

# LABOR MANAGEMENT PROCEDURES

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Document stage: draft  
Project number: (P171683)

April 2021

## Uzbekistan: Electricity Sector Transformation and Resilient Transmission Project (P171683)

Prepared by the Joint-Stock Company «National Electric Networks of the Republic of Uzbekistan» for the World Bank (WB).

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## ABBREVIATIONS AND GLOSSARY

<b>C-LMR</b>	Contractor’s Labor Management Procedures
<b>ECAPDEV</b>	Europe and Central Asia Capacity Development
<b>EHS</b>	Environment, Health and Safety General Guidelines
<b>EHSPs</b>	Environmental Health and Safety Procedures
<b>ES</b>	Environmental Specialist
<b>FS</b>	Feasibility Study
<b>GoU</b>	Government of Uzbekistan
<b>GM</b>	Grievance Mechanism
<b>H&amp;S</b>	Health and Safety
<b>IA</b>	Implementing agency
<b>LMP</b>	Labor Management Procedures
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MCA</b>	Makhalla Citizen’s Assembly
<b>MES</b>	Main electrical system/network
<b>MIFT</b>	Ministry of Investments and Foreign Trade
<b>MoE</b>	Ministry of Energy
<b>MoF</b>	Ministry of Finance
<b>MoH</b>	Ministry of Health
<b>NENU</b>	Joint-Stock Company “National Electric Networks of Uzbekistan”
<b>OHS</b>	Occupational Health and Safety
<b>OIPs</b>	Other interested parties
<b>OM</b>	Oliy Majlis
<b>OPGW</b>	Optical Ground Wire
<b>PAP</b>	Project Affected Persons
<b>PIU</b>	Project Implementation Unit
<b>PP</b>	Presidential Decree
<b>RCF</b>	Republican Centralized Fund
<b>RCM</b>	Resolution of the Cabinet of Ministries
<b>RE</b>	Renewable energy
<b>RENU</b>	Regional Electrical Networks of Uzbekistan
<b>RPIU</b>	Regional Project Implementation Unit
<b>RTUs</b>	Remote Terminal Units
<b>Ruz</b>	Republic of Uzbekistan
<b>SBS</b>	Substation
<b>SPNA</b>	Specially protected natural areas
<b>SS</b>	Safeguards Specialist
<b>SWM</b>	Solid waste management
<b>TC</b>	Tax Code
<b>TOR</b>	Terms of Reference
<b>ESTART</b>	Electricity Sector Transformation and Resilient Transmission
<b>GDP</b>	Gross domestic product
<b>KW/hr</b>	Kilowatt hour
<b>SCADA</b>	Supervisory Control And Data Acquisition
<b>WB</b>	World Bank
<b>WBG</b>	World Bank Group
<b>EMS</b>	Energy Management System
<b>RTU</b>	Remote Terminal Unit

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## 1. PROJECT DESCRIPTION

### 2.1. Project Rationale and Development Goals

1. **Uzbekistan is one of the most energy intensive countries in the world.** While Uzbekistan's energy intensity declined by about 45 percent during the last 15 years, the country's energy use per unit of GDP is still 3.1 times higher than the average for the Europe and Central Asia region. Despite efforts to improve efficiency, the electricity demand is expected to continue growing steadily in conjunction with the economic growth (projected at about 6 percent over the next 5–10 years). The demand for electricity is expected to grow annually at approximately 4 percent from 2018 to 2030, increasing from 61.2 KWhr to 101.6 KWhr, respectively. In terms of electricity consumption, the industrial sector represents the largest customer segment (41 percent) followed by residential (24 percent), agriculture (21 percent), commercial (11 percent), and others (3 percent). In the context of obsolete sector infrastructure, electricity losses are high, estimated at 20 percent of net generation. Furthermore, the condition of the electricity networks puts the sustainability and quality of the energy supply at risk. Obsolete transmission infrastructure is also considered as a bottleneck to materialize the large-scale renewable energy (RE) development initiative of the Republic of Uzbekistan.

2. **The World Bank is supporting the preparation of the Uzbekistan: Electricity Sector Transformation and Resilient Transmission (ESTART) Project in response to the Government of Uzbekistan's request to the World Bank's continued support to the energy sector,** including policy dialogue, infrastructure strengthening, institutional development, financial and operational sustainability, corporate governance and market reforms.

3. **Project Objective.** The Project development objective is to strengthen the performance of NES and improve the capacity and reliability of the power transmission system to integrate large scale renewable energy sources.

4. **Project location.** The project will be implemented in 10 regions of the Republic of Uzbekistan, (Andijan, Fergana, Tashkent, Syrdarya, Samarkand, Bukhara, Navoi, Kashkadarya, Surkhandarya, Khorezm) and in Tashkent city. Uzbekistan is one of the largest countries in Central Asia, sharing its borders with Kazakhstan (north), the Kyrgyz Republic (east), Tajikistan (southeast), Afghanistan (south), and Turkmenistan (southwest).

### 2.2. Project Components and Planned Investments

5. The purpose and objective of the Project is to improve the reliability of power supply for the whole power system of the Republic of Uzbekistan. The prerequisite for timely, efficient and high quality implementation of the proposed Project is the maximum use of equipment, components and materials produced in the country, in strict compliance with the specifications.

6. B project consists of 4 components:

- **Component 1 - Digitalization of the electricity transmission sector;**
- **Component 2 - Power grid strengthening and renewable energy integration;**
- **Component 3 - NENU institutional development and project implementation support;**
- **Component 4 - Electricity Market Development.**

7. **COMPONENT 1: Digitalization of the electricity transmission sector (estimated cost: US\$125 million).** This component will take advantage of modern digital technologies to support the enhanced monitoring, automation, and control of the power system in Uzbekistan. Digital technologies to be deployed under this component would comprise SCADA, EMS, and substation Remote Terminal Units (RTUs). The component will also support an upgrade of

NENU' digital telecommunication network to enable those systems to be fully functional.

8. **COMPONENT 2: Power grid strengthening and renewable energy integration (estimated cost: US\$340 million).** This component will finance a portion of the NENU priority investment program for 2021–2026, including upgrade and modernization of existing high-voltage substations and lines and construction of new transmission substations and lines. According to a technical audit conducted by the GoU, 62 substations and over 60 percent of transmission lines require rehabilitation and modernization, out of 78 high-voltage (220–500 kV) electricity transmission substations and about 9,000 km transmission lines in total currently operated in Uzbekistan. Those aged substations and lines have deteriorated reliability, quality, and efficiency of electricity supply and hence increased losses and maintenance costs.

9. This component will accordingly support : (a) modernization of existing 22 priority substations that were identified for rehabilitation across the country; (b) construction of a new substation “Koltsevaya” to release overloading on neighboring substations and to meet growing demand in the respective regions; (c) construction of 500 kV and 220 kV transmission lines to connect the aforementioned substation to the national transmission network. During the project preparation and appraisal, a list of priority financing plan would be prepared for the first year of implementation, while the scope, sequencing and implementation of the remaining investment needs would be detailed during the project implementation. The proposed Project will also support the grid connection and creation of (shared) infrastructure for clean RE and private generation projects, as prioritized and requested by NENU (scope, modality and selection criteria would be developed as the proposed Project advances). Potential application of digital solutions/elements such as a digital substation will also be discussed with NENU and the Ministry of Energy during the project preparation.

10. **COMPONENT 3: NES institutional development and project implementation support (estimated cost: US\$[23] million)** This component will support developing and improving the institutional capacity, financial substantiality, and technical capabilities of NES to ensure it can effectively carry out its functions of reliable operation of the transmission system and electricity market in Uzbekistan. It will also support the preparation of feasibility studies, environmental and social assessments, and preparation and implementation of priority investments, especially for integration of renewable energy sources.

11. **Component 4: Electricity Market Development (estimated cost: US\$[12] million).** This component will provide technical assistance for the design and implementation of the electricity sector's transition plan toward the establishment of a wholesale electricity market and will include preparation of secondary legislation, market rules, institutional capacity building, and design and implementation of systems required for market operation and management. The specific activities will include (a) establishment of the Energy Market Regulatory Authority (EMRA); (b) development of a Wholesale Electricity Market; (c) establishment of a Central Buyer; (d) establishment of a Balancing Market within NES; and (e) implementation support to Ministry of Energy and its Project Office.

### 2.3. Implementing Agency

12. The main initiator and executing agency of the project is the Joint Stock Company "National Electric Networks of Uzbekistan" (NENU). The NENU was established on 27 March 2019 as an authorized state body responsible for the efficient development, construction, reconstruction and management of transmission lines and substations in Uzbekistan, as well as for the modernization of existing transmission lines by attracting foreign investment. Under the new energy sector structure, the National Electric Networks of Uzbekistan (NENU) will be supported as the state utility responsible for planning, design, development, operation and maintenance of the electricity transmission system, and as the sole buyer of electricity in Uzbekistan. The company will also be the operational backbone of the new electricity market to be established in Uzbekistan.

13. In addition, due to the rapid expansion of the energy system in Uzbekistan, including large-scale renewable energy and gas projects promoted and financed by the private sector, investments in the modernization, expansion and digitalization of outdated transmission infrastructure will also need to be accelerated.

14. The organizational and implementation arrangements of the project were based on the experience of the WB in the energy sector in Uzbekistan. The main institutions involved in the implementation of the proposed project are, Ministry of Energy, Ministry of Finance, Ministry of Investment and Foreign Trade, at national level NENU and RENU (Regional Electric Networks) and PIU at local level. The regional administrations (khokimiyats) will facilitate the implementation of the project at local level and will be indirect beneficiaries of the project.

15. The NENU is responsible for coordination with key ministries and public authorities, including the State Investment Committee, Ministry of Finance, Ministry of Investment and Foreign Trade, as well as regional and local authorities of the project areas during project implementation.

## 2. OVERVIEW OF LABOR USE IN THE PROJECT

### 2.1. Types of Workers

16. ESS 2 categorizes the workers into: direct workers, contracted workers, community workers, and primary supply workers.

17. **Direct workers.** The project will be implemented by NENU. In addition to the central PIU, it is envisaged to have regional coordinators, at least one in each of the 10 project regions, where 22 substations are to be modernized and a new substation with related transmission lines at 500 kV and 220 kV voltage levels is to be constructed. Civil servants assigned to the project will continue to work under their current public sector employment arrangements.

18. **Contracted Workers.** Two broad categories of contracted workers are expected. First is Consultant service providers who will provide implementation support services to the NENU. Second is the staff of civil works contractors to be subcontracted to arrange for civil works under the subprojects.

19. **Community Workers** will not be involved in the project. Communities will have no role in procurement and management of any contracts. Local residents may be hired as employees by civil works contractors, and as such will be covered under the provisions of this LMP and the respective Contractors' LMPs.

20. **Primary Suppliers** are likely to include suppliers of construction materials for any construction works to be supported by the project as well as equipment (e.g. low and high voltage equipment, pumping etc.), and construction service providers for modernization and construction of new substations.

### 2.2. Number of Project Workers

21. The exact number of project workers who will be engaged in relation to the project is currently unknown. However, some estimated figures are given below. These estimates are based on NENU's current workforce in Tashkent and in the potential regions to be covered by the project as well as on previous projects of similar scale.

22. **Direct workers.** Direct workers would likely include substation managers and supervisors who are NENU employees. The estimated number of direct workers would not likely exceed 20 staff from the technical department, financial and legal department (as necessary). It is estimated that the direct workers would include current NENU employees from different departments who will be assigned to work on this Project and that 9-10 new employees would be hired to carry out work in the project PIU: Project Manager, Accountant, Project Coordinator, Investment Specialist, Marketing Specialist, Procurement Specialist, Environmental Specialist, Equipment Specialist, Financier, Office Manager, Economist and Regional Representatives (including Environmental and Social staff, Community Liaison Officer).

23. It is expected that direct workers would also include independent consultants, who are specialized in certain disciplines (such as social safeguards, community relations, resettlement). These consultants are hired under individual contracts, on part-time basis, with specific definition of the assigned tasks and responsibilities.

24. **Contracted Workers.** Contracted workers would be hired under design, supply, and installation and commissioning contractor. Each contractor might need engagement of multiple subcontractors. The subcontractors' workforce is also considered as contracted workers. It is estimated that the Project would engage between 150 and 200 contracted workers.

- Civil Works Contractors and Workers. Component 2 of the project envisages construction works for modernization of the existing 22 substations and construction of 1 new substation: 500/220 kV "Koltsevaya" and transmission

lines at 500 kV and 220 kV levels to connect this substation to the national transmission network. The estimated number of jobs for Component 2 is about 150

25. A total of around 200 workers may be involved in the project's construction work.

### **2.3. Characteristics of Project Workers**

26. Given the nature of the project workforce (mainly unskilled and semi-skilled construction labor) and the nature of the labor market in Uzbekistan, it is likely that the workforce, especially low skilled workers, will be predominantly male. It is estimated that women would represent about 5-10 percent of the workforce, and those would likely be technical (engineering) and/or staff working in the operation offices and camps (cooks, cleaners, etc.). It is expected that most of the labor force will be locally employed, except for skilled workers. All work will be contracted out. Contractors will be encouraged to train and hire as many workers as possible from local communities. Expected ratios between skilled and unskilled labor will be 70/30. The ratio between non-local and local labor will be 60/40 approximately.
27. Based on the experience under previous projects implemented by NENU, all workers will be over 18 and will be on average 30-40 years old.

### **2.4. Timing of Labor Requirements**

28. The direct workers will be required full time and around the year for the project duration. Consultant Services workers will be required full time and on intermittent basis for the project duration. Civil works contracted workers will be required, as per the need. Construction season typically lasts from March to November but can vary depending on the weather conditions. It will be up to the contractors to mobilize labor force to coincide with the type of works and the season.

### 3. ASSESSMENT OF KEY POTENTIAL LABOR RISKS

29. The key labor risks would be associated with health and safety risks related to the modernization and construction of new substations and transmission lines such as exposure to physical, chemical and biological hazards during construction activities, use of heavy equipment, trip and fall hazards, exposure to noise and dust, falling objects, exposure to hazardous materials and exposure to electrical hazards from the use of tools and machinery. As the construction activities will involve hazardous work, persons under the age of 18 will not be employed by the Project. Many workers will be exposed to occupational health and safety hazards, including but not limited to:

- Electrical works
- Exposure to chemicals (as paints, solvents, lubricants, and fuels)
- Traffic accidents
- Excavations hazards
- Lifting of heavy structures
- Exposure to construction airborne agents (dust, silica and asbestos)
- Ergonomic hazards during construction
- Welding hazards (fumes, burns and radiation)
- Steel erection hazards and so on.

30. The NENU will take steps to prevent accidents, injury, and disease arising from, associated with, or occurring in the course of work by minimizing, as far as reasonably practicable, the causes of hazards. In a manner consistent with good international industry practice, as reflected in various internationally recognized sources including the World Bank Group Environmental, Health and Safety Guidelines, the client will address areas that include the (i) identification of potential hazards to workers, particularly those that may be life-threatening; (ii) provision of preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances; (iii) training of workers; (iv) documentation and reporting of occupational accidents, diseases, and incidents; and (v) emergency prevention, preparedness, and response arrangements. Requirements to follow good industry practice and OHS Guidelines will be included in bidding documents of all civil works contractors. Contractors will also be required to develop Contractor's LMP in line with the project Labor Management Procedures which will be monitored by NENU and Supervision Consultants throughout the course of Project implementation.

31. Direct social risks under the project relate to the community, health and safety and labor /OHS risk in project activities and to the potential social tensions with local communities. No significant risks related to labor influx, gender-based violence (GBV) or community health and safety are expected under the project, as most project workers will be recruited locally. The GBV risk is assessed as moderate mostly due to the status of national GBV legislation, gender norms, and the rural location of most project activities. The risks associated with potential Labor influx is low, since even for the larger construction works (substations and transmission lines) most workers will be existing permanent employees or will be contracted locally. The risk of establishing labor camps is low in case of 22 substation modernization, because all works will be within the existing substations territory. However, if this risk arises during construction of new substation and TL, NENU will develop procedures to prevent adverse impacts on the local community in the ESMP's.

32. The risk of use of child labor or forced labor is considered low in general in the power sector, and is forbidden by national law. In addition, Uzbekistan has made consistent efforts to completely eliminate child labor in the country. Nevertheless, as noted above, the project will introduce screening and monitoring measures for all project-supported activities, and no child, forced, involuntary or unpaid labor will be used in any civil works activities, contracted or directly associated with the project. Precedents of such measures have been successfully implemented in ongoing World Bank projects in Uzbekistan.

33. The above will be monitored by the NENU and included in the training program to be provided to NENU staff and local government officials from participating regions.

#### 4. BRIEF OVERVIEW OF LABOR LEGISLATION: TERMS AND CONDITIONS

34. The **Constitution of the Republic of Uzbekistan** (adopted on December 8, 1992) includes a chapter on Economic and Social rights of the citizens. According to it, everyone is entitled to:

- “The right to work, free choice of work, fair conditions of labor and protection against unemployment in the procedure specified by law. Any forced labor shall be prohibited except for punishment under the sentence of a court or some other instances stipulated by law” (Chapter IX, Article 37);
- The right to rest is included in the Article 38: “Citizens, working on hire, shall be entitled to a paid rest. The number of working hours and paid labor leave shall be specified by law”;
- Social security in old age in the event of disease, disability, loss of breadwinner and in other cases stipulated under the law (Article 39);
- The right to skilled medical care (Article 40); and
- Equal rights of men and women is guaranteed by the law (Article 46).
- “The right, both individually and collectively, to submit applications and proposals, and to lodge complaints with competent state bodies, institutions or public representatives. Applications, proposals and complaints shall be considered in the procedure and within the time-limit specified by law” (Chapter VIII, Article 35).

35. **The Labor Code of the Republic of Uzbekistan** introduced on April 1, 1996 treats labor legislation with due account of the interests of the employees, employers and the state and fair and safe labor conditions and the protection of the labor rights and health of the workers. This Code governs employment relationships and other relations, directly related, protects the rights and freedom of the parties of employment relationships, establishes the minimum guarantees of the rights and freedoms in the sphere of work. Article 6 of the Labor Code prohibits discrimination and guarantees that all citizens have equal rights to work; discrimination in labor relations is prohibited. Any differences, non-admission or preference, denial of employment, regardless of nationality, race, gender, language, religion, political beliefs, social status, education, property, leading to a violation of equality of opportunities in the field of labor, are prohibited. A person who considers that he/she has been subjected to discrimination at work may apply to the court for the elimination of discrimination and compensation for material and moral damage caused to him.

36. According to Labor Code, labor-management relations should be formalized in a fixed-term or temporary employment contract. The maximum length of a single fixed-term contract is 5 years (with the exception of few specific positions).

37. The **Ministry of Employment and Labor Relations of the Republic of Uzbekistan** is the main state institution responsible for labor, employment, and social protection policy making. The ministry is tasked with the development and regulation of labor market and ensuring employment of population, regulation of labor relations and labor protection, provision of social services for population and medical-social rehabilitation of persons with disabilities.

38. The supervision and monitoring of compliance with Labor Code requirements and protection of labor rights of citizens is implemented by the State Labor Inspection under the Ministry of Employment and Labor Relations, and its territorial subordinate structures according to the Statement on the State Labor Inspection, Appendix 3, Resolution of the Cabinet of Ministers №1066 of 31.12.2018 “On measures to improve the performance of the Ministry of Employment and Labor Relations of Uzbekistan”.

39. **Forced labor and child labor.** Article 7 of the Labor Code states that Forced labor, i.e., forced to perform work under the threat of any punishment (including as a means of labor

discipline) is prohibited. The right to work is permitted for persons aged 16 and older. However, for internship, it is allowed to hire students from secondary schools, secondary special, professional educational institutions to perform light work that does not harm their health and moral development, and does not interfere with the learning process, in their free time, when they reach the age of 15 with written consent of one of the parents or their legal guardians (Article 77). No one under the age of 15 is allowed to work under the Labor Code.

40. Young people aged between 15 and 18 years old have the right to work based on the local legislation, and have the same rights as adult workers with some benefits due to their age (Labor Code, Article 240). People under age of 18 can be employed only after medical examination and further until reaching the age of eighteen are subject to mandatory annual medical examination. People under age of 18 can be employed only for works which have no risk to their health, safety and moral, they are not allowed to lift and move heavy objects (Labor Code Article 241).

41. Employees aged 15-16 are allowed to work no more than 24 hours a week, and employees aged 16-18 are allowed to work no more than 36 hours a week. Students can be employed only when they are free of study, and their working time may not exceed half of the maximum working time set for the respective age groups, i.e. students aged 15-16 can work only 12 hours a week and students aged 16-18 allowed to work no more than 17.5 hours a week (Article 242).

42. Articles 49 and 51 of Administrative Code of Uzbekistan impose fines for violation of above-mentioned regulations on forced and child labor. The amended law on 23.08.2019 significantly increases fines for using administrative measures to attract employees to forced labor, which has been practiced previously in the country involving public workers, mostly teachers, health workers and students. The new law imposes fines ranging from 10 to 30 times the minimum wage for using such practices. If the same offence is committed repeatedly, responsible persons will face fines from 30 to 100 times the minimum wage, according to the ministry.

43. **Wages and deductions.** Contracts and collective agreements establish the form and amount of compensation for work performed. It is forbidden to pay in kind, except in cases established by the Government of the Republic of Uzbekistan (Labor Code Article 153). The Government establishes a minimum wage (Article 155). From September 2019, minimum wage payment was introduced, hence being the lowest national wage for a full-time position, cannot be less than 634,880 UZS <sup>1</sup> (or \$67,4). In areas with adverse climatic and living conditions, district coefficients and allowances for wages are established. There is no established minimum wage for seasonal and daily workers (minimum payment for hour of work).

44. Employers are obligated to pay workers at least once per half-month (Article 161). Compensations for the payment delays can be included in the collective agreement. Employers also must pay for work-related damage to health or property and families are compensated in case of death. Deductions are allowed mainly for taxes and other obligatory payments set by the Government of Uzbekistan, as well as for specific reasons, but may not exceed 50 percent of the amount owed to the employee, and payment after deductions may not be less than the minimum rate determined by the government (Article 164).

45. **Women.** Night time work, overtime work, work on weekends and business trips for pregnant women and women with children under the age of 14 (with disabled children up to 16 years old), are allowed only with their consent. Herewith, recruitment of pregnant women and women with children under 3 years of age for night works is allowed only if there is a medical certificate confirming that such work does not threaten the health of the mother and child (Article 228).

46. Pursuant to the Presidential Decree № PP - 4235 of March 7, 2019<sup>2</sup>, men have

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<sup>1</sup> Government Resolution № 775, dated 16.09.2019

<sup>2</sup> <http://lex.uz/ru/docs/4230938>

received the same package of rights related to the childcare since 1 May 2019, only one of the parents (male or female) can decide to take maternity leave. Additionally, the President ordered to revoke the prohibitions on the use of female workers. As a corollary, the list of the professions that excluded the females' presence has gained a recommendatory nature (amendment to Article 225).

47. **Working hours.** The standard work week is 40 hours, with less allowed for those under 18 and for women who have children up to 3 years old. The number of hours per day, and days per week, is established in the contract/agreement between the employer and employee. Employers must provide time off each workday for "rest and food", and also paid time off in case time is needed to cool off, to warm up, or to breastfeed children. Details of time off are established in contracts/agreements.

48. **Leave.** In addition to national holidays, employees have to receive at least 15 working days of paid leave per year, with workers under 18 years of age receiving at least 30 calendar days and disabled employees receiving 30 calendar days (Article 134-135). In addition, those who work in unhealthy and unfavorable working conditions receive an additional seven days and those who work in unfavorable climate conditions receive an additional eight days. Leave without pay may also be taken by certain groups of people and may also be covered in contracts. At termination of employment, employees are paid for unused leave, or they may use the leave as their last days of employment.

49. Women are provided maternity leave for up to 70 calendar days, and then are provided 56 days leave after giving birth, in case of complications or giving birth to 2 or more children up to 70 days, with benefits paid from the state social insurance (Article 233). Maternity leave is calculated in total and is paid in a lump sum, regardless of the actual number of days off before giving birth. After giving birth, a mother may take additional leave until the child is six months old, again paid by social insurance. She may take unpaid leave until the child is three years of age. Her position is guaranteed upon her return from all these types of leave.

50. **Overtime work.** Overtime compensation as specified in employment contracts or agreed to with an employee's trade union, which can be implemented in the form of additional pay or leave. The law states that overtime compensation should not be less than 200 percent of the employee's average monthly salary rate (broken down by hours worked). Additional leave time should not be less than the length of actual overtime work (Article 157).

51. **Layoffs and staff reductions.** The Labor Code and subordinate labor legislation differentiate between layoffs and firing. Employees can terminate their employment by filing two-week prior written notice, or apply for leave without pay. Layoff or temporary leaves without pay can be initiated by an employer due to worsening of the economic situation as below. For firing (severance), the employer should personally give two months' advance notice in the case of corporate liquidation or optimization, two weeks' advance notice in the case of an employee's incompetence, and three days' advance notice in the case of an employee's malpractice or unacceptable violations. In case of severance caused by corporate liquidation or optimization, an employee should receive compensation, which should not be less than two average monthly salaries paid during their employment plus payment for unused leave (if another form of compensation was not agreed to in the employment contract).

52. **Labor disputes.** The general court system, where civil and criminal cases are tried, is responsible for resolving labor-related disputes. This can be done on a regional or city level. Formally, workers can file their complaints through the Prosecutor General's Office. The Ministry of Employment and Labor Relations should provide legal support to employees in their labor disputes.

53. Disputes may be adjudicated by commissions that are created "on a par with employer and agencies representing the interests of employees..." (that is, with equal representation of employee/employees and employer), if such commissions are provided for in labor agreements/contracts (Article 262). Commissions must consider issues within 10 days. If the

employer, employee, or their representatives disagree with decisions by a commission, or if the commission does not consider applications within 10 days, any of the parties may appeal to the courts, but that must be within 10 days of the decision (or no decision).

54. **Enforcement of Labor Code** is implemented by the State Labor Inspection under the Ministry of Employment and Labor Relations, and its territorial subordinate structures according to the Statement on the State Labor Inspection, Appendix №3, Resolution of the Cabinet of Ministers №1066 of 31.12.2018 “On measures to improve the performance of the Ministry of Employment and Labor Relations of Uzbekistan.

#### Forced and Child Labor Issues

55. Uzbekistan is working to eradicate forced labor in various sectors, and has made significant progress. However, the use of forced labor remains a problem. Forced labor cases have also been associated with Uzbekistan’s “Obod Qishloq” state program (Prosperous Village) related to labor used in carrying out community infrastructure works. Efforts continue to be made within the country to completely eliminate forced labor, including significant increase of fines ranging from 10 to 30 times the minimum wage for using such practices, and up to 100 times the minimum wage for repeated offence, according to the amended Articles 49 and 51 of Administrative Code. Moreover, in 2018 Uzbekistan adopted a number of labor related laws and regulations, including:

- Resolution of the Government of Uzbekistan "On Additional Measures to Eradicate Forced Labor in Uzbekistan" (№ 349, dated 10 May 2018);
- Resolution of the Government of Uzbekistan "On Implementation of ILO Conventions" ratified by Uzbekistan, together with the Regulations on the Republican Interagency Commission (№ 407, dated 31 May 2018).

56. 13 June 2019 Members of the Legislative Chamber of the Oliy Majlis passed a law "On ratification of the Protocol to the International Labor Organization's Forced Labor Convention, 1930 (Geneva, 11 June 2014)" and sent it to the Senate of the Oliy Majlis.

57. Protocol to Convention 29 commits all ILO Members to end forced or compulsory labor by identifying the root cause and the factors that increase their risk, training and informing employers.

58. The adoption of the Protocol will:

- establish new obligations to prevent forced labor, protect its victims and ensure their access to means of protection;
- improve national legislation in this area;
- build a positive image of Uzbekistan in its relations with ILO and strengthen constructive cooperation with international human rights organizations.

59. Initially 2020, the Criminal Code of Uzbekistan was supplemented with articles on liability for the violation of the requirement not to employ minors and administrative compulsion to work. Now the employment of a minor in work which may be harmful to his or her health, safety or morals, committed after the imposition of an administrative penalty for the same act, is punishable by:

- a fine of up to 25 basic calculation units;
- deprivation of a specified right for up to three years;
- corrective labor for up to three years.

60. In addition, administrative coercion to work in any form (except in cases provided for by law) shall entail a fine of 50 to 100 basic calculation units (previously 10 to 30 basic calculation units).

61. More than 800 banners have been posted in populated areas throughout the country, 550,000 flyers have been distributed to citizens and more than 20,000 copies of specially prepared guidelines on the prevention of forced labor and child labor have been distributed to

employers and makhalla committees since May 2020 by officials of the Ministry of Employment and Labor Relations and the Sub-Commission on Combating Forced Labor. In order to raise the awareness of farmers and agricultural clusters about forced labor, 71 online seminars on the prevention of forced labor and on compliance with labor legislation in the recruitment of workers were conducted jointly with the ILO according to the schedule approved by the President of the National Commission. In total, more than 2,100 people participated in the events throughout the Republic.

62. A national Grievance Mechanism to report cases of forced and child labor is established through the Federation of Trade Unions in Uzbekistan responsible for the monitoring of labor rights protection, using a 24-hour helpline anonymous short number (1092), telegram bots (the most popular messenger in Uzbekistan) and internet sites.

### **ILO Conventions ratified by Uzbekistan**

<b>No</b>	<b>Name of Convention</b>	<b>Date</b>	<b>Status</b>
1	C029 - Forced Labour Convention, 1930 (No. 29)P029 - Protocol of 2014 to the Forced Labour Convention, 1930 ratified on 16 Sep 2019 (In Force)	13 Jul 1992	In Force
2	C087 - Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)	12 Dec 2016	In Force
3	C098 - Right to Organise and Collective Bargaining Convention, 1949 (No. 98)	13 Jul 1992	In Force
4	C100 - Equal Remuneration Convention, 1951 (No. 100)	13 Jul 1992	In Force
5	C105 - Abolition of Forced Labour Convention, 1957 (No. 105)	15 Dec 1997	In Force
6	C111 - Discrimination (Employment and Occupation) Convention, 1958 (No. 111)	13 Jul 1992	In Force
7	C138 - Minimum Age Convention, 1973 (No. 138)Minimum age specified: 15 years	06 Mar 2009	In Force
8	C182 - Worst Forms of Child Labour Convention, 1999 (No. 182)	24 Jun 2008	In Force
9	C081 - Labour Inspection Convention, 1947 (No. 81)	19 Nov 2019	In Force
10	C122 - Employment Policy Convention, 1964 (No. 122)	13 Jul 1992	In Force
11	C129 - Labour Inspection (Agriculture) Convention, 1969 (No. 129)	19 Nov 2019	In Force
12	C144 - Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144)	13 Aug 2019	In Force
13	C047 - Forty-Hour Week Convention, 1935 (No. 47)	13 Jul 1992	In Force
14	C052 - Holidays with Pay Convention, 1936 (No. 52)	13 Jul 1992	In Force
15	C103 - Maternity Protection Convention (Revised), 1952 (No. 103)	13 Jul 1992	In Force
16	C135 - Workers' Representatives Convention, 1971 (No. 135)	15 Dec 1997	In Force
17	C154 - Collective Bargaining Convention, 1981 (No. 154)	15 Dec 1997	In Force

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

63. Occupational Health and Safety (OHS) legislation comprises the Labor Code, the Law on Occupational Health and Safety, the decrees of the President of the Republic of Uzbekistan, Occupational Health and Safety standards, decisions of executive government agencies taken within their competence in the form of decrees, executive orders, regulations, directives, rules, etc.

64. More than 30 articles of the **Labor Code** are directly linked with issues of occupational health and safety. They include:

- Occupational safety and health requirements (Article 211);
- Compliance with occupational health and safety regulations, rules and instructions (Article 212);
- Provision of instruction and training to workers in labor protection (Article 215);
- Regulation of working hours in hazardous industries for workers performing special work and workers under the age of 18 (Articles 116, 117 and 118);
- Conditions for the employment of disabled persons in various jobs (Article 220);
- Provision of milk, therapeutic and prophylactic food, and personal protective and hygiene equipment to workers (Article 217);
- Provision of first aid to workers and their transportation to medical and preventive treatment facilities (Article 221); and
- Registration and investigation of accidents at work (Article 222) etc.

65. ***The Law “On Labor Protection”*** in the new edition was signed by the President of Uzbekistan on September 22, 2016. The law is aimed at further improvement of labor protection system, strengthening responsibility of employer and workers to execute requirements in this area, defining public authorities’ powers to ensure proper monitoring of working conditions and safety, increasing efficiency of public control in this field, bringing certain provisions of the current law in accordance with the requirements of the newly adopted legislative acts in modern market economy.

66. The Law introduces new concepts, regulates clearly issues of certification of workplaces on working conditions, audit of the OHS management system, investigation and registration of accidents at work and occupational diseases. It establishes specific mechanisms for public and trade unions participation in implementation of public control in this field, secures their rights related directly to OHS activities.

67. ***The Law “On Occupational Safety in Hazardous Production Facilities”*** passed on August 25, 2006 sets down the legal, economic and social terms of ensuring safe exploitation of hazardous production facilities and is aimed at preventing accidents and building the capacity of enterprises to liquidate their aftermath.

68. Under the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan № 60 of February 11, 2005 Rules of Compensation by the Employer of the Damage Caused to Employees by Injury, Occupational Disease or other Work-Related Impairment of Health were introduced. Under the law “On Occupational Safety and Health” a worker who has been fully or partially disabled through the fault of the management as a result of an occupational accident or professional disease is entitled to a lump sum allowance and compensation of damage to health paid by the enterprise. The lump sum allowance is determined by the collective contract (agreement) and may not be less than the annual wages of the victim.

69. The enterprise is obliged to compensate the victim for the cost of treatment, prosthetic work and other types of medical and social assistance and ensure retraining and reemployment of the victim in accordance with the medical report or pay the cost of the same. In the event of the death of a worker the enterprise pays material damage to the persons entitled to it as well as a lump sum in the amount of not less than six average annual wages of the deceased.

70. In addition to the main legislation the Republic has national normative documents addressing the issues of occupational health and safety. They include the Sanitary Rules and Norms (SanPiN), State Occupational Safety Standards (GOST, SSBT), Construction Norms and Rules (SNiPs), standards of the content of harmful substances (maximum allowable concentrations and levels), normative methodological documents on individual issues setting forth concrete requirements to occupational safety in hazardous facilities, when manufacturing or applying various products, etc. In addition to state normative documents various sectors of industry enforce departmental and interdepartmental norms, requirements and rules of occupational safety and health.

71. **Enforcement of OHS legislation.** The main state bodies responsible for the implementation of OHS policy are:

- the Ministry of Employment and Labor Relations, including the State Labor Inspection under the Ministry with territorial branches distributed all over the Republic;
- the State Inspection for Safety in Industry, Mining and Housing and Utilities Sector;
- the Department of State Sanitary Epidemiological Supervision under the Ministry of Health of the Republic of Uzbekistan.

72. The Ministry of Employment and Labor Relations has an OHS directorate and the State Labor Inspection and its regional branches in the Republic of Karakalpakstan, Viloyats (regions), the Tashkent city and district directorates and branches on labor, employment and social security. They constitute a single system of supervision and monitoring compliance with OHS requirements at the ministries and agencies, institutions, organizations, industrial and agricultural enterprises, with the exception of hazardous facilities that are under the jurisdiction of the State Inspection on Safety in Industry, Mining and the Housing and Utilities Sector.

73. The structural units of the State Inspection for Safety in Industry, Mining and the Housing and Utilities Sector are sectoral inspections:

- for supervision of the coal and mining industries;
- for supervision of the oil and gas industry;
- for supervision in the chemical, metallurgical and oil and gas processing industry;
- for gas supervision;
- for boiler and underground structures supervision;
- for geological prospecting supervision;
- for nuclear industry supervision;
- for transport and storage of petroleum products supervision;
- for supervision of the carriage of hazardous cargoes;
- for supervision of subsoil resources, processing of mineral raw materials and geological and surveying control;
- for supervision of compliance with the technological rules of grain storage and processing;
- for supervision of the work of power stations, substations and networks; and
- for supervision of the housing and utilities sector.

74. Sanitary supervision is carried out in the name of the state by the agencies of the Ministry of Health in accordance with the basic laws of the Republic of Uzbekistan: The Constitution, the Laws on Protecting the Health of Citizens and On State Sanitary Supervision (Gossannadzor) and other regulations.

75. According to the Statement on the Procedure for the Creation and Organization of Labor Protection Services in organizations, Appendix №5, Resolution of the Cabinet of Ministers №1066 of 31.12.2018 “On measures to improve the performance of the Ministry of Employment and Labor Relations of Uzbekistan” each organization must have Labor Protection personnel which is responsible for: i) organization of work to ensure that employees comply with labor protection requirements; ii) monitoring compliance by employees with laws

and other regulatory legal acts on labor protection, regulatory documents in the field of technical regulation on labor protection, the collective agreement, labor protection agreements, and other local regulatory acts of the organization; iii) the organization of preventive work to prevent occupational injuries, occupational diseases and diseases caused by occupational factors, as well as work to improve working conditions; iv) informing and advising the employer and employees of the organization on labor protection issues, introducing best practices and scientific developments on labor protection, promoting labor protection issues; v) implementation of measures for the organization of induction trainings, trainings, retraining and advanced training of employees of the organization on labor protection issues.

76. And if organization have employees less than 50 people, than this organization should have at least on labor protection specialist or one of the managers combine work of the labor specialist, and for organizations with employees more than 50 people, labor protection service needs to be created within the organization.

77. The Law of Uzbekistan №210 of 16.04.2009 “About mandatory insurance of civil liability of employer” obliges employers, under the conditions and in the manner established by the Law, to insure its civil liability for compensation for harm caused to the life or health of the employee in connection with work injury, occupational disease or other health damage associated with the performance of his/her labor duties (Article 4).

## 6. THE WORLD BANK ENVIRONMENTAL AND SOCIAL STANDARDS: ESS 2

78. The World Bank's stipulations related to labor are outlined in its ESF ESS2. This helps the Borrowers in promoting sound worker-management relationships and enhance the development benefits of a project by treating workers in the project fairly and providing safe and healthy working conditions. Key objectives of the ESS 2 are to:

- Promote safety and health at work;
- Promote the fair treatment, non-discrimination, and equal opportunity of project workers;
- Protect project workers, including vulnerable workers such as women, persons with disabilities, children (of working age, in accordance with this ESS) 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 project workers in a manner consistent with national law; and

Provide project workers with accessible means to raise workplace concerns. ESS 2 applies to project workers, including full-time, part-time, temporary and seasonal, and migrant workers. Where full-time or part-time public construction workers are employed on the project, they will be subject to the terms of their existing public sector employment agreement or contract, unless their employment or participation in the project is formally transferred. ESS 2 will not apply to government civil servants.

79. Working conditions and the management of employment relationships. The Borrower will develop and implement written labor management procedures applicable to the project. These procedures will set out the way in which project workers will be managed, in accordance with the requirements of national law and this ESS. The procedures will address the way in which this ESS will apply to different categories of project workers, including direct workers, and the way in which the Borrower will require third parties to manage their workers

80. Project 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 (which will include any applicable collective agreements), including their rights related to hours of work, wages, overtime, compensation, and benefits, as well as those arising from the requirements of this 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.

For more information on the WB Environmental and Social Standards, see the links below: [www.worldbank.org/en/projects-operations/environmental-and-socialframework/brief/environmental-and-social-standards](http://www.worldbank.org/en/projects-operations/environmental-and-socialframework/brief/environmental-and-social-standards) and <http://projects-beta.vsemirnyjbank.org/ru/projects-operations/environmental-and-socialframework/brief/environmental-and-social-standards>.

81. Health, Safety and Environment Plan: The EHS Guidelines contain the performance levels and measures that are normally acceptable to the World Bank Group (WBG), and that are generally considered to be achievable in new facilities at reasonable costs by existing technology. These include General and Sector Specific Guidelines including. The following is the Website of the WBG/IFC EHS Guidelines. ([https://www.ifc.org/wps/wcm/connect/Topics\\_Ext\\_Content/IFC\\_External\\_Corporate\\_Site/Sustainability-At-IFC/Policies-Standards/EHS-Guidelines/](https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/EHS-Guidelines/)). The WBG requires borrowers/clients to apply the relevant levels or measures of the EHS Guidelines. When host country regulations differ from the levels and measures presented in the EHS Guidelines, projects will be required to achieve whichever is more stringent.

## 7. KEY GAPS BETWEEN NATIONAL LEGISLATION AND WORLD BANK ESS2

The national labor legislation in Uzbekistan is largely consistent with the requirements of the ESS2, but in a few areas, key gaps exist – see Table 1 below.

**Table 1. Summary of World Bank requirements and Key Gaps with Uzbekistan Legal Requirements**

ESS & Topic	WB requirements	Key requirements / gaps in Uzbekistan legal framework	Principles to be followed by the Project
A. Working conditions and management of labor relations	<ul style="list-style-type: none"> <li>- Written labor management procedures</li> <li>- Terms and conditions of employment</li> <li>- Nondiscrimination and equal opportunity</li> <li>- Worker's organizations</li> <li>- Elaborate Labor Management Plans including Contractor's ESMP warranted.</li> </ul>	<ul style="list-style-type: none"> <li>- Written employment contract required, including procedures and employment conditions</li> <li>- No provision for Labor Management Plans.</li> </ul>	LMP developed for the project. Terms and conditions in the LMP are consistent with national law.
B. Grievance Mechanism (GM)	<ul style="list-style-type: none"> <li>- GM should be in place for direct and contracted workers</li> </ul>	<ul style="list-style-type: none"> <li>- No project specific GM is warranted.</li> <li>- However, it is allowed to apply to: a) conciliation commission; b) Labor Inspection under the Ministry of Employment and Labor Relations; and c) court.</li> </ul>	NENU shall develop the GM for its workers (direct) as per this LMP. Contractors will develop C-LMP, including provisions to establish and maintain GM for their employees.
C. Category of workers	Specifies these following categories of workers: <ul style="list-style-type: none"> <li>-Direct</li> <li>-Contracted workers</li> <li>-Community workers</li> <li>-Primary supply workers</li> </ul>	No reference to Community and Primary Supply Workers	No community workers will be involved in the Project. Screening and monitoring measures will be introduced for primary suppliers as per this LMP.
D. Minimum age of workers	<ul style="list-style-type: none"> <li>- Persons 14-18 are prohibited from work considered hazardous, that will interfere with their education or be harmful to their health or development (physical, mental, spiritual, moral, or social).</li> </ul>	<ul style="list-style-type: none"> <li>- Employment permissible for 15 plus age, but for non-hazardous work, with limited hours, and guardian permission..</li> </ul>	National law will be followed. No direct and contracted workers under 18 will be recruited.

82. NENU will ensure that the contractors are legitimate and reliable entities and that they have in place labor management procedures applicable to the project that are compliant with

this LMP including with the above-mentioned measures to bridge the gap between national legislation and the ESS2. Each Contractor will be required to introduce their own Grievance Mechanism. Contractors will not hire persons aged under 18 for working on the project activities.

## 8. RESPONSIBLE STAFF

83. The NENU will be responsible for the overall management and implementation of the Project. The Head of the PIU and NENU will be responsible for the operational implementation of the project components, the day-to-day management and implementation of the project.

84. Other NENU staff related to this project are: Finance Specialist, Project Coordinator, Accountant, Procurement Specialist, Environmental Specialist, Human Resources Specialist and others.

85. Overall, the NENU, represented by the Human Resources Specialist and Social and Gender Specialist, will be responsible for the following, concerning labor management:

- Implement this labor management procedure for its direct workers;
- Ensure that contractor(s) prepare their labor management procedure, in compliance with this labor management procedure, and occupational health and safety plan before the design stage; For stand-alone construction works separate C-LMP will be prepared.
- Monitor that the Contractors are meeting obligations towards contracted and sub-contracted workers as included in the General Conditions of Contract the World Bank Standard Bidding Documents, and in line with ESS2 and national Labor Code;
- Monitor implementation of contractors' labor management procedures;
- Monitor that occupational health and safety standards are met at work places in line with national occupational health and safety legislation and Occupational Health and Safety Plan;
- Monitor training of the project workers;
- Ensure that the grievance mechanism for project workers is established and monitor its implementation.

86. The Contractors will be responsible for the following:

- Employ or appoint qualified social, labor and occupational safety experts to prepare and implement project specific labor management procedure, occupational health and safety plans, and to manage subcontractor performance;
- Develop Contractor's Labor Management Procedures and Occupational Health and Safety Plans which will apply to contracted and sub-contracted workers. These procedures and plans will be submitted to the Supervision Consultant for review and approval before the contractors mobilize for the design stage;
- Contractors will supervise their subcontractors' implementation labor managements procedures and occupational health and safety plans;
- Maintain records of recruitment and employment process of contracted workers;
- Communicate clearly job description and employment conditions to contracted workers;
- Develop, and implement workers' grievance mechanism and address the grievance received from the contracted and sub-contracted workers;
- Have a system for regular review and reporting on labor, and occupational safety and health performance;
- Deliver regular induction (including social induction) and HSE training to employees;
- Ensure that all contractor and sub-contractor workers understand and sign the Code of Conduct prior to the commencement of works.

### **Risk of communicable Diseases (COVID-19, HIV etc.)**

- Sensitize workers and the surrounding communities on awareness, prevention and management of COVID-19 and other communicable diseases, e.g., HIV/AIDS and etc. through staff training, awareness campaigns, multimedia and workshops.
- Provide information, education and communication about safe uses of drinking water and interaction with each other and measures for social distancing
- Training of all workers on contagion disease
- Usage of PPE by workers
- Contact with the local health authorities

87. After the bidding process is completed and the Contractors are known, this labor management procedure can be updated to include additional details about companies, as necessary.

## 9. POLICIES AND PROCEDURES

88. As specified in the Labor Code, employment of project workers will be based on the principles of non-discrimination and equal opportunity. There will be no discrimination with respect to any aspects of the employment relationship, including recruitment, compensation, working conditions and terms of employment, access to training, promotion or termination of employment. The following measures will be followed by contractors and monitored by the NENU to ensure fair treatment of all employees:

- Recruitment procedures will be transparent, public and non-discriminatory, and open with respect to ethnicity, religion, disability or gender;
  - Applications for employment will only be considered if submitted via the official application procedures established by the contractors;
  - 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;
  - Employees will be informed at least two months before their expected release date of the coming termination;
  - 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 (in this case, the “Employer” would be the contractor);
  - Depending on the origin of the employer and employee, 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;
  - It is noted that language-related problems are not expected, but if they are, interpretation will be provided for workers as necessary;
  - Foreign workers, if any to be hired, will require residence permits, which will allow them to work in Uzbekistan;
  - Measures should be put in place to prevent harassment of project workers, including sexual harassment, in the workplace.
- 
- All workers will be 18 years old or above for civil works. This will be a requirement in NENU contracts with civil works contractors. NENU will ensure that no construction workers between 15-18 years are employed unless they are hired for office work with shortened working hours (during out of school time);
  - Normal working time should not exceed 40 hours per week. With a five-day working week, the duration of daily work is determined by the internal work regulations approved by the employer after prior consultation with the representatives of the workers, in compliance with the established working week duration.

89. The monitoring of the above activities will be carried out directly by the NENU such as Project Manager, HR specialist and Lawyer, as well as by the contracted Consultants: Project Coordinators, Social and Gender Specialist, M&E Specialist and Regional Representatives.

## 10. AGE OF EMPLOYMENT

90. Uzbekistan 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 (Article 241, Labor Code). NENU as the main Implementing Agency will ensure that no construction workers under 18 years are employed unless they are hired for office work. 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, and with guardian permission as per national legislation.

91. Contractors will be required to verify the identity and 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 project, measures will be taken to immediately terminate the employment of the child.

## 11. TERMS AND CONDITIONS

92. The terms and conditions applying to NENU employees are set out in the "HR Regulations" approved by the NENU Decree 192 of 29/06/2020. These HR Regulations apply to all NENU employees who are assigned to work on the project (direct workers).

93. The NENU applies one type of employment contract: a contract of employment for an indefinite period. Majority of staff are permanent employees, with employment contracts, with a monthly salary rate according to the staffing schedule. All the recruiting procedures are documented and filed in the folders in accordance to the requirements of labor legislation of Uzbekistan. Monthly timesheets are also filed and kept accurately.

94. The work hours for NENU workers are 40 hours per week, 5 days a week, eight hours per workday from 9:00am to 18:00, with a break for lunch from 13:00 to 14:00. NENU employees are entitled to 21 working days of paid annual leave. Wages are paid once a month by the 5th of the following month.

95. The HR Regulations also include basic rules for employee's good behavior, ethical concerns and "conflict of interests" sections, as well as section on "Grievance Mechanism" for its workers.

96. The Contractor's 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, Uzbekistan Labor Code and General Conditions of the World Bank Standard Procurement Documents.

97. Contractors will be required to prepare and disseminate a code of conduct and be accountable for its implementation, as well as maintain a grievance mechanisms for their employees. Such measures will be put in place in order to prevent hostile or abusive workplace environment, including issues of sexual exploitation and abuse and sexual harassment.

## 12. GRIEVANCE MECHANISM

98. The NENU provides a grievance mechanism for workers (and their organizations, where they exist) to raise reasonable workplace concerns. The Grievance mechanism procedure is described in the HR Regulations approved by the NENU (Decree № 192 of 29/06/2020). The NENU informs the workers of the grievance mechanism at the time of hire, and make it easily accessible to them. The mechanism does not impede access to other judicial or administrative remedies that is available under law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements.

99. Grievances are received both in writing (printed) or through e-mails. Each grievance is recorded in the grievance logbook, citing the name of applicant, date of submission and giving it special reference number. After the registration of the complaint within 15 days, it must be reviewed by the NENU Head or Deputies, and if it comes from the regional offices, then by the NENU Head or Deputies with further transfer to the supervising head. Within 15 working days after submission of the complaint, detailed letter (or e-mail) should be sent to the sender with the status of the complaint signed by the head of the company or deputies. NENU workers may also meet with the Head of the NENU or his/her deputies in special allocated time with their complaints or proposals. According to RUz Law № ZRU 445 of 11/09/2017, anonymous grievances are not considered.

100. The GM for NENU employees will be updated prior to Project Effectiveness in accordance to become more closely aligned with World Bank ESS2.

101. The NENU will require contractors to develop and implement a grievance mechanism for their workforce including sub-contractors, prior to the start of design stage. The construction contractors will prepare their labor management procedure before the start of civil works, which will also include detailed description of the workers' grievance mechanism.

102. The workers' Grievance Mechanism will include:

- a procedure to receive grievances such as comment/complaint form, suggestion boxes, email, a telephone hotline;
- stipulated timeframes to respond to grievances;
- a register to record and track the timely resolution of grievances;
- a responsible department to receive, record and track resolution of grievances.
- a dedicated channel to receive and process complaints related to sexual exploitation, abuse and harassment, ensuring confidentiality of the complainant

103. The workers' grievance mechanism will be described in staff induction trainings, which will be provided to all project workers. The mechanism will be based on the following principles:

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

104. Monitoring and Evaluation Specialists of NENU will be responsible for the monitoring of the contractors' recording and resolution of grievances, and report these in their periodical progress reports.

105. All Contractors and Sub-contractors will commit to adhere to the principles of this Labor Management Procedure. Specific provisions in this regard will be made in the respective

bidding documents, and terms and conditions of contract. Contractors will establish and maintain grievance and redress mechanisms for their workers, and an internal accountability system to allow for processing of grievances arising from their employees. NENU will monitor that such grievance mechanism is established and include information on the functioning of contractor grievance mechanisms as part of project monitoring reports, along with all other aspects of LMP monitoring.

### **13. CONTRACTOR MANAGEMENT**

106. Construction and other contracts will include provisions related to labor and occupational health and safety as provided in the World Bank Standard Procurement Documents and Uzbekistan law.

107. The NENU will manage and monitor the performance of contractors in relation to contracted workers, focusing on compliance by contractors with their contractual agreements (obligations, representations, and warranties) and labor management procedures. This may include periodic audits, inspections, and/or spot checks of project locations and work sites as well as of labor management records and reports compiled by contractors. Contractors' labor management records and reports that may be reviewed would include: representative samples of employment contracts or arrangements between third parties and contracted workers, records relating to grievances received and their resolution, reports relating to safety inspections, including fatalities and incidents and implementation of corrective actions, records relating to incidents of non-compliance with national law, and records of training provided for contracted workers to explain occupational health and safety risks and preventive measures.

### **14. PRIMARY SUPPLY WORKERS**

108. Primary Suppliers are likely to include suppliers of construction materials, equipment (e.g. high voltage and low voltage, pumping equipment, etc.).

109. If there is a risk of forced labor in the main supply chain, NENU will identify these risks. If cases of forced labor are identified, NENU will hand over the project's main supply chain to suppliers who can prove that they comply with the LMP. NENU will include in its contract with suppliers a specific clause on non-use of child and forced labor.