

The Federal Democratic Republic of Ethiopia
Ministry of Finance

Ethiopia Human Capital Operation - P172284

Labor Management Procedure (LMP)

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I. Abbreviations

ACSO	Agency for Civil Society Organizations
COPCD	Channel One Programs Coordinating Department
CERC	Contingent Emergency Response Component
ESS	Environment and Social Standards
ESSF	Environmental and Social Stands Framework
ESCP	Environment and Social Commitment Plan
FDRE	Federal Democratic Republic of Ethiopia
GBV	Gender-Based Violence
GFP	Grievance Focal Point
GPG	General Purpose Grant
GRM	Grievances Redress Mechanism
GRS	Grievance Redress Service
HCO	Human Capital Operation
HC SPG	Human Capital Specific Purpose Grant
ILO	International Labor Organization
IT	Information Technology
IPF	Investment Operation Financing
LMP	Labor Management Plan
MoA	Ministry of Agriculture
MOE	Ministry of Education
MoF	Ministry of Finance
MoH	Ministry of Health
MoPD	Ministry of Planning and Development
MoWE	Ministry of Water and Energy
MoWSA	Ministry of Women and Social Affairs
OHS	Occupational Health and Safety
PPE	Personal Protective Equipment
PCU	Operation Coordination Unit
PforR	Programs for Results
PFM	Public financial management
SC	Steering Committee
SDS	Service Delivery Secretariat

SPG	Specific Purpose Grant
TA	Technical Assistance
TC	Technical Committee
UN	United Nations
WCC	Woreda Coordination Committee
WPC	Woreda Operation Coordinator
WBG	World Bank Group

1. Introduction

1.1. Background

The Federal Democratic Republic of Ethiopia and the World Bank Group (WBG) are currently engaged in preparing for the implementation of the national Human Capital Operation (HCO), which mainly aims to strengthen delivery of and accountability for basic services. The operation will improve services to address stunting and learning poverty reduction by supporting the national development plans and strategies. The operation will achieve its aim through improving access to education, health and water services through multi-sectoral, outcome-oriented, and targeted approach in its investments.

The HCO comprises three components: Component 1, Programs for Results (PforR); Component 2, Investment Program Financing (IPF); and Component 3, Contingent Emergency Response (CERC). This document pertains to the IPF component of the HCO, which will provide technical assistance to strengthen systems and capacity for quality service delivery at national, regional, and woreda levels.

The operation recognizes the significance of the World Bank's Environmental and Social Standards for identifying and assessing and managing the environmental and social (E&S) risks and impacts associated with its IPF component. The reviews undertaken by the Bank have classified environmental and social risks of the IPF component as moderate. In response, the Government of Ethiopia, through the Ministry of Finance (MoF), the coordinating and implementing agency for the operation, has developed several key instruments to address these risks. One such instrument is the Labor Management Plan (LMP).

Labor Management Procedures (LMP) of Operation will set out the approach to meeting the objectives of World Bank's ESS2. Focusing on the IPF component of the operation, the LMP identifies the different types of project workers that are likely to be involved and sets out the way in which the different types of project workers are managed. The LMP describes worker characteristics, provides an overview of key potential labour risks, and identifies relevant legislation that relates to labor, and occupational health and safety (OHS) in the project area.

1.2. Operation Description

1.2.1. Operation Development Objective

The Human Capital Operation (HCO) objective is to improve learning outcomes and nutrition services for girls and boys, and to strengthen service delivery and accountability, in all regions including areas affected by conflict, droughts and high levels of refugees.

1.2.2. Operation Components

The operation consists of three components: 1. Program for Results (PforR), 2., Investment Project Financing (IPF) and 3. Contingent Emergency Response Component (CERC) components.

Component 1: Program for Results (PforR): The PforR component of the operation has outlined to achieve the following result areas:

- **Result area 1:** Strengthen basic service delivery systems to mitigate the impact of the crises (including conflict, droughts, and high levels of refugees) on access and quality of basic services nationally through investments in health, education, agriculture, and water and sanitation.
- **Result area 2:** Improve learning outcomes and address stunting in selected woredas. Under results area 2, the Human Capital SPGs will have two windows of intervention—one to improve learning and the other to contribute to stunting reduction in the target woredas—directly linking to the HCO PDO targets for learning and nutrition.

Component 2: Investment Program Financing: the primary goals of the IPF component include funding a set of interventions aimed at enhancing human capital outcomes in regions impacted by conflict, droughts, and significant refugee populations. Additionally, the component seeks to offer technical assistance and capacity-building support to enhance systems and ensure the delivery of high-quality services nationwide, with specific emphasis on regions struggling with drought and high refugee concentrations.

Sub-component 2.1: Protect and improve human capital outcomes in areas -affected by conflict, droughts and high level of refugees

This subcomponent will focus on designing and implementing multisectoral interventions in regions affected by conflict, drought, and significant refugee populations. These interventions will be tailored to address specific area-based priorities and informed by global evidence. The primary objective is to

strengthen the delivery of essential services within a multisectoral framework, with a particular emphasis on fostering resilience, reconstructing service delivery systems, and providing socio-emotional support to children, adolescents, students, communities, and frontline personnel in key social sectors such as education, health, agriculture, and water.

This subcomponent will specifically target high-risk areas, including Tigray, with activities such as:

- 1. Supporting Resilience and Service Delivery Systems:** it will be enhancing system resilience, providing socio-emotional support, and promoting inclusiveness.
- 2. Education System Support:** it will be assisting high-risk woredas severely affected by conflict to recover learning losses. This includes financing interventions to support school return and boost learning outcomes by strengthening community mobilization, school readiness, improving teaching and learning environments, and increasing school retention, especially for girls.
- 3. Nutrition Interventions:** it will be addressing the key determinants of chronic malnutrition (stunting) in high-risk woredas through multisectoral interventions. This will be closely coordinated with the new health operation (Ethiopia PforR for Strengthening Primary Health Care Services (P175167)) to support the prevention and treatment of acute malnutrition (wasting) and other essential health services in conflict-affected woredas.

These interventions will be closely coordinated with other existing initiatives such as the 3R-4-CACE Projects, the Productive Safety Net Program (PSNP), GEQIP-E, and partnerships with organizations like UNHCR in refugee host communities.

Sub-component 2.2: Building models for innovation to address learning poverty and reduce stunting in the selected SPG woredas.

This component will support technical innovations for effective service delivery in the selected Special Purpose Grant (SPG) pilot woredas. The project will provide technical assistance (TA) and capacity building support, introducing tailored innovations to address context-specific demand and supply-side barriers faced by the selected woredas in delivering priority services that support Human Capital SPGs. The TA and capacity-building assistance will encompass a range of initiatives, including audio-visual learning programs, virtual science laboratories, e-learning platforms, and model demonstration schools. Leveraging virtual learning modalities will ensure uninterrupted educational opportunities, even during instances of floods or other natural disasters that disrupt in-person learning. Additionally, to combat stunting, technical assistance will focus on supporting integrated Social and Behavior Change

Communication (SBCC) approaches, technologies to reinforce Growth Monitoring and Promotion (GMP), and impactful nutrition-sensitive interventions. The TA will also engage federal, regional, zonal, and woreda stakeholders to enable them to play a more effective role in facilitating and supporting quality service delivery and human capital formation.

This subcomponent operates across two windows: the Learning Poverty Window and the Stunting Reduction Window.

Learning Poverty Window: to improve the efficiency and effectiveness of teaching and learning outcomes, innovative models may include:

1. Developing audio-visual learning programs for young children (ages 3-10), and their parents and teachers, focusing on language learning as well as cognitive, physical, social, and emotional development.
2. Setting up virtual science laboratories for secondary schools through digital platforms.
3. Creating e-learning platforms for teachers' professional development.
4. Establishing demonstration schools for innovative teaching and learning.

Stunting Reduction Window: to improve nutrition outcomes, innovative approaches may include:

1. Adapting gender-sensitive, harmonized, and evidence-based behavior change strategies to increase service uptake, promote optimal practices, and increase the frequency of contact with behavior change agents.
2. Testing innovative tools to improve the measurement and promotion of growth monitoring and enhance the overall quality of maternal and child nutrition services.
3. Strengthening gender, nutrition, water, and climate-smart agriculture interventions targeting vulnerable households.

Sub-component 2.3: Strengthening systems and accountability for improved service delivery

This subcomponent will provide technical assistance on public financial management (PFM) reforms at regional and woreda levels. It will offer support in PFM, governance, procurement, and environmental and social safeguard reforms, along with capacity building. This includes anti-fraud and corruption training focused on recording and reporting complaints related to maladministration, poor service delivery, and procurement to ethics officers, beginning with the SPG woredas. Additionally, budget oversight training will be provided to Woreda Council Budget and Finance Standing Committees to strengthen their capacity in following up on audit findings.

The following initiatives will be implemented in this sub-component:

1. **Enhancing Participatory, Multisectoral Planning and Budgeting:** this includes capacity building and improving the quality of data collection, verification, and utilization at federal, regional, zonal, and woreda levels.
2. **Strengthening Social Accountability and Governance:** this involves promoting, institutionalizing, and sustaining Social Accountability and Grievance Redress Mechanisms previously supported under ESPES; enhancing Public Financial Management (PFM) including Program-Based Budgeting (PBB); improving governance and procurement systems and reforms; and bolstering Environmental and Social (E&S) safeguard systems. Additionally, it includes updating guidelines and providing training for Women Development Groups (WDGs) and establishing 'gender equality hubs' in the SPG pilot woredas to advance gender equality at the community level.
3. **Integrating Refugees into Basic Service Delivery:** it will be enhancing government capacity at all levels to integrate refugees into the basic service delivery system to create medium-to-long-term development opportunities for both refugees and their host communities.
4. **Building Capacity in Drought-Affected Areas:** it will be improving preparedness for mitigating and adapting to climate-related shocks in drought-affected areas.
5. **Project Management and Coordination:** this involves the Ministry of Finance (MOF) managing and coordinating the overall project and overseeing sector ministries. It includes covering the costs of independent Third-Party Monitoring (TPM) if necessary. Additionally, it will encompass an impact evaluation to assess the effectiveness of the new innovations introduced under the SPG for potential expansion.

Component 3: The Contingent Emergency Response Component (CERC): This component of the HCO focuses on addressing the uncertainties inherent in program planning and implementation, restrictions from various factors such as pandemics, internal conflicts, man-made and natural disasters, environmental degradation, and other social and economic crises. Given the ongoing uncertainty surrounding the course of the COVID-19 pandemic, persistent conflicts in certain regions, and the associated political, social, and economic instabilities facing the country, along with the potential for natural disasters to disrupt the delivery of essential human development services, a contingent Emergency Response Component (CERC) has been incorporated into the HCO framework.

1.3. Institutional arrangement and Beneficiaries of the HCO

The implementation arrangement for the HCO is based on the decentralized government structures of Ethiopia at the national, regional/city, woreda/kebele ¹ and community levels. At the national level, the

¹ The Government of the Federal Democratic Republic of Ethiopia has a federal structure that includes national (or federal), regional, zonal, and woreda and/or kebele levels, from top to bottom. The regions are autonomous, with woreda/kebele being

implementation of the HCO shall be coordinated by MoF in collaboration with the established service delivery secretariat (SDS) and with the support of government agencies and sectors. The four core federal ministries including Ministry of Education (MOE), Ministry of Health (MOH), Ministry of Agriculture (MOA), Ministry of Water and Energy (MOWE) and other ministries and agencies like Ministry of Women and Social Affairs (MOWSA), Ministry of Planning and Development (MOPD), and Central Statistics Agency will be responsible for the supervision, monitoring and reporting of their respective technical areas. At the regional/city and woreda level, regional bureaus of finance and economic development (BOFED) and woreda offices of finance and economic development (WOFED) will play a coordination role while respective offices of agriculture, health, water and energy, and women and social affairs at regional and woreda levels will play a role in monitoring and reporting of sectoral results in their respective domains. Further, the selected woredas will be responsible for the implementation of the Human Capital Specific Purpose Grant (HC SPG).

There will be a Federal Steering Committee (SC) chaired by MoF, the State Minister of Economic Cooperation and comprising of relevant ministries (MoE, MoH, MoA, MoWE, MoWSA and MoPD) and other agencies/commissions to provide overall guidance, operational oversight, track performance, and strengthen inter-ministerial coordination. The World Bank and other contributing development partners (DPs) will be part of the SC. The Service Delivery Secretariat (SDS) will be the secretary of the SC.

Technical Committees (TC) will be established at the three level of government: Federal, regional and woreda/city level. They will be chaired by the Department head of COPCD/MoF at federal level, deputy head of BoFED/BoF at regional level and WoFED head at woreda/city level. Technical committees will provide operational oversight, track performance, and strengthen inter-ministerial /bureau/office coordination. Regional and woreda level councils will provide general oversight of the subnational government bureaus/institutions involved in HCO implementation.

Children from the age of three to grade three; girls in the primary, middle and secondary schools; students in primary, middle and secondary schools; teachers in primary, middle and secondary schools and parents of the students in the targeted woredas are the direct beneficiaries of the HCO Operation. The community, parents, students and teachers at large will be the indirect beneficiaries of the Operation.

the lowest level of structure. In some parts of the country, the woreda is the lowest level, while in others, the kebele is the lowest. When we refer to woreda/kebele, it implies that the lowest level structure might be either woreda or kebele, depending on the region's context.

1.4. Environment and Social Aspects

For its Investment Project Financing (IPF) component, the HCO addresses the environmental and social aspects through the World Bank's Environmental and Social Framework (ESF). One of these Standards-ESS 2- relates to labor and working conditions and requires Borrowers to develop labor management procedures (LMP). The LMP identifies main labor requirements and risks, helping the Borrower determine the necessary resources to address labor issues. The LMP is a living document, initiated and finalized early in Operation's preparation and reviewed and updated throughout its development and implementation. This document details the types of workers likely to be deployed by the Operation and its management.

1.5. Scope and Structure of the LMP

The scope of the LMP is outlined in the World Bank's ESS 2. The engagement will be planned as an integral part of Component 2 (IPF) of the Operation's environmental and social assessment, as well as its design and implementation. The LMP includes ten chapters, with Chapter 1 serving as the introduction. It provides background information about the HCO, including its development objective, components, subcomponents, implementation structure, and modalities. An overview of labor use in the Operation is presented in chapter 2. Key potential labor risks are described in chapter 3. Chapter 4 discusses the legislative frameworks governing labor employment in Ethiopia and compares them with that of the World Bank's ESS 2. Implementation arrangements, age requirement, policies and procedures and timing of labor requirements are covered in chapters of 5 to 7. The grievance redress mechanism, contractor management, and Operation annual work plan are presented in the final three chapters 8, 9 and 10, respectively.

2. Overview of labor use during the Operation

2.1. Type of workers

ESS 2 categorizes the Operation workers into: direct workers, contracted workers, community workers and primary supply workers. Though it is not possible at this point to present planned numbers of workers as it depends on the scope of the work and demand of human resource, the HCO envisaged employing around 150 direct workers, and unidentified number of contracted and primary supply workers for the required positions of qualified staff and focal persons to the Operation at federal, regional, zonal and woreda levels. The direct workers are those deployed as civil servants and 'technical consultants' by the

Operation and they will be governed by mutually agreed contracts. The contract workers will be employed based on the importance and demand of other implementing parties/agencies like contractors, construction workers, service providers, sub-contractors, and other intermediaries, details of which will be known as and when implementation of activities begins. The primary supply workers will be employed as per the interest of the primary suppliers of goods and materials for the Operation. However, assignment of community workers to the HCO is not considered as relevant because communities are not expected to provide labor as a contribution to the Operation. Local community members may be hired as the contracted workers by the contractors based on terms of contract that are consistent with this LMP.

The labor use of the HCO under each type of workers is described as follows:

Direct workers: This category of workers will include both permanent and temporary employees as well as consultants assigned to the activities directly contributing to the achievement of the HCO/IPF at federal, regional, zonal and woreda level structures.

An estimated 150 direct workers are expected to be employed and assigned to the Service Delivery Secretariat at the Ministry of Finance within the Channel One Programs Coordinating Department. Additionally, environmental and social focal persons will be assigned by the MOF and each core Operation implementing sector, including the Ministry of Health, Ministry of Education, the Ministry of Women and Social Affairs, Ministry of Agriculture, Ministry of Water and Energy, Agency for Civil Society Organizations, and the Ministry of Planning and Development.

This also includes the type of workers required at regional, zonal and woreda level core sector offices, such as teachers, agricultural and health professionals, information technology (IT) specialists, procurement and finance experts, as well as social and environmental specialists.

Contracted workers: under this category, two types of contracted workers are expected for the Operation implementation. The first group includes service providers, which includes the staffs to be hired by the federal and regional SDS as an individual consultant or firm/CSO to facilitate the development and implementation of the HCO at the federal, regional and zonal/woreda level. This will include IT and audiovisual professionals; environment and agricultural professionals; and experts from the fields of medicine, nutrition and education and others. The second type of contracted workers are contracted/temporary civil servants that include workers and local services providers which will be recruited by the SDS and other contractors or implementing agencies which are responsible to provide a

specific deliverable for the key Operation activities at the regional and local level. These could be workers for financial and procurement services; laboratory services; system developers; innovators; contractors, construction workers and others.

Community workers: Community workers are not relevant for the HCO/IPF. Even if local community members are hired as contracted workers in the Operation, they will not be hired for the purpose of job creation or as part of safety net approach. They will be hired as contracted workers per provisions of this LMP.

Primary supply workers: The Operation will utilize direct source of goods and services or training & learning materials essential for the Operation from primary suppliers. The implementing agency (MoF/SDS) will require incorporating legal provisions in the contracts of the primary supply workers on use of child/forced labor and explicit prohibition and compliance with OHS regulations. The PCU will identify potential risks of child labor, forced labor and serious safety issues which may arise in relation to primary suppliers during Operation implementation. The ability of the implementing agency to address these risks will depend upon the SDS's level of control or influence over its primary suppliers. Where remedy is not possible, the SDS will, within a reasonable period, shift the Operation's primary suppliers to suppliers that can demonstrate that they are meeting the relevant requirements of this LMP.

2.2. Number of Operation Workers

Direct workers: Total number of workers, the employees of MoF SDC and core implementing government sectors at the federal, regional and woreda level, dedicated to this Operation is estimated at around 150.

Contracted workers (service providers and civil work contractors):- The precise number of contracted Operation workers who will be employed is currently unknown. . This information will become available once implementation commence. Recruitment will involve individuals or firms providing technical assistance under the different components. Additionally, direct work and contract work is open to internally displaced persons (IDPs) and returnees who are integrating into the community based on their interest and capabilities.

Primary supply workers: the estimated number of primary supply workers to be engaged in the Operation could not be figured out at this stage.

2.3. Workforce characteristics

Given the nature of the Operation workforce (mostly skilled professionals) and characteristics of the labor

force market in Ethiopia, it is likely that the workforce, especially the professional from the fields of health, education, finance, IT and system development workers, will be predominantly male. Female workers are expected in the firms/CSOs, individual consultants, primary suppliers and PCU. The hiring decisions will be based on the principle of non-discrimination and equal opportunity. The expectation is that the majority of labor will be locally hired with the exception of a few skilled workers. Provisions will be made to train and hire as many as possible from local communities where the activities are taking place.

2.4. Timing of labor requirements

The direct workers will generally be required full time and around a year for the Operation duration. TA consultants and civil works contract workers will be required as per the need. Some typical positions need to consider the timing as they might be essential at the beginning, in the middle or end of the Operation period. So, it will be up to the contractor to mobilize labor force to coincide with the type of work and the season. Timing and duration of the employment of contracted workers will be known at later stages; however, they will only be engaged for the duration of respective sub-components which will be unlikely to extend more than 12 months.

3. Assessment of key potential labor risks

The labor risks for the Operation can be defined based on the nature and location where Operation activities will be carried out. Considering the HCO/IPF activities of technical assistance provision in innovation and service provision, no major risks are envisaged, and the potential labor risks are described below. To mitigate potential labor risks during the implementation of the operation, a Code of Conduct (CoC) will be developed and signed by all types of workers during the recruitment process.

Based on current national conditions, the main labor risks associated with the HCO's implementation are assessed to be related to the potentially hazardous work environment, labor influx and the associated gender-based violence (GBV), child/forced labor and other risks in relation to recruitment and employment procedures.

Since the IPF component focuses on technical assistance and capacity building schemes, civil works to be supported under the Operation will be very small in scale. Under the IPF subcomponents, there is a plan to build models of innovation to promote stunting reduction and reduce learning poverty. To achieve the intended improvement of the efficiency and effectiveness of teaching and learning outcomes through innovative models, might require building of basic infrastructures like rooms for laboratories, demonstration rooms and latrine facilities within schools and households and this will demand a labor

force for the civil works.

Child and forced labor: The risks of child/forced labor in the Operation areas are considered as low given the type and size of the IPF investments. This risk will be mitigated through certification of laborer's age using legally acknowledged documents like national identification card or birth certificates. In addition, awareness raising programs will be conducted to the community on the existing national laws and proclamation which prohibit child and forced labor as well as on the negative impacts of child and forced labor. The contractors also will be required to commit against the use of child/ forced labor in their contract, and the SDS staff in charge of contractor supervision will monitor and report the absence of child/ forced labor risks in the Operation implementation.

Labor influx: Considering the minimal job openings in the Operation areas, it is expected that the Operation area will experience low labor influx. At the regional and woreda level the Operation will be implemented by local contractors and all contracted workers will be hired locally except for the specific areas which require specialized skills. To manage the risks associated with labor influx which is related to the interaction between Operation workers and local communities like communicable diseases and gender-based violence will be managed through contractual agreements, code of conduct and trainings. These procedures are guided by the national legislation and also follow the guidelines of the Bank's ESS2 and ESS4, its interim note on "COVID-19 Considerations in civil Works Operations" and the technical note on public consultations and stakeholder's engagement in WB-supported operations.

Gender-based violence: Due to young ages of the potential workers in the Operation areas and their sense of freedom to act outside their family environment and social control scheme, there will be a potential of sexual harassment of women and girls, exploitative sexual relations and illegal sexual relations with minors from the local community. The expected minimal GBV risks in the Operation areas will be managed by the contractor's commitment for GBV prevention by setting up guidelines and creating or strengthening structures to respond for GBV issues through development of code of conduct, GBV action plan, assigning GBV focal point, and creating grievance redress mechanism (GRM) for the Operation. In addition, there will be sensitization trainings and dialogues with the workers and local communities on the prevention and response mechanisms of GBV. The SDS staff in charge of contractor supervision will monitor and report the absence of GBV risks in the Operation implementation.

Occupational Health and Safety (OHS) risks: Since most contracted workers are professionals who are supposed to provide technical assistance (TA) in their respective areas of expertise, the occupational health and safety (OHS) risk of the HCO is estimated to be low. However, small-scale civil works, such

as the construction of laboratory rooms, demonstration rooms, and latrine facilities within schools and households, present potential OHS risks. Despite the small scale, these risks could be significant due to the nature of civil works. Studies have shown that work involving small contractors often has considerable OHS risks due to the limited capacity of their workers.

The types of OHS risks associated with the IPF component of the operation for both TA and contractors include:

- **Risks Related to Internal Conflicts and Displacements:** these could compromise the safety and security of the Operation workers, leading to forced displacement, imprisonment, injuries, or even death.
- **Community Health and Safety Risks:** the interaction of Operation workers with local communities and among themselves could spread communicable diseases (such as HIV and COVID-19).
- **Workplace Risks:** Accidents or injuries may occur due to the lack or inappropriate use of personal protective equipment (PPE). This also includes risks from the work environment (such as fire hazards and lack of amenities), laboratory demonstrations involving hazardous materials, excessive work hours, excavation, work-at-height, confined space entry during pit latrine construction, hot works, electrical hazards, hazardous chemicals (cement, fuel, paint), ambient air/noise emissions, poor housekeeping, and manual handling.
- **Security Risks, Traffic/Road Safety Risks, and Ergonomic Risks:** these arise from the operation activities related to the basic services supported by the project, such as schools and health clinics.

All contractors will be required to develop and implement written labor management procedures, including measures to establish and maintain a safe working environment in compliance with ESS2 and labor proclamation (article 7, Labor Proclamation 1156/2019). Continuous health and safety risk monitoring in the Operation areas is recommended, with appropriate actions taken according to identified risks.

The primary suppliers are also susceptible to occupational health and safety (OHS) risks, which are not exceptional. These risks primarily include hazards encountered during the loading and unloading of goods, as well as risks related to traffic and road safety. To effectively address these OHS risks, primary suppliers must implement comprehensive procedures and mitigation measures. This could involve protocols for safe handling practices during loading and unloading operations, as well as measures to ensure the safety of their workers while navigating traffic and roadways. By prioritizing OHS protocols,

primary suppliers can contribute to safer working environments and reduce the likelihood of accidents or injuries.

Employment risks: Workers will be hired by the MoF, SDS and other core sectors, either directly as Operation implementation staff and individual consultants or indirectly as part of contracts from other firms, service providers and civil works contractors. According to its management, SDS heavily relies on donor-funded Operations and has approved budgets per Operation, and cannot exceed the budget ceilings. Due to this gap multiple positions might be forced to be covered by one TA and this in turn creates employment risks for other unemployed community members in terms of restricted employment opportunity; and extended hours of work and overtimes without compensation for the TAs. As stated in the article four of the labor proclamation 1156/19 the working hours has to be limited and compensation should be in place for the extra time,

Geography and seasonality risks: Given the mountainous terrain, poor transportation and difficulty in access, punctuality in terms of time and labor productivity at times could be below expectations. Attending to accidents and emergencies could also be an issue.

Security risk: As the HCO implementation concentrates at the woreda levels, TAs are expected to travel away from their residence to the Operation areas. The possible occurrence of internal conflicts in the Operation areas might create a security risk on the Operation staff. To manage the security risks due to internal conflicts and unrest, the contractors and regional or local administration have to conduct risk assessment, and based on the evidences they are expected to develop their capacity to respond to the needs and manage risks. They are also expected to develop a contingency plan which builds on the local government, the contractors and the community's preparedness in order to enhance the rapid provision of effective assistance and protection for the workers and the community.

Furthermore, the Operation office take the following actions:

- Protocols on staff members' movement (when out of their work stations or travel to Operation areas) will be developed
- The Operation office will work closely with the government structures to ensure the security of the Operation staff
- The Operation will not hire armed security as part of the Operation activities .

Discrimination: Discrimination is a potential risk in the Operation areas in terms of inappropriate

treatment or harassment of Operation workers due to: gender, age, disability, ethnicity, or religion; potential exclusion or preferences with respect to recruitment, hiring, termination of employment, and working conditions; terms of employment made on the basis of personal characteristics unrelated to inherent work requirements; and exclusion or unfair selection criteria that alienate Operation workers for training and career development. As per the Ethiopian Labor Law and ESS2, discrimination is unacceptable in the HCO/IPF and both support equal opportunities for women and men, with emphasis on equal criteria for selection, remuneration, and promotion, and equal application of those criteria.

The above potential lists of labor risks in the HCO implementation are associated with the direct, contract and primary suppliers' workers of the Operation. The specific labor risks associated with the three Operation worker categories is summarized as follows:

I. Risks associated with direct workers

- Risks in terms and conditions of employment
- Risks of discrimination and deprivation of equal opportunity
- Risks of child labor and forced labor
- Gender-Based Violence, Risks of sexual harassment and assault
- Risks related to occupational health and safety
- Risk of absence of a mechanism to express grievances and to protect rights of workers
- Geography and seasonality risks
- Security situation

II. Risks associated with Contract workers

- Occupational Health and Safety (OHS) risks
- Risk of non-compliance by the contracting entity
- Risk of absence of access to grievance mechanisms during engagement
- Risk of Gender-Based Violence, Sexual Exploitation and Abuse, and Sexual harassment

III. Risks associated with primary suppliers' workers

- Risk of child and forced labor
- Risks related to traffic and road safety
- Hazardous conditions during loading and unloading

4. Overview of labor legislation: Terms and conditions

4.1. National Legislation

Article 42 of the Constitution of the Federal Democratic Republic of Ethiopia (1995) on the rights of labor provides employees the right to:

- Reasonable limitation of working hours, to rest, to leisure, to periodic leaves with pay,
- Remuneration for public holidays as well as healthy and safe work environment
- Form trade unions and other associations to bargain collectively with employers or other organizations that affect their interests.
- Express grievances, including the right to strike.
- Equal pay for equal work

The Labor Proclamation 1156/2019, Labor proclamation 377/2003 and Federal Civil Service Proclamation 1064/2017 are the fundamental legislative acts of the Government of Ethiopia to regulate all matters arising in relation to labor. These acts govern the rights and freedoms of the parties of employment relationships, establishment of the minimum guarantees of the rights and freedoms in the sphere of work. They prohibit discrimination and guarantee that all citizens have equal rights to work regardless of their race, gender, language, religion, political beliefs, social status, and property.

4.2. Relevant legal provisions

In addition to the provisions of ESS2, the terms and conditions of the following labor laws of the Government of Ethiopia will apply for workers: Labor Proclamation No. 377/2003; Federal Civil Servants Proclamation 1064/2017; Labor Proclamation No.1156/2019 (complements Labor Proclamation No. 377/2003); Employment Exchange Service Proclamation No. 632/2009; and Proclamation No. 568/2008 on the Right to Employment of Persons with Disability.

- Forced and child labor:** Forced and child labor is prohibited under Article 36 of the 1995 national Constitution and is a punishable offence under the Criminal Code Proclamation no. 414/2004. The Labor Proclamation no 377/2003 has set a minimum age for employment at 14 years and the new labor proclamation no 1156/2019 raised the employability age to 15 years. Minimum age for hazardous work is set at 18 years; however, the Labor Proclamation allows children above the age of 15 to engage in hazardous work if it is performed following a government-approved vocational training course. In addition, article 89 and 90 of the Labor

Proclamation has set restrictions on what type of work can be done by workers under the age of 18, and what hours of work are permissible. Normal working hours for young persons may not exceed seven hours per day. It is prohibited to employ young workers on night work between 10 p.m. and 6 a.m.; overtime work; weekly rest days; and public holidays.

- ii. Age of Employment:** Ethiopian law prohibits anyone under 18 from performing “unhealthy or heavy” work and there are special requirements for leave, work hours, and other conditions of employment. Ethiopia has ratified ILO’s convention of Minimum Age Convention No. 138/1973 and it sets the minimum age for employment and the minimum age for hazardous work as 15 and 18 respectively, through its Labor Proclamation No.1156/2019, Article 89(1-4). Workers between the ages of 15 to 18 years are classified as young workers and it is prohibited to employ young workers to carry out work which, on account of its nature or due to the condition in which it is carried out, endangers the life or health of young workers. The SDS will ensure that no construction workers under 18 years are employed unless they are hired for office work and it will undertake monitoring, at a minimum every six months, of all Operation workers, to ensure that there are no direct hires or community workers under 18 years of age, and that all contractors and subcontractors involved in the Operation are not employing/engaging anyone under 18 years of age for work in relation to the Operation. Based on the local legislation, workers between 15-18 years could be hired for office work with shortened working hours (during out of school time with guardian permission). 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 child under the minimum age is discovered working on the Operation, measures will be taken to immediately terminate the employment or engagement of the child in a responsible manner, taking into account the best interest of the child.

- iii. Wages and deductions:** In Ethiopia there is no national minimum wage. It exists only for the public workers which is around 420 ETB. Some governmental institutions set their own minimum wages. Minimum wages in the public sector are determined at national level depending on the nature of service and level of skill of the worker (employee). Based on the decision of the Council of Ministers, the Ministry of Civil Service notifies the minimum wage together with the different levels of salary to be paid for all employees for different skill level and types of services. It is calculated on daily, hourly, weekly and/or monthly basis.

According to the 1997 Labor Act, wages are only paid for the work done by the worker except in case interruption on employer's behalf which makes it impossible to work (i.e. interruption in supply of tools and raw materials). Article 56(1) of the 1156/2019 Labor Proclamation requires the employers to pay wages in cash on working day at the workplace unless otherwise agreed. In case date of payment (where already decided) falls on a weekly rest day or public holiday, the wages are paid on the preceding working day (Article 56 (2)). Wages are paid directly to the worker or to the person authorized by the worker (Article 57). Wages may be paid in kind, but it may not be more than 30% of the wages paid in cash. An employer is under the obligation to pay the worker wages and other compensations in accordance with the national labor proclamation or the collective agreement.

Generally, employer is not allowed to deduct wages except where it is provided by the law or collective agreement or work rules; or in accordance with a court order or a written agreement with the worker (Article 58 of the proclamation 1156/2019). The amount of deduction must not exceed one third of the monthly wages of the worker. It is obligatory for an employer to keep a record of payment in a register specifying the gross pay and method of calculation of wages; other variable remunerations; the amount and type of deduction; and the net pay and other relevant particulars, unless there is a special arrangement on which the signature of the worker is affixed. This register must be easily accessible to all the workers and the entries are explained to the worker on request.

Women:- The Labor Proclamation 1156/2019 (Article 86) prohibits assignment of women on dangerous or hazardous works. This article also prohibits overtime assignments for pregnant women and employment contract termination during pregnancy and until four months after delivery. In accordance with the Constitution of Ethiopia, Article 35 (5(a)) and Labor Proclamation 1156/2019 (Article 88), female workers are entitled to fully paid maternity leave, paid leave for medical examinations related to pregnancy and paid leave during pregnancy on recommendation of a medical doctor. There is no explicit provision in the law, which gives a female worker the right to return to same position after availing her maternity leave. However, because an employer can't terminate a female worker's contract on maternity leave, it gives an implied right to return to the same job. In the Labor Proclamation there is no a binding provision that obligated employers to provide free time and space to nursing mothers. However, the Federal Civil Servants Proclamation 1064/2017 urges government institutions to establish a nursery where female civil servants could breastfeed and take care of their babies in their work places.

- iv. Working hours:** According to Article 33 of the 1064/2017 Federal Civil Servants Proclamation, regular working hours of civil servants shall be determined on the basis of the condition of work and not exceed 39 hours per week. Article 61 (2) and Article 64 of the Labor Proclamation No. 1156/2019 puts the standard hours of work per day as 8 hours and as 40 hours per week, with less allowed for those under 18. The number of hours per day, and days per week, is established in the contract/agreement between the employer and employee.
- v. Leave:** Article 42 (2) of the Ethiopian Constitution entitles workers with the right of having a reasonable limitation of working hours, to rest, to leisure, to periodic leaves with pay, to remuneration for public holidays as well as healthy and safe work environment.

Annual leave: Article 37 & 38 of the Federal Civil Servants Proclamation No 1064/2017 and Article 76 -78 of the Labor Proclamation No 1156/2019 entitle the workers to uninterrupted annual leave with pay. In addition to national holidays, workers are entitled to 16 working days of paid annual leave on completion of one year of service plus one working day for every additional year of service. For a worker with 5 years of service, the period of paid annual leave is 18 working days (one day extra for every two additional years of service).

Sick leave: The Labor Proclamation 1156/2019 (Article 85 & 86) provides that a worker should complete six months for sick leave entitlement of up to six months within a year. However, the worker should notify the employer the next day from absence from work. The worker should present a sick leave certificate issued by a duly recognized medical facility. The worker will be paid (i) first one month, with payment of 100% of his/her wages; (ii) for the next two months, with payment of 50% of his/her wage; and (iii) for the next three months, without pay.

Family events: workers are entitled for leave with pay for events such as marriage, paternity leave, maximum of two rounds of leave for exceptional and serious events.

- vi. Overtime work:** overtime is the work done in excess of the normal daily hours of work. A worker may not be compelled to work overtime except in case of accident (actual or expected), force majeure, urgent work, or substitution of absent workers assigned on work that runs continuously without interruption. Overtime work may not exceed 4 hours in a day or 12 hours in a week. If a worker works beyond the stipulated working hours during the week days, i.e., 8 hours a day and 48 hours a week, he/she is entitled to an overtime premium as follows: - 150% of normal hourly

rate for overtime work between 06 a.m. to 10 p.m.; 175% of normal hourly rate for overtime work between 10 p.m. to 06 a.m.; 200% of the normal hourly rate for work on a weekly rest day; and 250% of the normal hourly rate for work on a public holiday.

vii. Occupational Health and Safety and Working Environment: Occupational health and safety is governed by the Constitution of Ethiopia. Workers right for healthy and safe work environment is stated under Article 42(2) of the Constitution. In accordance with the Labor Proclamation 377/2003 and 1156/2019, every employee has the right to enjoy suitable measures of protection and safety & hygiene at work as the employer is required to take all necessary measures to safeguard the health & safety of workers. It is considered unlawful for an employer to require a worker to execute work, which is hazardous to his life. Article 92 and 93 of the 2019 Labor Proclamation narrates the roles and responsibilities of employers and employees related to occupational health and labor safety.

Employer must take appropriate measures to ensure that workers are properly instructed and notified about the risks and imminent dangers related to their respective occupations and precautions necessary to avoid accidents and injury to health. Medical examination of newly employed workers and those engaged in hazardous work, at employer's expense, is necessary. Measures should be taken to ensure that the processes of work are not a source or cause of physical, chemical, biological, and psychological hazards to the health and safety of the workers. It is obligatory for an employer to establish occupational safety and health committee in the establishment according to the directive issued by the Minister. Employment accidents and occupational diseases must get registered and notified to the labor inspector. To keep workplace and its premises free from hazards related to health and safety of worker, employer must implement the directives issued by the appropriate authority in accordance with this proclamation.

Workers must also obey all health and safety instructions issued by the employer or by the competent authority and co-operate in the formulation of work rules to safeguard his health and safety, and to implement them. Workers are prohibited from interfering, removing, displacing, damaging or destroying any safety devices or other appliances furnished for workers' protection. Further, workers are prohibited from obstructing any method or process adopted with a view to minimizing the occupational hazard. Ethiopian law does not specifically state that it prohibits an employer to react against a worker for reporting a dangerous work situation or removing himself/herself from a dangerous work situation.

viii. Benefits in the case of employment injuries: Proclamation 1156/2019 declares that, where a worker sustains employment injury, the employer shall cover the following expenses, among others: 1) general and specialized medical and surgical care; 2) hospital and pharmaceutical care; 3) any necessary prosthetic or orthopedic appliances A worker who has sustained employment injury shall be entitled to: a) periodical payment while he is temporarily disabled; b) disablement pension or gratuity or compensation where he sustains permanent disablement; c) Survivors' pension or compensation to his dependent when he dies.

4.3. The World Bank Environment and Social Standards: ESS 2

The World Bank's requirements related to labor are outlined in its ESS Standard (ESS2) that helps the Borrowers in promoting sound worker-management relationships and enhance the development benefits of a Operation by providing workers fair treatment, and safe and healthy working conditions. Key objectives of the ESS 2 are to: promote safety and health at work; promote the fair treatment, nondiscrimination and equal opportunity of Operation workers; protect Operation workers, including vulnerable workers such as women, persons with disabilities, children and migrant workers, contracted workers, community workers and primary supply workers, as appropriate; prevent the use of all forms of forced labor and child labor; support the principles of freedom of association and collective bargaining of Operation workers; in a manner consistent with national law; and provide Operation workers with accessible means to raise workplace concerns. ESS2 applies to Operation workers including fulltime, part-time, temporary, seasonal and migrant workers. Where government civil servants are working in connection with the Operation, whether full-time or part-time, they will remain subject to the terms and conditions of their existing public sector employment agreement or arrangement, unless there has been an effective legal transfer of their employment or engagement to the Operation. ESS2 will not apply to government civil servants.

The ESS 2 requires the Borrower to develop and implement written labor management procedures applicable to the Operations. These procedures will set out the way in which Operation workers will be managed, in accordance with the requirements of national law and the ESS. The procedures will address the way in which the ESS will apply to different categories of Operation workers including direct workers, and the way in which the Borrower will require third parties to manage their workers. Operation workers will be provided with information and documentation that is clear and understandable regarding their terms and conditions of employment. The information and documentation will set out their rights under national labor and employment law, including their rights related to hours of work, wages, overtime, compensation and benefits, as well as those arising from the requirements of the ESS. This

information and documentation will be provided at the beginning of the working relationship and when any material changes to the terms or conditions of employment occur.

4.4. Policy Gap

The WB ESS2 outlines specific requirements for each aspect of working conditions and the rights and safety of employees, which the operation will adhere to during its implementation. In this section, we will assess the Ethiopian National Labor Proclamation against the elements and requirements of WB ESS2 to identify both policy gaps and strengths.

Summary of Ethiopian Labor proclamation in comparison to the World Bank ESS 2 Requirements

Elements of ESS	Major WB requirements	Key requirements in Ethiopia legal framework
Working conditions and management of labor relations	<ul style="list-style-type: none"> - Written labor management procedures - Terms and conditions of employment - Nondiscrimination and equal opportunity - Worker’s organizations - Elaborate Labor Management Plans including Contractor’s Environment And Social Management Plan (ESMP) warranted 	<ul style="list-style-type: none"> - Written employment contract required, including procedures and employment conditions - Specific nondiscrimination and equal opportunity requirements - No provision for Labor Management Plans
Protecting the work force	<ul style="list-style-type: none"> - Child labor prohibition - Forced labor prohibition 	<ul style="list-style-type: none"> - No forced labor allowed - Child labor prohibited
Grievance mechanism	<ul style="list-style-type: none"> - GRM should be in place for direct and contracted workers 	<ul style="list-style-type: none"> - No Operation specific GRM is warranted. - Grievance registration and follow-up procedures are stated
OHS	<ul style="list-style-type: none"> - Detailed Procedure required for each and every Operation. - Requirements to protect workers, train workers, document incidents, emergency preparation, addressing issues; and - Monitor OSH performance 	<ul style="list-style-type: none"> - There is no detailed procedure specific to each and every Operation
Category of workers	<ul style="list-style-type: none"> - Specifies categories of workers 	<ul style="list-style-type: none"> - No reference to community and primary supply workers
Minimum age of workers	<ul style="list-style-type: none"> - Persons below 14 years of age are not allowed to be employed - Those between 14 and 18 years of age are allowed to be employed with set of restrictions on the type of work they will be engaged in 	<ul style="list-style-type: none"> - Employment permissible for 15 plus age, but with guardian permission, 14 years children might be employed under certain conditions

5. Labor Management Procedure Implementation and Responsibility of Staff

The entity responsible for managing workers varies depending on the type of workers and the location. Direct workers will be managed by the MoF and other core implementing ministries at the national level, following the guidelines outlined in the Federal Civil Servants Proclamation 1064/2017, along with their respective regional bureaus. The terms and conditions of the contracted workforce would be determined by the laws specified in section four above. The Social Development and Safeguards (SDS) coordinator at the MoF oversees and guides all the workers associated with the Operation. Additionally, the SDS, Social Development Specialist and Monitoring and Evaluation (M&E) Specialist will each have distinct responsibilities, which include:

Implement this labor management procedure (LMP); Develop the capacity of operation workers and contractors to implement the LMP and related OHS mitigation procedures and protocols

Ensure that contractors engaged in civil works comply with this LMP, and prepare occupational health and safety plans before mobilizing to the field;

- Ensure the contracts with the contractors are developed in line with the provisions of this LMP and the Operation's Environment and Social Management Plan (ESMP);
- Monitor to verify that contractors are meeting labour and OHS obligations toward contracted and subcontracted workers as required by the Ethiopian law and respective contracts between SDS and the contractors;
- Monitor contractors' and subcontractors' implementation of labor management procedures;
- Monitor compliance with occupational health and safety standards at all workplaces in line with Ethiopian occupational health and safety legislation;
- Monitor and implement training on LMP and OHS for Operation workers;
- Ensure that the grievance redress mechanism for Operation workers is established and implemented and that workers are informed of its purpose and how to use it;
- Have a system for regular monitoring and reporting on labor and occupational safety and health performance;
- Monitor implementation of the Worker Code of Conduct;
- Ensure that contractors develop and implement specific environmental and social management plans

- Timely reporting of accidents and incidents, and providing subsequent responses to the accidents/incidents.

The Contractors roles and responsibilities to the implementation of the Labor Management Procedures (LMP) and Occupational Health and Safety (OHS) encompass the following:

- Adhere to the labor management procedures and occupational health and safety requirements stated in the contracts signed with SDS;
- Supervise the implementation of labor management procedures and occupational health and safety requirements by subcontractors;
- Maintain accurate records of recruitment and employment of contracted workers as provided in their contracts;
- Clearly communicate job descriptions and employment conditions to all workers;
- Ensure that every worker hired by contractor or subcontractor is aware of the Project Coordination Unit (PCU) dedicated phone number, email address, and web for submitting grievances;
- Provide induction and regular training to employees in labor protection requirements, including training on their rights under Ethiopian law, job related risks, , and measures to mitigate these risks.
- Collaborate with SDS Social and Environment Specialists to conduct training sessions on labor management procedures and occupational safety, aimed at enhancing subcontractor performance.
- Ensure that all contractor and subcontractor workers understand and sign the Code of Conduct before commencing work and supervise compliance with the Code throughout the project duration.

6. Policies and Procedures for Management of Labor Issues under the Operation

This section sets out the anticipated policies and procedures as mitigation measures that will be adopted by the Operation to address the labor risks and impacts identified in section 3.

- a. Employment procedure and work conditions:** Decisions relating to the employment or treatment of Operation workers will not be made on the basis of personal characteristics unrelated to inherent job requirements. The employment of Operation workers will be based on the principle of equal opportunity and fair treatment, and there will be no discrimination with respect to any aspects of the employment relationship, such as recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training,

job assignment, promotion, termination of employment or retirement, or disciplinary practices. The following policies and procedure will be adhered to ensure the fair treatment of Operation workers in employment procedures and working conditions:

- Recruitment procedures will be transparent, public and non-discriminatory, and open with respect to ethnicity, religion, 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 employment contract.
- Workers will be informed at least two months before their expected release date of the coming termination.
- The contracted workers will not be required to pay any hiring fees. If any hiring fees are to be incurred, these will be paid by the Employer.
- Depending on the origin of the employer and workers, employment terms and conditions will be communicated in a language that is understandable to both parties.
- In addition to written documentation, an oral explanation of conditions and terms of employment will be provided to workers who may have difficulty understanding the documentation.
- Where disabled persons are hired, accessibility will be ensured in terms of provision of wheelchair ramps or elevators, or alternative formats of communication, etc.
- Men and women will be given equal opportunities relating to all recruitment opportunities under the Operation.
- Workers will be presented with details of grievance procedures, including the different channels they can resort to and the processes for escalation where necessary

b. Child and Forced Labor

In Ethiopia forced and child labor is prohibited under Article 36 of the 1995 national constitution and punishable offence under the criminal code proclamation no. 414/2004. The following policies and procedure will be abided by the contractors and Operation coordination offices to prevent child and forced labor in the HCO:

- The labor management procedure will be followed as a guide to set a minimum age for employment, restrictions on what type of work can be done by workers between the age of 15 and 18, and what hours of work are permissible for the works between the age of 15-18 in the Operation works.

- Contractors will be required to verify and identify the age of all workers through official documents
 - If a child under the minimum age is discovered working on the Operation, measures will be taken to immediately terminate the employment or engagement of the child in a responsible manner, taking into account the best interest of the child.
 - Create control mechanisms like supervising staff to monitor the adherence to this LMP and Ethiopian Labor Law and Procedures.
 - Awareness raising events should be conducted for all stakeholders regarding child and forced labor.
- c. Occupational Health and Safety (OHS):** As indicated in chapter 3, the main OHS risks are related to internal conflicts, communicable diseases and accidents due to lack of PPE. The Operation will ensure that workers are properly instructed and notified about the risks, imminent danger and preventive measure related to their respective occupations and precautions necessary to avoid accidents and injury to their health. The following are the main procedures to be considered:
- Provision of proper safety and emergency regulations for the prevention of fire, traffic, workplace and other accidents
 - Awareness and training of workers regarding their work activity
 - Adhering to the national labor law and its OHS portion as well to the WBG safety guidelines
 - Immediate and appropriate steps to investigate and rectify any risks to health and safety arising from the work activity
 - Appropriate directions signs will be installed to indicate the clear direction in case of emergency for visitors and workers.
 - Supply of stretches and first aid boxes, together with rescue facilities at Site
 - All workers should be trained in disease's prevention (i.e. Usage of Condoms, Hygiene, Social Distancing, Measures of reducing airborne diseases, ...) and basic treatment aspect.
 - Reducing the number of workers at a time in times of epidemic and pandemic, and distributing standard PPE (i.e. Masks, gloves, hand sanitizers, ...).
- d. Discrimination and exclusion of vulnerable groups:** The recruitment of Operation workers and their engagement will be on the basis of equal opportunity and fair treatment, and there will be no discrimination on any aspects of the Operation. Recruitment protocols will be developed and

monitored. In this regard, the Operation will adhere to the following procedures:

- The Operation will implement labor standards and working conditions as per the national law particularly where it applies to equal opportunities and non-discrimination.
 - The employment of Operation workers will be based on the principle of equal opportunity and fair treatment, and there will be no discrimination with respect to any aspects of the employment relationship including but not limited to: recruitment requirements; training opportunities; termination of employment; inappropriate treatment or harassment including sexual harassment.
 - Where people with disability are hired, accessibility will be ensured in terms of provision of wheelchair ramps or elevators, or alternative formats of communication, etc.
 - Men and women will be given equal opportunities relating to all recruitment opportunities under the Operation.
 - The Operation will also provide all measures necessary for protecting vulnerable groups of workers such as the disabled, and women.
 - Codes of conduct will be developed
 - The workforce GRM will be communicated to all workers
 - Induction trainings and refresher trainings will be provided for all workers.
 - All Operation workers will be provided with clear and understandable terms and conditions of employment in writing.
 - Workers will be presented with details of grievance procedures, including the different channels they can resort to and the processes for escalation
- e. Security risks:** To ensure the safety of the Operation workers in the areas where insecurity and internal conflicts arise in the forms of political, ideological and resource-based conflict the following procedures will be adhered in the Operation area:
- Protocols on staff members' movement when out of their work stations will be developed
 - The Operation office will work closely with the government structures to ensure the security of the Operation staff
 - The Operation will not hire armed security as part of this Operation.
- f. Gender-based violence:** A separate procedure will be developed to address GBV/SEA complaints as may arise during Operation implementation. The procedure will incorporate the following aspects to prevent and response GBV in workplace:
- Provide training on GBV Prevention and Response to all the workers involved in the Operation.

- A proper and comprehensive GRM should be prepared and GRM awareness sessions should be inducted for all Operation workers.
- Complaint Box, GRM Hotline and other relevant GRM tools should be easily accessible to all workers.
- Privacy and confidentiality should be taken seriously while filing complaints, to gain trust and ensure transparent implementation.
- Immediate actions should be taken when facing serious issues.
- Where GBV/SEA case is reported, the complainant will be provided with information about the available services including: confidential and appropriate medical and psychological support; emergency accommodation; and any other necessary services as appropriate including legal assistance.
- Codes of conduct (CoC) will be developed which will include provisions on Sexual and gender-based violence (SGBV) and safety. Induction trainings and refresher training will be provided for all workers on the purpose of the CoC, the importance of adhering to it and serious consequences in the event that the CoCs are violated
- Workers will be presented with details of grievance procedures, including the referral pathways in the event of GBV related complaints.

Monitoring and reporting play a pivotal role in managing labor issues within the Human Capital Operation. Through the implementation of robust monitoring and reporting mechanisms, the HCO can effectively address labor concerns, uphold compliance with relevant regulations, and foster a safe and equitable work environment for all employees. This will be accomplished through the following activities:

- **Data Collection:** gathering of relevant information related to labor issues, such as workforce demographics, employment contracts, working conditions, and any grievances or disputes.
- **Compliance Monitoring:** regular compliance assessment with ESS2, national labor laws, regulations, and contractual agreements within the operation.
- **Incident Reporting:** establishing procedures for reporting and investigating any labor-related incidents, including accidents, injuries, harassment, discrimination, or violations of labor rights.
- **Stakeholder Engagement:** engaging with relevant stakeholders, including employees, labor unions, government agencies, and civil society organizations, to gather feedback, address concerns, and ensure transparency in labor management practices.
- **Documentation and Record-Keeping:** maintaining accurate records of labor-related activities, including employment contracts, training programs, performance evaluations, and disciplinary

actions.

- **Regular Reporting:** providing regular reports on labor-related activities, including compliance status, incident investigations, and stakeholder engagement efforts, to relevant stakeholders and decision-makers within the operation.
- **Continuous Improvement:** utilizing feedback from monitoring and reporting processes to identify areas for improvement and implementing corrective actions to enhance labor management practices and outcomes within the operation.

7. Terms and Conditions of Employment

The terms and conditions applying to the Operation workers are set out in reference to the national labor laws and legislations, UN conventions, and international human rights instruments.

The national labor laws and regulations include: Labor Proclamation No. 42/1993 (replaced by Labor Proclamation No. 377/2003), (ii) Labor Proclamation No. 377/2003, (iii) Labor Proclamation No.1156/2019 (complements, does not replace, Labor Proclamation No. 377/2003), (iv) Employment Exchange Service Proclamation No. 632/2009, and (v) Right to Employment of Persons with Disability Proclamation No. 568/2008.

Ethiopia is a signatory to the UN conventions and has ratified the major international human rights instruments. Ethiopia has also ratified the following ILO conventions:- Forced Labor Convention No. 29/1930; Freedom of Association and Protection of the Right to Organize Convention No. 87/1948; Employment Service Convention No. 88/1948; Right to Organize and Collective Bargaining Convention No. 98/1949; Abolition of Forced Labor Convention, No.105/1957; Minimum Age Convention No. 138/1973; Occupational Safety and Health Convention No. 156/1981; Termination of Employment Convention No. 158/1982; The Rights of the Child Convention 1989; and The Worst Forms of Child Labor Convention No. 182/1999. To access these conventions please visit this website www.ilo.org/ethiopia.

In addition to the national and international labor laws and procedures, the terms and conditions applying to SDS workers are set out in the internal human resource (HR) regulations of the federal and regional Operation implementing agencies. These internal labor rules and regulations will apply to all SDS employees who are assigned to work on the Operation (direct workers). Terms and conditions of part-time direct workers will be determined by their individual contracts. There will be two types of employment contracts applied by the SDS: a one-year employment agreements and short-term service contracts. Majority of staff will be permanent staff with one-year employment agreements with fixed monthly wage

rates. All the recruiting procedures will be documented and filed in the folders in accordance to the requirements of Labour Proclamation of the Federal Democratic Republic of Ethiopia. Under the Operation, direct workers will be properly paid for any overtime work to be conducted as per their terms of contract in line with the national law. The work hours for SDS workers are 40 hours per week, eight hours per workday. The contractors' labor management procedure will set out terms and conditions for the contracted and subcontracted workers. These terms and conditions will be in line, at a minimum, with this labor management procedure, the national Labor Proclamation and specified in the standard contracts to be used by the SDS under the Operation.

The following are major terms and conditions apply to Operation workers in accordance with the national labor proclamations, laws and conventions.

Contracts

- The Operation, and contractors, subcontractor, and delegates of contracts shall pay rates of wages and observe hours and conditions of employment which are not less favorable than those established in the country.
- Contractors and sub-contractors shall be certified according to the Government Requirements for governmental contractors including that contractors are certify that the wages and conditions of employment of all those employed by the contractor in the trade or industry in which the contractor is seeking to contract with the Government are fair and reasonable.
- The contracts will be guided by the principle of collective bargaining is applicable and where there is no minimum wage or rates established in the country, the guiding principle will be of fair wages and reasonable rates commensurate with governmental minimum wage and similar established rates and conditions.
- In keeping with the labor proclamation, the contractor shall keep proper wage records and time sheets for all those employed in relation to the execution of the contract, and the contractor shall produce the wage records and timesheets for the inspection of any person authorized by the Operation or the Labor authorities of Ethiopia.
- Contractors are required by law, to post conditions of work in conspicuous places informing workers of their rights and conditions of work.
- The contractor shall ensure sufficient insurance so as to pay compensation to workers.
- A subcontractor shall be bound to conform to the conditions of the main contract and the main contractor shall be responsible for the observance of all contract conditions.

- Contractors and subcontractors shall recognize the right of their workers to be members of the trade unions.

Minimum Wage

- All Operation workers shall be paid a wage that is above or equal to the minimum wage as established by the Government of Ethiopia for civil servants and Operation workers.
- Wages will be paid on a weekly, bi-weekly or monthly basis. Each employee is entitled to a statement accompanying pay that clarifies the following: (a) the worker's gross wages due at the end of that pay period; (b) the amount of every deduction from his or her wages during that pay period and the purpose for which each deduction was made; and (c) the worker's net wages payable at the end of that pay period.

Hours of Work

- The maximum number of ordinary hours of work for employees shall be 40 hours per week with the ordinary working days being Mondays to Saturdays.
- Operation workers are prohibited from working more than 10 hours per day inclusive of two hours for lunch and rest periods.
- No person under the age of eighteen years shall be employed or allowed to work between the hours of 9.00 p.m. to 6.00 a.m.

8. Grievance Mechanism

The main objective of a Grievance Redress Mechanism (GRM) is to help resolve complaints in a timely, effective and efficient manner.

8.1. Operation- level Grievance Redress Mechanism (GRM)

Operation-level Grievance Redress Mechanism (GRM) refers to a structured process established within the operation to address and resolve grievances raised by individuals or groups affected by the operation's activities. This mechanism provides a formal avenue for stakeholders, such as employees, contractors, community members, or other stakeholders, to voice their concerns, complaints, or grievances related to the operation's impacts, activities, or conduct. The Operation-level GRM will be culturally appropriate, effective, accessible, and transparent, ensuring that all stakeholders are aware of its existence.

The operation-level GRM typically involves the following key components:

- **Accessibility:** ensuring that stakeholders have access to the grievance mechanism and are aware of how to use it. This may include providing information through various channels, such as workshops, posters, or community meetings.
- **Transparency:** maintaining transparency in the grievance process by clearly outlining the procedures for submitting grievances, the timeline for resolution, and the roles and responsibilities of all parties involved.
- **Fairness:** upholding principles of fairness and impartiality throughout the grievance process, including providing opportunities for all parties to present their perspectives and evidence.
- **Confidentiality:** protecting the confidentiality of individuals submitting grievances and ensuring that sensitive information is handled appropriately.
- **Timeliness:** resolving grievances in a timely manner to prevent escalation and minimize negative impacts on stakeholders.
- **Accountability:** holding accountable those responsible for addressing grievances and ensuring that appropriate actions are taken to address identified issues.
- **Feedback and Learning:** utilizing feedback from the grievance process to identify systemic issues, improve operations, and enhance stakeholder engagement practices.

The operation-level Grievance Redress Mechanism (GRM) is an essential component of responsible business practices, social accountability, and sustainable development. It provides affected stakeholders with a means to seek redress for grievances, fostering trust and legitimacy in the operation's activities.

Various channels will be available for submitting grievances at the operation level, including in-person, through suggestion boxes, or by phone to the grievance redress committees (GRC) established by the Operation at local levels (kebele/woredas).

Members of an operation-level GRC typically include representatives from various stakeholders involved in the operation. Below are their respective roles and responsibilities:

- **Operation Manager or Leader:** will oversee the overall implementation of the GRM and ensure that grievances are addressed in a timely and effective manner.
- **Community Representatives:** individuals selected from the affected communities to represent their interests and ensure that community concerns are adequately addressed.
- **Chair of the Woreda/kebele Council:** the government official from the local government structure who will provide guidance and support in resolving grievances within the framework of existing

laws and regulations.

- Human Resources Manager of the Operation: will handle employee-related grievances and ensures compliance with labor laws and company policies.
- Environmental and Social Specialists of the Operation: will responsible for assessing the environmental and social impacts of the project and addressing related grievances from stakeholders.
- Legal Advisor of the Operation: will provide guidance on legal matters related to grievances and ensures that the GRM process complies with relevant laws and regulations.
- Communications Officer of the Operation: will be responsible for disseminating information about the GRM process to stakeholders and managing communication channels for submitting grievances.
- Monitoring and Evaluation Officer: will track and evaluate the effectiveness of the GRM process, identifies areas for improvement, and ensures accountability in addressing grievances.
- Project Beneficiaries: individuals or groups directly affected by the project who have the right to submit grievances and participate in the resolution process.

Each member of the GRM committee has a responsibility to ensure that grievances are addressed fairly, transparently, and in accordance with established procedures. They must collaborate effectively to identify solutions that address the concerns of all stakeholders and contribute to the overall success of the project.

Complaints will be organized and forwarded to the woredas/kebele council, then to the GRM focal person at the Service Delivery Secretariat (SDS) and Operation management/lead for resolution. An awareness-raising campaign will be conducted for Operation stakeholders including workers, beneficiaries, contractors and the community at large to inform them about the presence of the GRM and their right to voice any concerns, complaints, and issues related to the HCO.

The GRM offers a transparent and credible process for achieving fair, effective, and lasting outcomes. It also fosters trust and cooperation, serving as an integral component of broader consultation efforts that facilitate corrective actions.

The Operation-level GRM typically addresses a wide range of grievances related to the operation's activities, impacts, or conduct. Some common types of grievances that may be addressed and managed by the Operation-level GRM include:

- Employment-related Grievances: complaints related to working conditions, wages, benefits, contracts, discrimination, harassment, or other issues affecting employees or workers involved in the operation.
- Community Grievances: concerns raised by members of local communities affected by the operation, such as land disputes, loss of livelihoods, environmental pollution, noise, or other negative impacts on their well-being.
- Safety and Health Grievances: complaints regarding workplace safety, health hazards, accidents, injuries, or failure to comply with safety regulations or standards.
- Environmental Grievances: allegations of environmental damage, pollution, resource depletion, or other adverse impacts on natural ecosystems or biodiversity caused by the operation's activities.
- Social Grievances: issues related to social impacts of the operation, such as displacement, cultural heritage preservation, community development, social inclusion, or social conflicts arising from the operation's presence.
- Contractual Grievances: disputes arising from contractual agreements between the operation and contractors, suppliers, or service providers, such as non-payment, breach of contract, or failure to deliver services as agreed.
- Human Rights Grievances: complaints alleging violations of human rights, including labor rights, land rights, or rights to participation and consultation.
- Access to Services Grievances: concerns related to access to essential services, such as water, electricity, healthcare, education, or other public services impacted by the operation.
- Cultural and Heritage Grievances: issues related to the preservation of cultural heritage, sacred sites, traditional knowledge, or cultural practices affected by the operation.
- Ethical Conduct Grievances: allegations of unethical behavior, corruption, fraud, or misconduct by employees, contractors, or other stakeholders associated with the operation.

The Operation-level GRM provides a structured process for stakeholders to raise, investigate, and resolve grievances in a fair, transparent, and timely manner, contributing to improved accountability, stakeholder engagement, and the overall sustainability of the operation.

The grievance mechanism for Operation-level grievances reported by staff, beneficiaries, community members, contractors, and other stakeholders operates as follows:

1. Submission of Grievances:

- **Points of Contact:** grievances can be submitted through various channels. For staff and contractors, the primary point of contact is the designated grievance officer or representative of the contractor. For community members, beneficiaries, and other stakeholders, grievances can be submitted to the grievance redress committees (GRC) established at the kebele, woreda, regional, and national levels.
- **Methods:** grievances can be submitted in person, via telephone, through suggestion boxes, in writing, or via a dedicated email and telephone number. Anonymity is respected if requested.

2. Receipt and Registration:

- Upon receiving a grievance, the designated staff member or GRC representative logs the complaint into a grievance registry. This registry records all pertinent details, including the date of submission, nature of the grievance, and any actions taken.
- The designated staff member or GRC representative notifies the Operation manager and the Environmental and Social Specialist (ESS) about the received grievance.

3. Initial Review:

- The grievance is reviewed to determine its nature and severity. If the grievance involves Operation management staff, the Operation coordinator or focal person may need to recuse themselves if directly implicated.

4. Acknowledgment:

- An acknowledgment of the grievance is sent to the complainant within a specified timeframe, typically within a few days of receipt. This acknowledgment includes an overview of the grievance process and an estimated timeline for resolution.

5. Investigation and Resolution:

- **Standard Grievances:** the contractor or designated staff member attempts to address standard grievances within three weeks. This involves investigating the grievance, consulting relevant parties, and identifying potential solutions.
- **Urgent Matters:** for urgent grievances like GBV, a shorter resolution period is applied,

ranging from 24 hours to 15 days. These grievances are prioritized based on their impact and urgency.

6. Documentation:

- All steps taken to investigate and resolve the grievance are documented in the registry. This includes communication with the complainant, findings from the investigation, and the resolution process.

7. Communication of Outcome:

- Once the grievance is resolved, the designated staff member or contractor notifies the Operation coordinator and provides a report detailing the resolution. The complainant is informed in writing about the measures taken to address their grievance and the final outcome.

8. Public Awareness:

- The Grievance Redress Mechanism is publicized through various channels to ensure awareness among all stakeholders. This includes posting information on the Ministry of Finance's website, regional and woreda-level finance offices' websites, public notices, billboards at sub-Operation sites, brochures distributed in communities, and messages in print and broadcast media.

9. Monitoring and Feedback:

- The effectiveness of the GRM is regularly monitored and evaluated. Feedback from the grievance process is used to identify systemic issues, improve policies and practices, and enhance communication and trust between the Operation and its stakeholders.

By implementing these steps, the Operation-level GRM ensures that grievances from staff, beneficiaries, community members, contractors, and other stakeholders are addressed promptly, fairly, and transparently, contributing to a positive and accountable Operation environment.

8.2. Principles and Procedures of the Workers Grievances Redress Mechanism (WGRM)

The Workers Grievances Redress Mechanism (WGRM) is a structured process within the operation to address and resolve grievances raised by workers or employees. It provides a formal mechanism for workers to voice their internal concerns, complaints, or grievances related to their employment, working conditions, or other issues affecting them in the workplace. It specifically designed for employees, contractors, and other workers involved in the Operation.

- This Workers' GRM is not same as the grievance mechanism to be established for Operation affected stakeholders as it addresses grievances related to working conditions, wages, benefits, discrimination, harassment, workplace safety, and other employment-related issues.
-
- Both direct and contracted workers will be informed of the WGRM at the time of recruitment and the measures put in place to protect them against any reprisal for its use.
- The WGRM will be easily accessible via the disclosure of a hotline and/or office hours and transparently disclosed to all employees to raise workplace concerns.
- The WGRM shall be transparent in using clear procedures.
- There will be no discrimination against those who express grievances, and all grievances will be treated confidentially.
- Anonymous grievances will also be accepted and treated equally as other grievances whose origins are known.
- Operation coordination committees, SDS and other responsible Operation management will treat grievances seriously and take timely and appropriate action in response
- The aggrieved parties shall be informed within 15 days of their grievance application either with a respective solution or with a request of extension in cases where more information is needed.
- The aggrieved party shall have the option to refer to a grievance log with key information that will be established by the woreda council and regional bureau of finance.
- Grievance logbook will be maintained in the Operation office.
- The WGRM, however, does not replace or override the requirement that the SDS provide for workplace processes for Operation workers to report work situations that they believe are not safe or healthy, such as reporting requirements regarding workplace injuries and accidents.
- The WGRM will not prevent workers to use judicial procedure or administrative remedies that might be available under the law or existing arbitration procedures or substitute for collective agreements grievance mechanisms, if preferred.

8.3. Worker Grievances Redress Mechanism (WGRM) Structure

The structure of the WGRM for the HCO will be set at the woreda, regional and national level.

Woreda level structure:

The woreda coordination committee (WCC) to be established in each woreda administration (council) will address and resolve complaints within 15 days of receiving complaints from contractors or Operation

workers. The woreda coordination committee will be headed by the head of the woreda office of finance and economic development. The WCC will be supported by a locally based Woreda Operation Coordinator (WPC) hired by the SDS, who will be assigned to serve as the Grievance Focal Point (GFP) and will be responsible for maintaining feedback logs. If the issue cannot be resolved at the woreda level, then it will be escalated by the regional Operation coordinator to the central SDS.

Regional level structure:

The Operation coordination committee at regional level lead by the regional BoFED will address the grievances which are beyond the capacity of the contractors and woreda level Operation coordination committees. If the cases required further intervention the regional level coordination committee will refer the case to the federal level coordination unit/SDS.

National level structure:

If there is a situation in which there is no response from the woreda and regional level GFP, or if the response is not satisfactory then complainants and feedback providers have an option to contact the federal coordination unit/SDS directly to follow up on the issue. The SDS will establish a Grievance Management Group (comprising M&E, E&S safeguards specialists) and will assign a GFP to be responsible for complaints and issues related to all woredas and components. The SDS coordinator will make a final decision after a thorough review of the investigation and verification findings. The timeline for complaint resolution at the central SDS level will be 30 days upon receipt of the complaint. The complainant will be informed of the outcome immediately and at the latest within 5 days of the decision. If the complaint is still not resolved to the satisfaction of the complainant, then s/he can submit her/his complaint to the appropriate labor dispute court through formal labor division courts or the labor relations board for conciliation.

8.4. Grievance Logs

The Grievance Focal Points will maintain local grievance logs to ensure that each complaint has an individual reference number and is appropriately tracked, and recorded actions are completed. When receiving feedback, including grievances, the following is defined:

- Type of appeal
- Category of appeal
- People responsible for the study and execution of the appeal
- Deadline of resolving the appeal
- Agreed action plan.

The woreda Operation Social Development Specialist and Woreda Operation Coordinators will ensure that each complaint has an individual reference number and is appropriately tracked and recorded when actions are completed. The log should contain the following information:

- Name of the PAP, his/her location and details of his / her complaint.
- Date of reporting by the complainant.
- Date when the Grievance Log was uploaded onto the Operation database.
- Details of corrective action proposed and name of the approval authority.
- Date when the proposed corrective action was sent to the complainant (if appropriate).
- Details of the Grievance Committee meeting (if appropriate).
- Date when the complaint was closed out.
- Date when the response was sent to the complainant.

8.5. Monitoring and Reporting on Grievances

The PCU social development specialist will be responsible for:

- Collecting and analyzing the qualitative data from GFPs on the number, substance and status of complaints and uploading them into the single Operation database
- Monitoring outstanding issues and proposing measures to resolve them and
- Submitting quarterly reports on GRM mechanisms to the SDS M&E Specialist.

The quarterly reports shall include section related to GRM, which provides updated information on the status of GRM implementation (procedures, training, public awareness campaigns, budgeting etc.); on number of received grievances/(applications, suggestions, complaints, requests, positive feedback) and number of resolved grievances; on the type of grievances and responses, issues provided and grievances that remain unresolved; level of satisfaction by the measures (response) taken; and any correction measures taken.

8.6. World Bank Grievance Redress System and Inspection Panel

The GRM is a vital component of the World Bank's commitment to accountability and responsiveness in its projects, providing a structured avenue for stakeholders to raise concerns. The Inspection Panel plays a crucial role in ensuring these mechanisms work effectively by independently investigating complaints and

ensuring the Bank adheres to its policies, thus protecting the rights and interests of affected communities.

World Bank Grievance Redress Service (GRS)

The World Bank's Grievance Redress Service (GRS) is a specific mechanism designed to address concerns and complaints from individuals and communities who believe they have been adversely affected by a World Bank-financed project. The GRS aims to provide a transparent and responsive avenue for stakeholders to voice their grievances, ensuring that these issues are addressed promptly and effectively.

The WB's GRS have the following key characteristics

Accessibility: the GRS is accessible to anyone who feels affected by a World Bank-funded project. Stakeholders can submit grievances through various channels, including online submission, email, fax, or mail.

Confidentiality: the GRS respects the confidentiality of complainants. If requested, the identity of the complainant is kept confidential to protect them from potential retaliation.

Timeliness: the GRS aims to acknowledge receipt of complaints within ten business days and seeks to provide a response or resolution within a specified period, generally 45 business days.

Transparency: the process and outcomes of grievance redress are communicated clearly to the complainant, ensuring that they are informed about the steps taken to resolve their concerns.

Inclusivity: the GRS is designed to be inclusive, allowing individuals, communities, and other stakeholders to submit grievances, regardless of their location or socio-economic status.

Non-Retaliation: the World Bank ensures that no retaliatory actions are taken against those who file complaints.

The Implementation Process of the WB's GRS

1. Submission of Grievance: complaints can be submitted to the WB's GRS through multiple channels:
 - Online: Via the GRS website.
 - Email: Sent to the designated GRS email address.
 - Fax or Mail: Directly to the GRS office.
2. Acknowledgment: upon receiving a grievance, the GRS acknowledges receipt within ten business

days.

3. **Initial Assessment:** the GRS conducts an initial assessment to determine the nature of the grievance and its eligibility. This involves verifying whether the complaint is related to a World Bank-funded project and falls within the scope of the GRS.
4. **Referral and Response:** eligible grievances are referred to the appropriate project team or World Bank unit for action. The GRS coordinates with relevant parties to investigate the grievance and develop a response.
5. **Resolution and Feedback:** the GRS aims to resolve grievances within 45 business days. The resolution process may involve further investigation, stakeholder consultations, and action plans to address the issues raised. The complainant is informed of the findings and any corrective actions taken.
6. **Follow-up and Monitoring:** The GRS monitors the implementation of agreed-upon actions to ensure that the grievance is adequately addressed and resolved.

Role of the WB's Inspection Panel in GRM

The Inspection Panel is an independent accountability mechanism of the World Bank. It was established in 1993 to ensure that the Bank adheres to its operational policies and procedures, particularly in projects that have significant social and environmental impacts. The Panel serves as an impartial body to address complaints from individuals and communities who believe they have been or are likely to be adversely affected by a World Bank-funded project.

Functions of the WB's Inspection Panel

1. **Receive Complaints:** The Panel receives and registers complaints (known as "Requests for Inspection") from affected parties. These complaints must allege that harm has occurred or is likely to occur due to a failure by the World Bank to follow its operational policies and procedures.
2. **Eligibility Assessment:** The Panel conducts an initial review to determine whether the complaint is eligible for further investigation. This involves checking whether the complaint meets certain criteria, such as being submitted by affected parties and relating to a World Bank-financed project.
3. **Investigation:** If the complaint is deemed eligible, the Panel conducts a thorough investigation. This may include field visits, meetings with stakeholders, and review of project documents. The Panel examines whether the Bank has complied with its policies and whether any non-compliance

has caused harm to the complainants.

4. Reporting: After completing the investigation, the Panel issues a report to the World Bank's Board of Executive Directors. The report includes findings and recommendations for corrective actions. The Board then decides on the actions to be taken based on the Panel's findings.
5. Monitoring and Follow-up: The Panel may also monitor the implementation of the Board's decisions and the World Bank's actions to ensure that the issues raised in the complaint are adequately addressed.

For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <https://www.worldbank.org/en/Operations-operations/products-and-services/grievance-redress-service>

For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

9. Contractor Management

Contract management in World Bank operations is a critical process that ensures the successful implementation of projects financed by the World Bank. It involves overseeing and managing contracts throughout their lifecycle, from planning and procurement to execution and completion. Effective contract management ensures that projects are completed on time, within budget, and in compliance with contractual terms and World Bank guidelines.

In implementing the LMP under the HCO, contract management plays a vital role in ensuring the smooth execution of the project. The phases of contract management, from planning and procurement to closeout and evaluation, provide a structured framework for overseeing and managing contracts throughout their lifecycle. This ensures that the labor management procedure is implemented efficiently, within budget, and in compliance with contractual terms and World Bank guidelines.

The contractor selection process mirrors the transparency and competitiveness standards set by the World Bank's Procurement Framework, ensuring that qualified contractors are selected through a rigorous evaluation process. Key requirements such as eligibility criteria and qualification standards are adhered to, ensuring that selected contractors possess the necessary expertise and experience to successfully implement the labor management procedure.

Additionally, the periodicity of reports in contract management ensures consistent monitoring, accountability, and transparency, facilitating progress tracking and compliance with contractual terms, which is crucial for the effective implementation of the labor management procedure under the HCO.

The key phases of contract management in World Bank operations include:

- Planning and Procurement, which involves identifying project requirements, developing a procurement plan, and selecting the most qualified contractor through a competitive bidding process;
- Contract Award and Mobilization, where the contract is formally awarded and signed, allowing the contractor to mobilize resources;
- Contract Execution and Performance Monitoring, which entails regular monitoring of work progress, quality assurance, financial management, and adherence to environmental and social safeguards;
- Contract Administration, focusing on managing changes, resolving issues, and preparing progress reports; and

Contract Closeout and Evaluation, involving final inspections, issuance of a completion certificate, processing final payments, and conducting a project evaluation to assess performance and gather lessons learned.

10. Operationalization of the LMP- Operation Annual Work Plan and Budget

The client will ensure the commitments and planned activities in this labor management procedure are operationalized through the Operation annual work plan and budget. The client must include environmental and social activities in this LMP with estimated budget in the annual work plan and budget. The Operation annual work plan and budget passes through a review by task team leaders and environmental and social development specialists prior to issuance of no objection.

Provision	Federal level MOF and other core implementing ministries' Civil Servant, including consultants	Regional level Bureau of Finance and other core implementing bureaus' Civil Servant, including consultants	Woreda level finance office and other core implementing bureaus' staff and council members	Federal, and woreda level Operation Coordination Unit staff	Woreda level short term contract workers
Working contract	X	X	X	X	X
Adequate periods of rest per week, annual holiday and sick, maternity and family leave	X	X	X	X	X
Termination process in accordance with Ethiopian Labor Law, relevant International Conventions Ethiopia ratified	X	X	X	X	X
Non-Discrimination	X	X	X	X	X
Workers' organization	X	X	X	X	X
Minimum age of employment	X	X	X	X	X
Monthly salary payment	X	X	X	X	X
Code of Conduct	X	X	X	X	X
Occupational Health and Safety	X	X	X	X	X

11. Annex

11.1. Code of Conduct (CoC)

1. Background

This Code of Conduct provides practical guidance to workers, consultants, volunteers and the contractor and sub-contractors workers in the Ethiopian Human Capital Operation Service Delivery Secretariat, regional Operation coordination office, woreda coordination office (SPG woredas). This CoC will guide Operation workers to effectively prevent and address any form of discrimination and harassment in the workplace in accordance with the National Labour Proclamations and the Environmental Social Health and Safety (ESHS) requirements of the World Bank (WB)

(Name of the Operation coordinator/Contractor/Supervision Consultant) is committed to create a workplace, at all its working locations, that, at all the times, is free from discrimination and harassment where co-workers are respected and provided an appropriate work presidential in camps' environment so as to encourage good performance and conduct.

2. Definitions

- **Environmental Social Health and Safety (ESHS):** an umbrella term covering issues related to the impact of the Operation on the environment, communities and workers.
- **Occupational Health and Safety (OHS)** is concerned with protecting the safety, health and welfare of people engaged in work or employment.
- **Gender-Based Violence (GBV)** is an umbrella term for any harmful act that is perpetrated against a person's will and that is based on socially ascribed (i.e. gender) differences between males and females. It includes acts that inflict physical, sexual or mental harm or suffering, threats of such acts, coercion, and other deprivations of liberty. These acts can occur in public or in private(IASC 2015).Women and girls are disproportionately affected by GBV across the globe.
- **Sexual Harassment (SH)** is unwelcome sexual advances, requests for sexual favors, and other unwanted verbal or physical conduct of a sexual nature. SH differs from SEA in that it occurs between personnel/staff working on the Operation, and not between staff and Operation beneficiaries or communities. The distinction between SEA and SH is important so that agency policies and staff training can include specific instructions on the procedures to report each. Both women and men can experience SH.
- **Sexual Exploitation and Abuse (SEA)** is any actual or attempted abuse of a 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. Sexual abuse is further

defined as “the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions.” Women, girls, boys and men can experience SEA. In the context of WB supported Operations, Operation beneficiaries or members of Operation-affected communities may experience SEA.

- **Child** is used interchangeably with the term ‘minor’ and refers to a person under the age of 18. This is in accordance with Article 1 of the United Nations Convention on the Rights of the Child.
- **Child Protection (CP)** is an activity or initiative designed to protect children from any form of harm, particularly arising from violence against children.
- **Child/Forced Marriage** is the marriage of an individual against her or his will. Child marriage is a formal marriage or informal union before age 18. Since Ethiopia has adopted the international human rights standards, child marriages, reasoning that, is classified as a form of forced marriage as children are not legally competent to agree to such unions i.e. those under age 18 are unable to give informed consent.
- **Consent** is the informed choice underlying an individual’s free and voluntary intention, acceptance or agreement to do something. No consent can be found when such acceptance or agreement is obtained using threats, force or other forms of coercion, abduction, fraud, deception, or misrepresentation. In accordance with the United Nations Convention on the Rights of the Child, the WB considers that consent cannot be given by children under the age of 18, even if national legislation of the country into which the Code of Conduct is introduced has a lower age. Mistaken belief regarding the age of the child and consent from the child is not a defense.
- **Minimum Age for Admission to Employment under the Labor Proclamation:** the Labor Proclamation No.1159/19 also contains various provisions pivotal for the purpose of addressing child labor. This is the most important piece of legislation for addressing child labour. Article 89 of the Proclamation provides that a “young worker” is a person who is between the ages of 14 and 18. It also prescribes that no one may employ persons under 14. Thus, the law prohibits the employment of young persons in work which by their nature and/or the conditions under which they are carried out endanger the lives or health of young workers performing them.
- **Workplace:** in the CoC refers not only to the specific location where work is being performed, such as an office or workstations, or construction operation sites, but also to locations where work-related business may be conducted. These could include, but are not limited to, as applicable: (i) Work related social activities, such a reception organized by the Operation for staff or clients, etc.; (ii) Conferences and training sessions; (iii) Official business travel and business meals; and (iv) Work related telephone conversations as well as communications through electronic media.

3. Scope

This code of conduct applies to all employees of the supervision consultants and contractors (including sub-contractors and day workers) of the HCO. The code of conduct forms part of a contract between the Operation and workers. Workers shall mean all individuals on full-time or part-time employment with the Operation, with permanent, probationary, trainee (apprentice), temporary or contractual appointment.

4. Purpose

The purpose of this Code of Conduct is to describe the standards of behavior and conduct expected from workplace participants in their dealings with agents, customers, suppliers, clients, co-workers, management and the general public, and establish guidelines that:

- Clearly define obligations on all Operation workers (including contractors and sub-contractors' workers) with regard to implementing the Operation's environmental, social, health and safety (ESHS) and occupational health and safety (OHS) requirements, and;
- Help to prevent, report and address issues related to Gender-Based Violence (GBV), Sexual Harassment (SH) and Sexual Exploitation and Abuse (SEA) within the work site and in its immediate surrounding communities interacting due to the Operation.

Individual Code of Conduct

This Code of Conduct defines the expected standards and behaviors that all foreign (expats) and local staffs should adhere during working and leisure time personal engagement.

I _____ (Worker's Name and Working Position)
_____ have read, understand and agree to this Code of Conduct. I commit to the required standards of behavior and practice as outlined in adhering to environmental social health and safety (ESHS) standards, the Operation's occupational health and safety (OHS) requirements, and preventing gender-based violence (GBV), Sexual Harassment (SH) and Sexual Exploitation and Abuse (SEA) is of utmost importance.

Article 1. Professionalism

- i) Workers shall perform any duties associated with their position in a conscientious, competent and honest manner
- ii) Workers shall adhere to ethical and legal standards to be maintained in business
- iii) Workers shall dress and act in public in a professional manner that does not reflect adversely on the organization or other employees

- iv) Workers' use of social media shall not compromise the organization's reputation and include derogatory, shaming or other personal attacks towards or about Workers, the governing body, volunteers, client or other stakeholders including communities of the Operation area,
- v) Workers shall maintain knowledge and skills at levels consistent with developments in technology, legislation and management necessary to carry out duties and responsibilities,
- vi) Workers shall keep the person in charge or delegate, informed of whereabouts and intended time of return, if going out independently, including during off-duty periods.
- vii) Workers shall not engage in any public and/or political activity which is unethical or unlawful.
- viii) Workers shall be aware of social and socio-political rank in communities and make sure that clan leaders, administrators and community elders are treated with the distinctive respect they deserve.

Article 2. Responsibility to Personal behavior

2.1 Employment relationships and respect to others

- i) Workers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national, international labor and social security laws and regulations,
- ii) Workers shall treat each other with respect and courtesy, having regard for their dignity and rights,
- iii) Workers shall act fairly and equitably, respecting diversity in the environment in which they work in and they shall prevent and respond to unlawful discrimination against other employees, volunteers, clients and stakeholders,
- iv) Workers shall avoid discrimination in dealing with the local community (including vulnerable and disadvantaged groups), the Employer's Personnel, and the Contractor's Personnel based on family status, ethnicity, race, gender, religion, language, marital status, age, disability (physical and mental), political conviction or social, civic, or health status),
- v) Workers shall properly interact with the local community, members of the local community, and any affected person(s) by conveying an attitude of respect to their culture and traditions.

2.2 Harassment or Abuse

- i) The Operation is committed to provide a work environment that is free of inappropriate behavior of all kinds and harassment because of age, physical disability, marital status, race, religion, caste, sex or gender.
- ii) Workers shall not engage in sexual harassment and are prohibited to use language or behavior, towards women, men and/or children, that is inappropriate, harassing, abusive, sexually provocative, demeaning or culturally unacceptable.

- iii) Workers shall not engage in sexual harassment: for instance, making unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct, of a sexual nature, including subtle acts of such behavior (e.g., looking somebody up and down; kissing, howling or smacking sounds; hanging around somebody; whistling and catcalls; giving personal gifts; making comments about somebody's sex life; etc.).
- iv) Workers shall not participate in sexual contact or activity with children, including grooming, or contact through digital media. Mistaken belief regarding the age of a child is not a defense. Consent from the child is also not a defense or excuse.
- v) Unless there is the full consent by all parties involved, employees shall not have sexual interactions with members of the surrounding communities. This includes relationships involving the withholding or promise of actual provision of benefit (monetary or non-monetary) to community members in exchange for sex—such sexual activity is considered “non-consensual” within the scope of this Code.
- vi) Consider reporting through the Grievance Redressing Mechanism (GRM) or to the manager any suspected or actual GBV or SEA by a fellow worker, whether employed by the Operation or not, or any breaches of this Code of Conduct.
- vii) Workers shall protect children/minors from any sexual activity or abuse and ensure their safety in Operation areas and avoid any unacceptable behavior towards children.
- viii) Workers shall not use any computers, mobile phones, video and digital cameras or any other medium to exploit or harass children or to access child pornography (see also “Use of children's images for work related purposes” below).
- ix) Workers who are found engaged in SEA or GBV will be construed as misconduct that could lead to disciplinary action including but not limited to, dismissal or termination of employment, or referral to legal authorities, while providing service and referral to the survivor.

2.3. Alcohol, Drugs and Substances

- i) Workers shall not drink alcohol during working times and do so responsibly without compromising the health and safety of themselves and others during other times within the boundaries of the local laws and customs.
- ii) Workers shall not engage in the use or possession of alcohol, illegal drugs, narcotics or other controlled substances, which can always impair faculties, in the workplace and being under the influence of these substances on the job and during working hours is strictly prohibited. However, possession of prescription medication for medical treatment is permitted.
- iii) Workers shall not report for work under the influence of illicit drugs or alcohol. If a workplace participant is taking prescription medication, they are required to inform their manager.

Workplace participants may be required to produce medical evidence to prove their medication does not affect their capacity to work and to work safely.

- iv) Workers must not have alcohol or illegal drugs in their possession while at work. The use, possession and/or trafficking of any illegal substances or drunkenness in company premises, workplaces or using company facilities will result in immediate dismissal.

Article 2: Conflicts of interest

- i) Workers must avoid conflicts of interest (such that benefits, contracts, or employment, or any sort of preferential treatment or favors, are not provided to any person with whom there is a financial, family, or personal connection) i.e. each employee is expected to avoid situations in which his or her financial or other personal interests or dealings are, or may be, in conflict with the interests of the Operation.
- ii) Workers are advised not to engage in any other business, commercial, investment or any other activity (cultural, political, recreational, and social) that may conflict with the Company's interests and interfere with their ability to perform their duties to the Operation.
- iii) Workers must not use any of Operation's property, information or position, or opportunities arising from these for personal gains or to compete with or to tarnish the image of the Operation.
- iv) Workers do not offer or accept gifts, benefits or favors that may influence or be reasonably seen to influence decision making.
- v) Workers shall disclose any potential conflicts of interest that might arise during the performance of the Operation.

Article 3: Responsibility to Safe Environment

Employers shall provide a safe and healthy workplace setting to prevent accidents and injury to health arising during work or because of the operation of employers' facilities. Employers shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment.

- i) Workers should perform their duties in compliance with Environmental, Social, Health and Safety (ESHS) regulations and Occupational Health and Safety (OHS) requirements including wearing prescribed personal protective equipment (PPE), preventing avoidable accidents and a duty to report conditions or practices that pose a safety hazard or threaten the environment.
- ii) Workers must take care or not put themselves or others at risk or reduce their ability to carry out their duties through unsafe practices, or inappropriate behaviors.
- iii) Workers shall promote the use of renewable and recyclable materials with the least use of natural resources, wherever possible,
- iv) Workers shall act in preventing, identifying and responding to workplace health and safety risks.
- v) Workers shall fulfill Sanitation requirements of the Operation

- vi) Workers shall drive cautiously in community roads as per the Operation traffic management plan,
- vii) Workers shall bring to the management's attention any workplace safety or health hazard issues immediately.

Article 4: Accountability

- i) Workers must comply with applicable laws, rules, and regulations,
- ii) Workers use equipment, facilities and funds for the primary purpose of undertaking organizational duties.
- iii) Workers shall provide services of a high quality that are technically correct, innovative and giving value for money.
- iv) Workers must respect reasonable work instructions (including regarding environmental and social norms).
- v) Workers must protect and properly use properties to be used for the execution of the Operation and prohibit theft, carelessness or waste.
- vi) Workers Employees maintain confidentiality of all organization and personal information obtained during employment and other formal engagement with the organization and utilize such information for the purposes of carrying out duties, and not for financial or other benefit, or to take advantage of another person or organization.
- vii) Workers shall avoid any deceitful and fraudulent conduct and act while carrying out their duties which are both dishonest and, in most cases, criminal based on the Operation's financial integrity policy.
- viii) Workers prevent and respond to nepotism and patronage.
- ix) Workers maintain organization and personal records in accordance with legislative and organizational policy requirements.
- x) Workers ensure all decisions made during their duties are transparent and align with organizational policy and procedures.
- xi) Workers understand and comply with organization policies and procedures.
- xii) Workers are responsible for seeking clarification where needed regarding any part of their employment, including details of this Code of Conduct.
- xiii) Workers take responsibility for reporting conduct by other employees, governing body members or volunteers which contravenes any law, organizational policy and procedures, or this Code of Conduct.

Article 5: Adherence and Disclosure

- i) Workers shall undertake to abide by the Codes of Conduct,

- ii) Workers have a duty to report violations of this Code of Conduct,
- iii) Non-observance, violations or breach of this Code of Conduct shall be construed as misconduct that could lead to disciplinary action including but not limited to, dismissal or termination of employment, or referral to legal authorities.

I, _____, have read, understand and agree to this Code of Conduct. I commit to the required standards of behavior and practice as outlined in the Code of Conduct.

Worker's signature

Date

11.2. GBV Case registration and referral Form

Registration Form

Date DD/MM/YY: ___/___/___ Location: _____ Reference Code: _____

Full Name:	Age: _____ Date of Birth(DD/MM/YY): ___/___/___	
Sex: <input type="checkbox"/> Male <input type="checkbox"/> Female	Place of Birth: _____	
Address:	Previous Address if Displaced:	
Contact Details (if applicable)		
Protection Concerns Described at Point of Identification: reason for referral		
Risk Rating: <input type="checkbox"/> High <input type="checkbox"/> Medium <input type="checkbox"/> Low		
Action taken: (check all that apply): Enroll in case management: ___ Case worker assigned (name) _____ Referred to police: ___ Accompanied to police: _____ Referred to health post ___ or health center ___ Accompanied to health setting ___ Assessment to be done by: (date, DD/MM/YY) ___/___/___ Case worker (name) _____		
Caseworker name:	Signature:	Date (DD/MM/YY): ___/___/___

Referral Form

Referral Date DD/MM/YY: ___/___/___ Location: _____ File Code: _____	
Referred from (name, org, title): Signature: _____ Phone number: _____ Email: _____	Referred to: (name, org, title): Signature: _____ Phone number: _____ Email: _____
Personal Information	
Full Name: _____	Age: _____ Date of Birth (DD/MM/YY): ___/___/___
Sex: <input type="checkbox"/> Male <input type="checkbox"/> Female	Place of Birth : _____
Address: _____	Previous Address if Displaced: _____
Reason for referral	Services already provided by referring org (if any)
Medical <input type="checkbox"/> Counselling <input type="checkbox"/> Legal <input type="checkbox"/> Food/ nutrition <input type="checkbox"/> GBV <input type="checkbox"/> Ration card <input type="checkbox"/> Shelter/NFIs <input type="checkbox"/> Economic <input type="checkbox"/> Physical protection <input type="checkbox"/> Strengthening <input type="checkbox"/> Education <input type="checkbox"/> Material assistance <input type="checkbox"/> Disability <input type="checkbox"/> Other (specify): <input type="checkbox"/>	Initial interview <input type="checkbox"/> Treatment <input type="checkbox"/> Psychosocial counselling <input type="checkbox"/> Clinical support <input type="checkbox"/> Other (specify) : _____
Comments relevant to the referral / case	