

REPUBLIC OF ZAMBIA

MINISTRY OF COMMERCE, TRADE, AND INDUSTRY



Zambia Agribusiness and Trade Project- II (ZATP-II)

P179507

# **Labor Management Procedures (LMP)**

November 18, 2024

## INTRODUCTION

In accordance with the requirements of the World Bank’s Environmental and Social Standard 2 (ESS2) on Labor and Working Conditions, a simplified Labor Management Procedure (LMP) has been developed for the Zambia Agribusiness and Trade Project-II (ZATP-II). The LMP outlines how the Ministry of Commerce, Trade and Industry’s (MCTI) Project Implementation Unit (PIU) will manage all project workers in relation to the associated risks and impacts. The objectives of the LMP are to: identify the different types of project workers likely to be involved in the project; identify, analyze, and evaluate the labor-related risks and impacts for project activities; and provide procedures to meet the requirements of ESS2 on Labor and Working Conditions, ESS4 on Community Health and Safety, and applicable national legislation.

The LMP applies to all project workers, irrespective of whether their contracts are full-time, part-time, temporary, or casual. The types of workers that will be included in the project are listed in the table below:

**Table 1: Types of Workers expected under ZATP II**

Category of worker	Estimated Number of Project Workers	Characteristics of Project Workers	Timing of Labor Requirements
<b>Direct workers</b>			
ZATP II Project Implementing Unit	25 - 60	Technical staff working with the ZATP II: This group includes PIU subject matter specialists, the Project Manager, Technical Services consultants, Regional Facilitators, and provincial officers, among others.	Throughout the whole project cycle
Consultants (engaged directly by PIU)	40-60	Technical Services consultants and Supervising Consultants: This category comprises national or international technical staff.	Throughout the whole project cycle
<b>Contracted Workers</b>			
Contractors’ and Sub-contractors’ Staff	500	Workers hired by third parties to perform specific tasks related to the project: These workers include those employed by the Financial Intermediaries, Small and Medium-sized Enterprises,	Throughout the whole project cycle

		Cooperatives, Technical Services Providers (TSP), and Supervising consultants.	
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## LABOR RISKS

The project will hire a range of workers for the overall delivery of the project. Key activities will include the construction of the quality assurance laboratory and minor civil works related to agro-warehouses, processing plants for value addition, bulking centers, storage facilities, and the construction or rehabilitation of fishponds.

The key labor risks are listed below:

- Payment below the minimum wage, particularly for unskilled jobs.
- Discrimination against women and other vulnerable persons, particularly for unskilled jobs.
- Child and forced labor in construction and agribusiness activities.
- Unsafe work environment and poor working conditions.
- Unequal pay for men and women workers, particularly unskilled workers.
- Workplace injuries and accidents, particularly when operating construction equipment, working at height on building construction, and handling heavy equipment and materials.
- Health risks from exposure to hazardous substances (dust, cement, chemicals used in construction, pesticides, fertilizers, etc.).
- Risks associated with living conditions in site camps, which may include inadequate provision of water and sanitation.
- Sexual exploitation and abuse/sexual harassment (SEA/SH) risks for workers and community members.
- HIV/AIDS and other sexually transmitted infections, particularly at campsites.

## RELEVANT NATIONAL LABOUR LEGISLATION

This section provides an overview of labor legislation in Zambia and covers the terms and conditions of work. Employment contracts of workers on this project are governed by the following laws and regulations:

### Zambia's Constitution of 1991 with amendments through 2016

Part III of Zambia's Constitution focuses on the protection of fundamental rights and freedoms of individuals. Key provisions include:

- **Article 11:** Recognizes equality regardless of gender, skin color, creed or belief, political party, origin, and race. It also acknowledges freedoms such as assembly, association, and expression, and considers the rights of children and protection from expropriation.
- **Article 14:** Prohibits slavery, servitude, and forced labor.
- **Article 15:** Protects individuals from inhuman treatment, including cruel treatment and torture.
- **Article 21:** Ensures the freedom of assembly and association, allowing individuals to freely assemble and associate, including forming or joining political parties, trade unions, or other associations.

- **Article 23:** Prohibits discrimination by any person acting under the law or in public office, defining discrimination as different treatment based on race, tribe, sex, place of origin, marital status, political opinions, color, or creed, leading to disabilities or restrictions for some and privileges or advantages for others.
- **Article 24:** Protects young persons from exploitation, prohibiting the employment of those under fifteen in harmful occupations and providing protection against physical or mental ill-treatment, neglect, cruelty, exploitation, and trafficking.
- **Article 261:** Requires public office holders to act in accordance with a prescribed code of conduct and ethics.

## The Employment Code Act No. 3 of 2019

### *Employer-worker relationship*

- **Written Contracts:** Contracts of employment lasting six months or more must be in writing (Section 22(1)). Oral contracts are recognized, and employers must maintain records of such contracts (Section 18).
- **Contract Extensions:** An oral contract for one month is deemed extended for another month if the employee continues working past the expiry date (Section 21(1)).
- **Probation Confirmation:** If an employer does not notify the employee in writing of confirmation, it is presumed the employee is confirmed from the expiry date of the probation period.

### *Forced and child labor.*

- **Prohibitions:** Employers cannot employ children under fifteen in industrial undertakings or in work constituting the "worst form" of labor. Young persons (15-19 years) cannot work at night in industrial undertakings (Section 8).
- **Forced Labor:** Engaging or subjecting another person to forced labor is prohibited.

### *Salaries and deductions*

- **Wage Protection:** Employers must pay wages as per the contract, at regular intervals, and not later than the fifth day following the due date (Section 66). Upon contract termination, all wages, including overtime and allowances, must be paid on the termination date.
- **Payment Methods:** Wages must be paid in the currency of the Republic unless otherwise requested in writing or specified in a collective agreement (Section 67). Articles 68-69 outline authorized and unauthorized deductions.

### *Maternity and Family Leave Rights*

- **Maternity Leave:** 14 weeks of maternity leave, extended by four weeks for multiple births (Section 41). Full pay is provided if the employee has been with the same employer for 24 months preceding the leave.
- **Return to Work:** Employees are entitled to return to their previous job or a suitable alternative with equivalent terms after maternity leave (Section 41(7)).
- **Nursing Breaks:** Nursing mothers are entitled to two 30-minute breaks or one hour-long break each working day for six months from the date of delivery.
- **Paternity Leave:** Five continuous working days within seven days of the birth of a child, provided the employee has been with the same employer for 12 months (Section 46).
- **Family Responsibility Leave:** Up to seven days of paid leave per calendar year to nurse a sick spouse, child, or dependent, with a medical certificate if required (Section 40(1)).

### *Working hours*

- **Normal Hours:** A full-time employee's normal workday consists of eight hours of actual work, which may begin on any day of the week, including public holidays (Section 74(1)).
- **Overtime:** Employers must pay employees one and a half times the hourly rate for work exceeding forty-eight hours per week (Section 75).

### *Rest periods*

- **Weekly Rest:** Employees are entitled to a rest day of at least twenty-four consecutive hours every seven days (Article 76). Employers must also provide meal and health breaks on each working day.

### *Leave*

- **Annual Leave:** Employees are entitled to a minimum of 24 paid annual leave days (Section 36). Full pay and other contractual and legal benefits continue to accrue during this period.
- **Leave Computation:** Section 37 provides the formula for computing annual leave benefits, although employers are exempt from paying these benefits.

### *Overtimes*

- **Overtime Pay:** Employers must pay employees one and a half times the hourly rate for work exceeding forty-eight hours per week (Section 75).

### *Labor conflicts*

- **Disputes and Breaches of Contract:** Part IX of the Zambian Employment Code outlines conditions for reporting disputes, including non-compliance with employment terms, disputes over rights or liabilities, misconduct, injury, property damage, or discrimination (Section 121).
- **Trade Union Involvement:** Employees may take complaints through their trade union to an employer organization for amicable settlement.
- **Legal Recourse:** Employees can file complaints within 30 days of a discriminatory event, with a possible extension of three months to exhaust administrative channels (Section 108(2) of the Industrial and Labor Relations Act).
- **Settlement Encouragement:** Employers are at liberty to settle claims at any time before trial. Courts encourage amicable settlements through mediation rules (Section 121(2)).

### *Right to form an association*

- **Union Activities:** Employers cannot terminate employment based on union membership or participation in union activities outside working hours or with employer consent during working hours (Section 52(4)).

### *Termination conditions*

- **Notice and Compensation:** Employees are entitled to notice, or compensation in lieu of notice unless guilty of misconduct (Section 53(1)). Employers must provide valid reasons for termination (Section 52).

### *Non-discrimination and equal opportunities*

- **Prohibited Discrimination:** Discrimination based on gender, marital status, race, tribe, sex, place of origin, political opinions, color, or creed is unlawful (Article 23(3) of the Constitution of Zambia).

- **Employer Obligations:** Employers must promote equal opportunity and eliminate discrimination (Section 5 of the Employment Code).
- **Prohibited Grounds:** Discrimination is prohibited on grounds including color, nationality, tribe, language, race, social origin, religion, belief, political opinion, sex, gender, pregnancy, marital status, ethnicity, family responsibility, disability, health, culture, economic status, and in recruitment, training, promotion, terms and conditions of employment, and termination (Section 108(1) of the Industrial and Labor Relations Act).

## GENERAL APPLICABLE PROCEDURES

The PIU and contractors will adhere to the following procedures when managing workers:

- **Coordination and Compliance:** Collaborate with the Ministry of Labour and Social Security to ensure adherence to labor laws and Occupational Safety and Health (OSH) standards. This will be achieved through regular labor inspections, advice, and training conducted in partnership with the Ministry's labor and OSH inspectors.
- **Non-Discrimination:** Ensure no discrimination in any employment aspect, including recruitment, compensation, working conditions, training access, job assignments, promotions, terminations, retirements, or disciplinary practices.
- **Prevention of Sexual Exploitation, Abuse, and Sexual Harassment (SEA/SH):** Prevent and address SEA/SH appropriately.
- **Clear Employment Contracts:** Provide clear job contracts detailing terms and conditions, including rights related to work hours, wages, overtime, benefits, holidays, sick leave, maternity leave, and family leave.
- **Code of Conduct Compliance:** Ensure compliance with the Code of Conduct through briefings and awareness programs. The Code of Conduct will apply to all project workers.
- **Health and Safety:** Adhere to occupational health and safety procedures, including COVID-19 specific measures, ensuring workers are trained in relevant standards.
- **Age Verification:** Ensure no employment of individuals under 18, with age verification conducted by contractors and monitored by TSP safeguards consultants and PIU.
- **Local Recruitment:** Prioritize local recruitment of contractors and labor.
- **Voluntary Recruitment:** Ensure all workers are recruited voluntarily without coercion.
- **Supervision and Monitoring:** Supervise and monitor compliance with the labor and working conditions requirements.
- **Grievance Mechanism:** Inform all workers about the Worker's Grievance Mechanism for raising work-related grievances, including sensitive issues like SEA/SH and Gender-Based Violence.
- **Insurance Coverage:** Ensure all workers are covered by insurance against occupational hazards.
- **Statutory Contributions:** Ensure all workers are covered by mandatory statutory contributions to the National Health Insurance Scheme (NHIMA), Workers Compensation Fund Control Board (WCFCB), and National Pension Scheme Authority (NAPSA).

## OCCUPATIONAL HEALTH AND SAFETY (OHS) PROCEDURES

To achieve and maintain a healthy and safe work environment for all project workers (contracted workers and community workers) and the host community, the project will apply the following OHS management measures:

- **Procurement for Contractors:** The PIU will provide the Environmental and Social Management Framework (ESMF) to prospective contractors. This ensures that contractors include the budgetary requirements for OHS measures in their respective bids.
- **OHS Management System:** Contractors will develop and maintain an OHS management system that aligns with the ESMF and the scope of work. This system must include measures and procedures to address all relevant topics listed below, in accordance with local legislation and Good International Industry Practice (GIIP) as defined by World Bank Group Environmental, Health, and Safety Guidelines (EHSGs). The management system must be consistent with the duration of the contract and this LMP.
- **Risk Assessment and Management:** Contractors will assess occupational health and safety risks, develop OHS plans, and implement risk control measures consistent with the requirements of Environmental and Social Standard 2 (ESS2), EHSGs, or GIIP. This includes workplace hazard identification and the adoption of all applicable environmental and social risk mitigation measures in accordance with local legislation and WBG EHSGs.
- **OHS Oversight:** Contractors must designate a responsible person to oversee OHS-related issues at the project site and define OHS roles and responsibilities for task leaders and contract managers.
- **Reporting Unsafe Conditions:** Contractors should establish processes for workers to report work situations they believe are unsafe or unhealthy. Workers should be able to remove themselves from situations they reasonably believe present imminent and serious danger to their life or health, without fear of retaliation.
- **Preventive and Protective Measures:** Contractors must provide preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances informed by assessment and planning. Personal Protective Equipment (PPE) must be provided at no cost to the workers whenever required.
- **Exposure to Hazardous Agents:** Contractors should assess workers' exposure to hazardous agents (e.g., noise, vibration, heat, cold, vapors, chemicals, airborne contaminants) and adopt adequate control measures in accordance with local regulations and WB EHSGs.
- **Facilities and Accommodation:** Contractors must provide facilities appropriate to the circumstances of the work, including access to canteens, hygiene facilities, and appropriate areas for rest. Where accommodation services are provided to project workers, policies must be implemented to protect and promote their health, safety, and well-being, and to provide access to or provision of services that accommodate their physical, social, and cultural needs.
- **Training and Induction:** Contractors must provide appropriate training and induction for project workers and maintain training records on OHS subjects, including training on EHSGs and relevant sector-specific EHS guidelines.
- **Incident Documentation and Reporting:** Contractors must document and report occupational incidents, diseases, and incidents as per ESMF guidance.
- **Emergency Preparedness and Response:** Contractors must provide emergency prevention, preparedness, and response arrangements for situations including, but not limited to, workplace accidents, workplace illnesses, flooding, fire outbreaks, disease outbreaks, labor unrest, and security issues.



- **Remedies for Adverse Impacts:** Contractors must provide remedies for adverse impacts such as occupational injuries, deaths, disability, and disease in accordance with local regulatory requirements and Good International Industry Practices.
- **Record Maintenance:** Contractors must maintain all records related to safety, health, and environmental management activities for inspection by the PIU or the World Bank.

## CONTRACTOR MANAGEMENT PROCEDURES

Contractors are required to adhere to national legislation and the measures outlined in the LMP. This includes integrating ESS2 requirements into contractual agreements with all new contractors and subcontractors. The MCTI and the PIU will be responsible for monitoring and managing the performance of contractors. MCTI/PIU will oversee labor management provisions and contract supervision. Below are the key requirements for managing contractors:

- **Incorporation of ESS2 Requirements:** Contractors must follow national legislation, and the measures described in the project's LMP. This includes incorporating ESS2 requirements into contractual agreements with all new contractors and subcontractors. These requirements cover labor management, OHS issues, and specific measures related to COVID-19.
- **Monitoring and Compliance:** Procedures must be in place to manage and monitor the performance of contractors. This includes periodic audits, inspections, and spot checks of project locations or workplaces, as well as labor management records and reports compiled by third parties. These records may include employment contracts, grievance records, safety inspection reports, and training records.
- **Documentation and Reporting:** Contractors are required to submit various documents, such as written policies on labor, labor inspection reports, OHS procedures, payroll records, and previous contracts showing compliance with ESS2 provisions. Monitoring includes periodic audits and spot checks of work sites and labor management records.
- **Grievance Mechanism:** Contractors must establish a grievance redress mechanism for workers if one is not already in place. This mechanism should be accessible and allow workers to convey their concerns to management.
- **Non-Compliance Remedies:** Contracts with contractors should include provisions for non-compliance remedies, such as termination of the contract if the contractor fails to comply with labor laws, OHS laws, and the project's labor management procedures within a reasonable time.
- **Code of Conduct:** Contractors must ensure all workers sign the Code of Conduct and are regularly trained on it.

## INCIDENT REPORT AND ESIRT PROCEDURES

The MCTI and PIU are required to promptly notify the Bank of any project-related incident or accident within 48 hours of becoming aware of it. This includes incidents with significant adverse effects on the environment, communities, the public, or workers, such as cases of SEA/SH, and accidents resulting in death or serious injury. The PIU must provide detailed information on the scope, severity, and causes of the incident, along with immediate or planned measures to address it. Upon the Bank's request, the PIU will prepare a comprehensive report and propose measures to prevent recurrence.



**WORKER ACCOMMODATION**

Contractors must ensure that worker accommodations meet high hygiene standards, including fresh drinking water, clean beds, restrooms, showers, well-illuminated and ventilated bedrooms, safe electrical installations, fire and lightning protection, and separate cooking and eating areas. Separate facilities must be provided for men and women. Contractors are required to comply with the "Workers' Accommodation: Processes and Standards: A Guidance Note" by IFC and the EBRD, as well as the Contractor Environmental and Social Management Plan (C-ESMP).

**INSTITUTIONAL ARRANGEMENT FOR IMPLEMENTATION OF THE LMP**

The project will be implemented across three levels of government: National, Provincial, and Local. Key project staff will be responsible for engaging and managing labor-related issues at both the national and local levels. Contractors, who are responsible for contracted workers, will be accountable for implementing and monitoring LMP, including OHS issues related to their contracts. The project will also collaborate closely with the Ministry of Labour and Social Security to enforce labor laws and ensure safe and fair working conditions.

**Key Responsible Staff and Responsibilities**

<b>Level of Government/Responsible Staff</b>	<b>Roles and Responsibilities</b>
<b>MCTI and PIU</b>	
Project Director/Manager	- Overall responsibility to oversee all aspects of the implementation of the LMP.
Environmental and Social Specialists,	<ul style="list-style-type: none"> <li>- Ensure contractors' compliance on issues related to Environmental, Social, Health, and Safety (ESHS).</li> <li>- Incorporate labor-related requirements into procurement of works and suppliers.</li> <li>- Engage and manage contractors.</li> <li>- Conduct health and safety inductions for contractors and workers.</li> <li>- Conduct site visits on OHS.</li> <li>- Support training of workers on Code of Conduct (CoC), Workers' Grievance Redress Mechanism (GRM), SEA/SH, COVID-19, etc.</li> <li>- Track and report on workers' GRM.</li> </ul>
<b>Ministry of Labour and Social Security</b>	

<b>Level of Government/Responsible Staff</b>	<b>Roles and Responsibilities</b>
Department of Labour Department of Occupational Health and Safety (OHS)	<ul style="list-style-type: none"> <li>- Conduct regular inspections of workplaces to ensure compliance with labor laws related to working time, wages, working conditions, and occupational safety and health.</li> <li>- Conduct inspections of various work sites to identify sources of risk that may result in labor accidents and injuries, ensure that workplaces comply with occupational safety and health regulations, and take necessary legal actions against violations.</li> <li>- Support training and awareness activities related to labor and working conditions, occupational safety, and health.</li> </ul>
<b>Design and Supervision Consultants</b>	
Environmental Specialist, Social Specialist, and Health and Safety Specialist	<ul style="list-style-type: none"> <li>- Supervise and monitor the implementation of the Environmental and Social Management Plans (ESMPs) and other E&amp;S plans.</li> <li>- Monitor and report on contractor OHS plans.</li> <li>- Prepare, adopt, and implement OHS measures specified in the LMP and OHS Management Plan for all contracts.</li> </ul>
<b>Contractors</b>	
Environmental Specialist, Social Specialist, and Occupational Health and Safety Specialist	<ul style="list-style-type: none"> <li>- Plan and implement contract-specific labor management plans.</li> <li>- Coordinate toolbox meetings focused on health and safety, SEA/SH, COVID-19, HIV/AIDS, etc.</li> <li>- Report on OHS performance to the PIU on a monthly basis.</li> <li>- Track and respond to workers' grievances.</li> </ul>

## GRIEVANCE REDRESS MECHANISM

A specific Workers Grievance Redress Mechanism (Worker GRM) will be established for project workers, considering culturally appropriate ways of handling concerns of direct and contracted workers. Workers will be informed about the Worker GRM upon recruitment, and their right to redress, confidentiality, and protection against reprisals will be stated in their contracts. The Worker GRM will align with the ZATP II GRM described in the Stakeholder Engagement Plan (SEP).

### **Routine Grievances**

- Workers can report grievances in person, by phone, text message, mail, or email (including anonymously) to the contractor's GRM focal point. Each grievance will be assigned a unique number and stored electronically or in hard copy. All grievances will be logged and reported monthly to the PIU's social safeguards specialist.
- Unresolved grievances within one week will be referred to the PIU Grievance Redress Committee (PIU GRC) through the social safeguards' specialist. The PIU GRC, consisting of the Project Manager, Social Safeguard Specialist, Environmental Safeguard Specialist, and Regional Facilitator, will meet monthly or when necessary to address and resolve complaints. Urgent complaints will be prioritized, and non-urgent complaints will be resolved within two weeks. Unresolved cases will be referred to the Ministerial GRC.

### **Serious Grievances**

- Workers experiencing serious mistreatment (e.g., harassment, violence, discrimination) can report directly to the contractor’s GRM focal point or PIU GRC. The contractor will refer the case to the PIU for immediate investigation, respecting confidentiality and anonymity.
- The PIU will designate Focal Persons for Serious Grievances, trained in relevant laws, regulations, and World Bank standards. These Focal Persons will handle serious grievances in a culturally sensitive and locally appropriate manner.

### **Mediation and Legal Recourse**

- At any point, the complainant and the GRC can opt for mediation under the Zambian Arbitration Act 19 of 2000, with an independent mediator.
- Workers retain the right to seek mediation from the Ministry of Labour and Social Security at any point during the mediation process.
- Workers retain the right to refer matters to judicial proceedings under national labor law if they are dissatisfied with the project’s GRM.

### **Protocol for Handling GBV/SEA/SH Cases**

- GBV/SEA/SH cases will be recorded confidentially by the contractor’s GRM focal point and reported to the World Bank within 48 hours. The contractor’s GRM focal point will refer the case to the PIU GRC and recommend external GBV service providers.
- The PIU GRC will analyze the facts and determine if the case falls within the definition of GBV/SEA/SH and involves a project-associated individual. Appropriate disciplinary actions will be taken, and survivors will receive support from GBV service providers.
- The PIU Safeguard Focal Person will track and monitor all cases until resolved, ensuring survivor-centered processes and confidentiality.

### **Closing GBV/SEA/SH Cases**

- Cases will be closed if the survivor does not wish to file an official complaint, if the allegation does not meet the GBV/SEA/SH definition, if appropriate disciplinary action has been taken, or if the service provider has met the survivor’s needs. The contractor’s GRM focal point may require a satisfaction acknowledgment from the survivor or their representative.

## **CODE OF CONDUCT**

**Instructions:** This Code of Conduct is to be used in the Project and should be included in the Labor Management Procedures (LMP) and the bidding documents if a national bidding process is being used to procure contractors. All contractor staff, including managers, working on the project must sign this Code of Conduct. If an international bidding process is being used with World Bank Standard Procurement Documents, a Code of Conduct in the World Bank Standard Procurement Documents should be used.

### **Commitment**

I agree that while working on the project I will:

- Treat women, children (persons under the age of 18), and men with respect regardless of ethnicity, language, religion, political or other opinion, national, social origin, citizenship status, property, disability, birth, or other status.
- Not use language or behavior towards women, children, or men that is inappropriate, harassing, abusive, sexually provocative, demeaning, or culturally inappropriate.
- Not participate in sexual activity with community members.
- Not engage in sexual favors or other forms of humiliating, degrading, or exploitative behavior.

- Not engage in any activity that will constitute payment for sex with members of the communities surrounding the workplace.
- Report through the Worker GRM any suspected or actual gender-based violence against a person of any gender by a fellow worker or any breaches of this Code of Conduct.
- Use any computers, mobile phones, or video and digital cameras appropriately, and never to exploit or harass women, children, or vulnerable persons through these mediums.
- Comply with all relevant local legislation.
- Understand that engaging in any of the prohibited activities above can be cause for termination of employment, criminal liability, and/or other sanctions.

**Sanctions**

I understand that if I breach this Individual Code of Conduct, my employer will take disciplinary action which could include:

1. Informal warning.
2. Formal warning.
3. Additional training.
4. Loss of up to one week’s salary.
5. Suspension of employment (without payment of salary) for a minimum period of 1 month up to a maximum of 6 months.
6. Termination of employment.
7. Report to the Police if warranted.

**Acknowledgment**

Signature: \_\_\_\_\_  
 Printed Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_