grievance mechanism (GRM) will be provided for all direct workers and contracted workers (and, where relevant, their organizations) to raise workplace concerns. Such workers will be informed of the grievance mechanism at the time of recruitment and the measures put in place to protect them against reprisal for its use. Measure will be put in place to make the grievance mechanism easily accessible to all such project workers. Project workers should be able to raise concerns regarding unsafe or unhealthy work situations through the grievance mechanism. The contractor will establish and describe the details of an appropriate workplace grievance mechanism consistent with the ESS2 requirements (including a written record, established responsibilities and response time, etc.).

The workers GRM will include (Contractor GRM):

* A channel to receive grievances such as comment/complaint form, suggestion boxes, email.
* Stipulated timeframes to respond to grievances.
* A register to record and track the timely resolution of grievances.
* A responsible person/section/committee to receive, record and track resolution of grievances.

The mechanism will be based on the following principles:

* The process will be transparent and allow workers to express their concerns and file grievances,
* There will be no discrimination against those who express grievances, and any grievances will be treated confidentially,
* Anonymous grievances will be treated equally as other grievances, whose origin is known.
* Management will treat grievances seriously and take timely and appropriate action in response. Information about the existence of the grievance mechanism will be readily available to all project workers (direct and contracted) through notice boards, the presence of “suggestion/complaint boxes”, and other means as needed.

The PMU will review the records and report on the grievances, response time and resolution status in a semi-annual report to the WB. The grievance mechanism will not impede access to other judicial or administrative remedies that might be available under the law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements.

## CONTRACTOR MANAGEMENT

Contractor selection will follow the procedures consistent with the WB Procurement Policy. The WBs standard documentation for soliciting bids and contracting, includes labor, professional, and occupational health and safety requirements. The PIU will have the responsibility of monitoring contractors’ and subcontractors’ adherence to the labor management procedures including adherence to provision of wages, working hours, non-discrimination and other ESS2 requirements which are aligned with national legislation.

As part of the contractor selection process, the PMU and the Implementing Agencies may review the following information:

* Data from public records, such as corporate registries and documentation regarding labor law violations, including records from the labor inspectorate and other regulatory bodies.
* Business licenses, registrations, permits, and approvals.
* Documentation related to the contractor’s work management system, including health and safety protocols.
* Identification and qualifications of individuals responsible for work management and occupational health and safety.
* Certifications, permits, and training records for employees performing essential tasks.
* Records of health and safety violations and responses.
* Documentation of accidents, fatalities, and notifications to relevant authorities.
* Identification of members of the OHS committee and minutes from their meetings.
* Copies of previous contracts with contractors and suppliers, showing the inclusion of terms and conditions reflecting ESS2.
* The PIUs will be responsible for managing and supervising the performance of contractors, particularly regarding their adherence to contractual obligations, representations, and guarantees. This supervision may involve periodic audits, inspections, and on-site visits to project locations, as well as reviews of records and reports submitted by contractors. Contractor performance records may include:
	+ A representative sample of employment contracts or agreements between third parties and contract employees.
	+ Records related to grievances received and how they were handled.
	+ Safety control reports, including information on fatalities and accidents, and the implementation of corrective actions.
	+ Records of non-compliance with national regulations.
	+ Training records for contract employees, explaining work conditions and occupational health and safety procedures within the project.

**Annex I** **- Code of Conduct for Contractor’s Personnel**

We are the Contractor, [enter name of Contractor]. We have signed a contract with, [enter name of Implementing agency] for civil works [enter name of Contract]. These Works will be carried out at [enter the Site and other locations where the Works will be carried out]. Our contract requires us to implement measures to address environmental and social risks related to the Works, including the risks of sexual exploitation, sexual abuse, and sexual harassment, in accordance with ESMP activities.

Note to the Bidder:

**The minimum content of the Code of Conduct form as set out by the Employer shall not be substantially modified**. However, the Bidder may add requirements as appropriate, including to take into account Contract-specific issues/risks.

The Bidder shall initial and submit the Code of Conduct form as part of its bid.

This Code of Conduct is part of our measures to deal with environmental and social risks related to the Works. It applies to all our staff, laborers and other employees at the Works Site or other places where the Works are being carried out. It also applies to the personnel of each subcontractor and any other personnel assisting us in the execution of the Works. All such persons are referred to as “Contractor’s Personnel” and are subject to this Code of Conduct.

This Code of Conduct identifies the behavior that we require from all Contractor’s Personnel.

Our workplace is an environment where unsafe, offensive, abusive or violent behavior will not be tolerated and where all persons should feel comfortable raising issues or concerns without fear of retaliation.

REQUIRED CONDUCT

Contractor’s Personnel shall:

* carry out his/her duties competently and diligently;
* comply with this Code of Conduct and all applicable laws, regulations, ESMP and other requirements, including requirements to protect the health, safety and well-being of other Contractor’s Personnel and any other person;
* maintain a safe working environment including by:
* ensuring that workplaces, machinery, equipment and processes under each person’s control are safe and without risk to health;
* wearing required personal protective equipment;
* using appropriate measures relating to chemical, physical and biological substances and agents;
* following applicable emergency operating procedures.
* report work situations that he/she believes are not safe or healthy and remove himself/herself from a work situation which he/she reasonably believes presents an imminent and serious danger to his/her life or health;
* treat other people with respect, and not discriminate against specific groups such as women, people with disabilities, migrant workers or children;
* not engage in Sexual Harassment, which means unwelcome sexual advances, requests for sexual favours, and other verbal or physical conduct of a sexual nature with other Contractor’s or Employer’s Personnel;
* not engage in Sexual Exploitation, which means any actual or attempted abuse of position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another;
* not engage in Sexual Abuse, which means the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions;
* not engage in any form of sexual activity with individuals under the age of 18, except in case of pre-existing marriage;
* complete relevant training courses that will be provided related to the environmental and social aspects of the Contract, including on health and safety matters, and Sexual Exploitation and Abuse (SEA), and Sexual Harassment (SH);
* report violations of this Code of Conduct; and
* not retaliate against any person who reports violations of this Code of Conduct, whether to us or the Employer, or who makes use of the grievance mechanism for Contractor’s Personnel or the project’s Grievance Redress Mechanism.

RAISING CONCERNS

If any person observes behavior that he/she believes may represent a violation of this Code of Conduct, or that otherwise concerns him/her, he/she should raise the issue promptly. This can be done in either of the following ways:

* Contact [enter name of the Contractor’s Social Expert with relevant experience in handling gender-based violence, or if such person is not required under the Contract, another individual designated by the Contractor to handle these matters] in writing at this address [ ] or by telephone at [ ] or in person at [ ]; or
* Call [ ] to reach the Contractor’s hotline (if any) and leave a message.

The person’s identity will be kept confidential, unless reporting of allegations is mandated by the country law. Anonymous complaints or allegations may also be submitted and will be given all due and appropriate consideration. We take seriously all reports of possible misconduct and will investigate and take appropriate action. We will provide warm referrals to service providers that may help support the person who experienced the alleged incident, as appropriate.

There will be no retaliation against any person who raises a concern in good faith about any behavior prohibited by this Code of Conduct. Such retaliation would be a violation of this Code of Conduct.

CONSEQUENCES OF VIOLATING THE CODE OF CONDUCT

Any violation of this Code of Conduct by Contractor’s Personnel may result in serious consequences, up to and including termination and possible referral to legal authorities.

FOR CONTRACTOR’S PERSONNEL:

I have received a copy of this Code of Conduct written in a language that I comprehend. I understand that if I have any questions about this Code of Conduct, I can contact [enter name of Contractor’s contact person with relevant experience] requesting an explanation.

Name of Contractor’s Personnel: [insert name]

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: (day month year): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Countersignature of authorized representative of the Contractor:

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: (day month year): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

ATTACHMENT 1: Behaviors constituting Sexual Exploitation and Abuse (SEA) and behaviors constituting Sexual Harassment (SH)

**ATTACHMENT 1 TO THE CODE OF CONDUCT FORM BEHAVIORS CONSTITUTING SEXUAL EXPLOITATION AND ABUSE (SEA) AND BEHAVIORS CONSTITUTING SEXUAL HARASSMENT (SH)**

The following non-exhaustive list is intended to illustrate types of prohibited behaviors:

* Examples of sexual exploitation and abuse include, but are not limited to:
* A Contractor’s Personnel tells a member of the community that he/she can get them jobs related to the work site (e.g., cooking and cleaning) in exchange for sex.
* A Contractor’s Personnel that is connecting electricity input to households says that he can connect women headed households to the grid in exchange for sex.
* A Contractor’s Personnel rapes, or otherwise sexually assaults a member of the community.
* A Contractor’s Personnel denies a person access to the Site unless he/she performs a sexual favor.
* A Contractor’s Personnel tells a person applying for employment under the Contract that he/she will only hire him/her if he/she has sex with him/her.
* Examples of sexual harassment in a work context
* Contractor’s Personnel comment on the appearance of another Contractor’s Personnel (either positive or negative) and sexual desirability.
* When a Contractor’s Personnel complains about comments made by another Contractor’s Personnel on his/her appearance, the other Contractor’s Personnel comment that he/she is “asking for it” because of how he/she dresses.
* Unwelcome touching of a Contractor’s or Employer’s Personnel by another Contractor’s Personnel.
* A Contractor’s Personnel tells another Contractor’s Personnel that he/she will get him/her a salary raise, or promotion if he/she sends him/her naked photographs of himself/herself.

**ANNEX 2 –** **REPORT ON RESPECT OF WORK AND WORKING CONDITIONS** (used by third parties who hire contract workers)

Task:

Contract reference

Name of Service provider

Reporting period

Date

Signature

STATISTICAL DATA ON THE EMPLOYEES**[[1]](#footnote-1)** IN THE COMPANY:

Total number of employees by gender

Number of employees with employment contracts**[[2]](#footnote-2)**

Number of persons engaged without establishing an employment relationship

Number of employees with access to social, pension and health insurance

Number of employees/engaged persons who receive wages/salary compensation regularly, at least once a month

Number of employees who left the company in the reporting period

Number of employees engaged in the reporting period

Number of working hours per employee (monthly average)

Total overtime hours (monthly average per employee)

Number of violations at work (in the reporting period and cumulatively, since the beginning of the implementation of the contract)

Number of deaths at work (in the reporting period and cumulatively)

Number of reported cases of violence

Number of reported harassment/abuse

Availability of an accessible and functional appeal mechanism for employees (Y/N)

Number of applications submitted to the appeal mechanism (in the reporting period and cumulatively, since the beginning of the implementation of the contract)

Number of resolved complaints with the appeals mechanism (in the reporting period and cumulatively, since the beginning of the implementation of the contract)

Number of lawsuits filed in the field of work, employment and occupational health and safety

Number of peacefully resolved disputes/disputes resolved in voluntary arbitration proceedings

Number of arrivals of labor and occupational health and safety inspections

STATISTICAL DATA ON PROJECT EMPLOYEES:

Total number of employees on the project:

Number of employees on the project with an employment contract:

Number of employees on the project with other types of contracts:

Number of employees on the project with access to social, pension and health insurance, confirmed from the register:

QUESTIONNAIRE ON WORK AND WORKING CONDITIONS

|  |  |
| --- | --- |
| All employees have a written employment contract or engagement agreement. | If the answer is "No", enter the reason and explanation |
| All project employees receive their salary at least once a month | If the answer is "No", enter the reason and explanation  |
| All employees on the project work eight hours a day, 40 hours a week, or less | If the answer is "No", enter the reason and explanation |
| All employees on the project have a regular daily and weekly vacation | If the answer is "No", enter the reason and explanation |
| Project employees whose employment contract has been terminated | If the answer is "Yes", enter the number and explain the terms of termination |
| Project employees who have completed a training course related to occupational health and safety | If the answer is "Yes", enter the number and explain If the answer is "No", enter the reason and explanation |
| Project employees who have been granted leave to which they are entitled | If the answer is "Yes", enter the type and number of leave |
| Project employees who were involved in an accident that resulted in injury or death | If the answer is "Yes", enter the number and explain  |
| Employees of the project who reported cases of discrimination, harassment, sexual harassment or non-compliance with the law | If the answer is "Yes", enter the number and explain  |
| Employees on the project who initiated an appeal procedure or a voluntary arbitration procedure / legal procedure to resolve the disputes  | If the answer is "Yes", enter the number and explain  |
| During the reporting period, were there incidents or non-compliance with Work Management Procedures | If the answer is "Yes", enter the number and explain  |

Date and place: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature

**ANNEX 3 -** STATEMENT OF THIRD PARTIES ON THE OBLIGATION TO COMPLY WITH THE PROVISIONS OF WORK REGULATIONS and PROJECT WORK MANAGEMENT PROCEDURES (LMP)

Date and place of issue: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name and address of the issuer (Bidder): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

STATEMENT OF LEGAL AND REGULATORY COMPLIANCE

* We hereby declare the following:
* We are informed about and respect the standards established in the ESS2 of the World Bank;
* We respect all domestic laws\* and valid regulations related to employment, work and labor relations, working conditions and work-related conditions;
* We undertake to provide a safe and healthy environment for our employees and to implement all requirements related to protection and health at work in accordance with domestic regulations and ESS2 of the World Bank;
* We do not tolerate any form of child or forced labor, or forms of slavery;
* We prohibit any form of harassment, sexual harassment, abuse, violence, including gender-based violence at work, and we prohibit direct and indirect discrimination against any employee or group of employees on any basis and for any reason;
* We confirm that an appeals mechanism will always be available to all our employees and persons engaged to work with us, from the first day of the implementation of the contract.
* We hereby declare that, if we win the contract, we will adopt the Work Management Procedures in accordance with the World Bank's ESS2, which relate to the project, and that we will incorporate them into our operations.
* We hereby confirm that we are aware that authorized representatives of the Client, or independent third parties, can make announced and unannounced visits to our company, inspections at the construction site and audit of work and working conditions in order to check compliance with the above statement.
* We understand that failure to comply with any of the above obligations may lead to termination of the contract and exclusion from the project.

Signature:

Name:

Position:

Domestic laws mean the laws of Montenegro and the laws of the Bidder's country, if the Bidder is a foreign entity.

1. Employed is any natural person employed or hired to perform work or provide services for the employer [↑](#footnote-ref-1)
2. The number of employees refers to the actual number of persons on the date of submission of the report [↑](#footnote-ref-2)