LABOR MANAGEMENT PROCEDURES

for

TAJIKISTAN RURAL ELECTRIFICATION PROJECT

FINAL

25 May 2019

Contents

1. Introduction

Pamir Energy was formed in 2002 by the Aga Khan Fund for Economic Development (AKFED) in partnership with the Government of Tajikistan and the International Finance Corporation. Under a public-private partnership agreement with the Government of Tajikistan, the company has assumed the operational management of all power generation, transmission and distribution facilities of GBAO. Pamir Energy is responsible for approximately 3,350 kilometers of transmission and distribution lines and 90 substations throughout GBAO. Pamir Energy generates electricity at a number of hydropower projects, and distributes the electricity from generation facilities to industrial, commercial, and individual consumers. As of early 2019, the company employed about 700 persons.

Pamir Energy will implement major components of the World Bank Rural Electrification Project, which includes the following subprojects:

- Construction and operation of the 11-megawatt (MW) Sebzor hydropower plant (HPP) on the Shokhdara River
- Construction and operation of a 63km 110kV transmission line to carry power from Khorog to the village of Qozideh, and in the future to provide power for a connecting line to Afghanistan
- Electrification of 61 villagers in GBAO, which will include construction and operation of wind, solar, and combined wind and solar projects to provide off-grid electricity to 35 villages, plus last-mile solutions to connect 26 villages to the national grid.

Another subproject of the TREP, construction of distribution lines to connect the population of 44 villages in Khatlon Province to the national grid (so-called “last-mile solutions”) will be implemented by Barqi Tojik. There will be a separate Labor Management Procedure for that component.

An associated facility, construction and operation of an 18-kilometer (km) 110 kiloVolt (kV) transmission line to evacuate power from the Sebzor HPP to Khorog, will be financed by the Swiss State Secretariat for Economic Affairs and implemented by Pamir Energy.

This Labor Management Procedure describes how Pamir Energy will comply with the requirements of World Bank Environmental and Social Standard 2, “Labor and Working Conditions”, and with Tajikistan law.

2. Number of project workers

The precise number of project workers who will be employed by the various subprojects is not yet known. Most workers will be employed by contractors, which will each determine their labor needs. Bidding documents to select the design and construction contractors for the various subcomponents are still in the process of preparation. It is estimated that tenders will be announced later in 2019. The number of workers to be involved in the construction phase was estimated based on experience gained from similar projects undertaken in Tajikistan and the region and are shown in Table 1.

Table 1. Estimated number of workers to be employed

	Sebzor HPP	*18km 110kV line*	*63km 110kV line*	*GBAO electrification*
Pamir Energy	5	4	8	5
Civil works contractor	400	40	120	5-60
Electromechanical contractor	20	0	0	3-10
Other?	0	0	0	0
Roadworks civil	30	0	0	0
Bridge civil	20	0	0	0
Total temporary	*475*	*44*	*128*	*8-75*
Pamir Energy	5	4	8	2-6

3. Timing and nature of labor requirements

3.1 Timing

3.1.1 Sebzor HPP and 6.6/110kV Sebzor substation

Construction of the hydropower project and substation will take about two years, with construction of the dam, penstock, powerhouse, and substation proceeding concurrently. This could extend to three years depending on length of the construction season, which typically lasts from April to October but can be somewhat longer or shorter depending on weather. It will remain in operation for an estimated 25-30 years, possibly up to double that time. Although the contractors will make the final determination of workforce, it is expected the civils works contractor will mobilize separate crews for each major component: dam and associated infrastructure, penstock, powerhouse and intake, and substation. Once the civil works contractor has completed the powerhouse and substation structures, the electromechanical contractor will mobilize its full team to install the various electrical equipment (turbines, generators, transformers, switchgear, etc.) and to commission the turbines and generators.

In addition, there will be contractors and crews to reconstruct the road and the bridge. At present, it is undetermined whether there will be separate contractors for these elements of the project.

3.1.2 18km Sebzor to Khorog 110kV transmission line and 35kV/110kV Khorog substation.

Construction of this transmission line is expected to take one or possibly two years. The substation should be completed within one construction season. The line has to be completed before the hydropower project can be commissioned and synchronized, and it is planned for the line to supply power to at least the last stages of construction of the powerhouse and substation. It is estimated that there will be at least two main crews (and possibly up to 3-4 crews) responsible for the construction of the transmission line, with each crew made up of different teams to complete specific jobs, such as land-clearing and tree-cutting, foundation excavation, foundation installation, tower assembly and erection, conductoring (that is, stringing the wires between towers), and land restoration.

3.1.3 63km Khorog to Qozideh 110kV transmission line and 35kV/110kV Qozideh substation.

Construction of this transmission line will take two to three years, with the substation again taking about one year. The work will be organized in a similar fashion as the Sebzor to Khorog transmission line.

3.1.4 GBAO off-grid and last-mile solutions.

Each of 11 minihydropower projects will be contracted in four lots: supply of materials; construction of the electricity network, including indoor wiring; electromechanical supply and installation; and civil works for plant construction. Each project will take two to three years. The 26 villages to be connected to the grid with "last-mile solutions" will have one off-site contractor to provide supplies and another on-site for construction of the network, including indoor wiring. This is expected to be completed within two years. Contracting arrangements for the 24 villages to be powered by wind and solar have not yet been determined, but each would likely take up to two years. Construction of projects in all 61 villages is still being planned, but will probably take a total of 4-5 years.

3.2 Source of workforce

About fifty percent or more of the workers hired by contractors to construct the hydropower project are expected to be unskilled laborers, with a similar percentage for the hydro, wind, and solar electrification projects. The percentage will likely be somewhat higher for the 110kV transmission lines. These workers will almost certainly come primarily from local communities and Khorog, although some may be from elsewhere in Tajikistan. The percentage would likely be even higher for the last-mile distribution lines, with workers primarily coming from the villages being electrified. Pamir Energy considered using unpaid community workers for these small projects, in particular those whose households were being electrified, but determined that paid labor would be a better solution.

Most semiskilled and skilled positions such as managers, engineers, forepersons, drivers and equipment operators, and electrical workers will come from outside the area. Civil works contractors for the hydropower plant are likely to be foreign, but with local (with "local" meaning Tajikistan companies) subcontractors. Electromechanical contractors are likely to be foreign, with most or all of their workers also from other countries.

3.3 Type of workers

It is expected that project will engage the following categories of project workers, as defined by ESS2:

Direct workers: Direct workers would likely include project managers and supervisors who are Pamir Energy employees. The estimated number of direct workers would not likely exceed 20 staff. It is estimated that the direct workers would include current Pamir Energy employees from different departments who will be assigned to work on the projects, especially the HR and Health and Safety Department, and that new employees would be hired to supervise performance of the construction contractors, including environmental and social performance.

Direct workers would also include independent consultants, who are specialized in certain disciplines (such as social safeguards and community relations). These consultants will be hired under individual contracts, on a part-time basis, with specific definitions of assigned tasks and responsibilities. At present, consultants are expected to support development and implementation of the Resettlement Action Plan and possibly to assist in evaluating contractor proposals and to complete other tasks.

Contracted Workers: Contracted workers would be hired for design and civil works, and for design and electromechanical works. The bidding for each project element will include multiple lots: up to four Sebzor HPP (civil, electromechanical, road, bridge), and two or three for the transmission lines (electromechanical and possibly multiple construction), and multiple contractors for the various electrification projects, as described in the next section. Each contractor might need engagement of multiple subcontractors. The subcontractors' workforces will also be considered to be contracted workers. Table 1 showed the number of contracted workers.

Community workers: Community workers will not be employed.

Migrant workers: It is expected that the project will require a combination of local workers from nearby villages, workers from other parts of Tajikistan, and workers from other countries. The "internal migrants" would be workers who already have experience working on major infrastructure projects and high voltage transmission lines in different parts of the country. Foreign "migrant" workers are likely to be management and technical staff and possibly a few household staff (for cleaning, cooking, etc.). The number of migrant workers would depend on decisions made by contractors. Based on previous experience the distribution could be about 20-25 percent international, 25-30 percent from other parts of Tajikistan, and 45-55 percent from the local area (as noted, the transmission lines and especially the off-grid projects will likely use more local workers).

3.4 Workforce characteristics

Taking into account the nature of the project workforce (mostly unskilled and semiskilled construction labor) and characteristics of the labor force market in Tajikistan, it is likely the workforce, especially the lower-skilled workers, will be predominantly male. It is estimated that women would represent only about 10-20 percent of the workforce, and those would likely be technical (e.g. engineering) and/or staff working in the operation offices and camps (maids, cooks, cleaners etc.). All workers will be over 18 and will probably average 25-40 years old.

4. Potential labor risks

4.1 Project activities

Sebzor HPP will be constructed in the river and floodplain of the Shokhdara River, with no work in extreme terrain. Primary activities will include:

- Clearing of land at the weir, intake, and desilting chamber; along the penstock, and at the powerhouse and tailrace
- Demolition of buildings and removal of debris
- Preparation of storage area, including construction of accommodations, warehouses, etc.
- Construction of a cofferdam in the Shokhdara River
- Excavation of foundations for the dam, intake, and desilting chamber of the powerhouse and substation
- Excavating the penstock corridor to a depth of two meters, placing two pipes with diameters of 1.2 meters each in the excavation, and covering the pipe
- Constructing the dam, intake, and desilting chamber with reinforced concrete, including installing gates
- Constructing the concrete powerhouse and tailrace and the foundation
- Installing turbines, generators, and other electrical equipment in powerhouse
- Installing transformers, insulator, and other electrical equipment in substation
- Connecting substation to 110kV transmission line
- Reinstatement of disturbed areas, removal of waste, restoration of storage area, and demobilization.

The transmission lines will be on steep terrain immediately beside the roads. The 18km line from Sebzor to Khorog will involve installation of 73 four-legged towers and poles, while the 63km line from Khorog to Qozideh will involve installation of over 200 towers and poles. Construction of this type of project will include the following activities:

- Clearance of the right-of-way over the relatively short distances where such clearance is necessary (most areas do not have trees, but if they do then trees will be cut so they are at least seven meters from the conductors)
- Establishment of work camps and storage area(s)
- Excavation and installation of reinforced concrete tower foundations
- Establishment of footpaths from the roads to the tower locations
- Hand transport of tower legs, insulators, and other parts from trucks to the foundations, then assembly and erection of towers
- Stringing of conductors
- Reinstatement of disturbed areas, removal of waste, restoration of storage area, and demobilization.

Electrification projects. Activities at the minihydropower projects will be the same as for Sebzor but much smaller-scale. Activities for the last-mile solutions to connect villages to the grid will be similar to those for the transmission lines, but again smaller scale and with poles inserted into holes rather than buried concrete foundations. Activities for the solar and wind generation plants will include:

- Land clearing
- Installation of access roads where needed
- Establishment of work camp and area for storage and preparation
- Transport and installation of solar cells (or wind turbines), construction of control building
- Construction of distribution lines to connect generation plant to houses
- Connection of distribution line to individual households
- Training of households in electricity usage if necessary
- Reinstatement of disturbed areas, removal of waste, restoration of storage area, and demobilization.

4.2 Key labor risks

The key labor risks during construction would be health and safety risks arising from construction of the various project components. Typical risks would include exposure to physical hazards from 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. During operation, key risks would be “routine” health and safety risks, including especially risks from working with electricity.

As the construction activities will involve hazardous work, persons under the age of 18 will not be employed on the project except possibly in offices or in other non-construction jobs. All construction workers will be exposed to some occupational health and safety hazards, primarily including:

- Crossing and working on steep and treacherous terrain (transmission and distribution lines)
- Carrying heavy loads (transmission and distribution lines especially, but also other projects)
- Exposure to chemicals (e.g. paints and fuels, all projects)
- Chain saws and treefall if timber has to be cut (all projects)
- Stringing works (transmission and distribution lines)
- Traffic accidents (all projects, especially the transmission lines)
- Altitude sickness (for those from outside the region, all projects)
- Working near and in water (hydropower projects)
- Working at heights (transmission and distribution lines, powerhouse construction, wind)
- Working around vehicles and machinery (all projects)
- Exposure to extreme weather (all projects)

During operation, workers would be exposed to many of the same risks, but less frequently, many fewer workers, and generally less hazardous physical work. The primary risks would be the risk of electrocution from working with and near electricity in the powerhouse, substations, and transmission/distribution lines, the risks of working near water for those who check the dam and associated infrastructure on a daily basis, and traffic accidents.

Pamir Energy has a well-developed program for occupational health and safety and is experienced at supervising contractors' safety programs. All contractors will be required to submit details of their Occupational Health and Safety programs as part of their tenders, and the strength of those programs will be among the criteria used by Pamir Energy to select the contractors.

No other labor risks are considered to be significant. The Project is assessed as having a relatively low risk of gender-based violence (GBV) risk since a significant number of workers, in many cases most workers, will be local and it is not intended that migrant workers would be housed in the villages. A strictly enforced Code of Conduct will reduce the risks that arise from labor influx into rural areas (stress on local services, sex traffic, general disruption, etc.). Throughout construction, the Community Liaison Officers will remain in close communication with community members and leaders in order to identify any issues before they become problems. However, if labor-related risks arise during project implementation, Pamir Energy will develop procedures to prevent further impacts. It is noted that previous Pamir Energy construction projects have not encountered issues related to labor influx or other labor-related issues.

5. Overview of relevant legislation

5.1 Labor legislation

Labor relations are governed by the provisions of the Tajikistan Labor Code (2016, as amended).

5.1.1 Forced labor and child labor

Article 8 of the 2016 Labor Code prohibits forced labor. The Code also sets the minimum age at which a child can be employed as well as the conditions under which children can work (Articles 21, 74, and Chapter 15). The minimum employment age is 15, but in certain cases of vocational training, mild work may be allowed for 14-year-olds (Article 21). In addition, there are some restrictions on what type of work can be done by workers under the age of 18, and what hours of work are permissible. Examples of labor restrictions include that those between 14 and 15 cannot work more than 24 hours per week while those under 18 cannot be engaged in "heavy work, underground work, and work with harmful and dangerous working conditions, as well as work which may be detrimental to their health and moral development" and there are restrictions on lifting (Article 208). Those under 18 also may not work more than 35 hours per week; during the academic year, the maximum number of hours is half of this.

5.1.2 Wages and deductions

Contracts and collective agreements establish the form and amount of compensation for work performed. The President establishes a minimum wage (Article 143), and this can be adjusted by an index as appropriate. Work in desert, other arid areas, and mountainous areas is subject to additional compensation, and work in areas with unfavorable climatic and living conditions may be adjusted based on regional coefficients (Article 143).

Employers are obligated to pay workers at least once per fortnight (Article 158). If payment is not paid as specified in the contract and this is the fault of the employer, the employer must then pay interest on the late amount for each day of delay (Article 158). Employers also must pay for work-related damage to health or property (Articles 186 and 187), and families are compensated in case of death (Article 343). Deductions are allowed 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 163).

5.1.3 Women

Article 217 prohibits overtime, weekend work, and business trips for women (Article 216). For women with children under 14 years of age and for caregivers when there is no mother, overtime and business trips are allowed, but only if the woman (or caregiver) agrees. Other gender-specific provisions are described in relevant subsections.

5.1.4 Working hours

The standard work week is 40 hours (Article 67), with less allowed for those under 18 (Article 74). The number of hours per day, and days per week, is established in the contract/agreement between the employer and employee. Breaks for rest and meals must be provided, with the duration established in collective agreements (Article 83). In addition, workers must be given time if needed in order to feed children (Article 218). Details of time off are established in employment contracts and/or collective agreements.

5.1.5 Leave

Workers in Tajikistan are entitled to several kinds of leave, including paid holidays, annual basic minimum leave, maternity leave, child care, and others (Article 90). In addition to nine national holidays, employees have to receive at least 24 days of paid leave per year (Article 19), with workers under 18 years of age receiving at least 30 days and disabled employees receiving 35 days (Article 94). In addition, those who work in hazardous and difficult conditions must receive at least an additional seven days or at least eight days if they work under adverse climatic conditions (Articles 95-98). Worker may also be granted additional leave based on their length of service (Articles 100, 102).

Leave without pay may also be taken by certain groups of people and may also be covered in contracts (Articles 116, 117). At termination of employment, employees are paid for unused leave, or they may use the leave as their last days of employment (Article 118).

Women are provided maternity leave for up to 70 calendar days, or 86 days in case of complicated births, and then are provided 70 days leave after giving birth (110 if twins or more, or in case of complications) (Article 222). Maternity leave is calculated in total and is paid in a lump sum, regardless of the actual number of days off. After giving birth, a mother may take additional leave until the child is 18 months old, and unpaid leave until the child is three years old (Article 224). Comparable leave is provided for adoption of newborn babies (Article 226).

5.1.6 Overtime work

Overtime can be required for up to two hours per day for two days for workers with hazardous and difficult working conditions and four hours per day in other jobs. Overtime may not exceed 120 hours per year (Article 79). Overtime for most workers is paid at double the normal wage or can be paid with additional time off (Article 154). Conditions and wages for overtime work are determined in the contract. Night work is paid at a rate of at least 1.5 times the normal rate, as specified in contracts and agreements (Article 156).

5.1.7 Labor disputes

Labor disputes are considered to be "unresolved disagreement[s] between the employer and the employee on the application of this Code and other normative legal acts of the Republic of Tajikistan on labor working conditions as provided by the labor contract and collective agreements" (Articles 1 and 198). Disputes may be adjudicated by commissions that have an equal number of representative so employees and employers, with employee representatives elected by the employees (Article 199). Commissions must consider issues within seven days (article 203). If the commission does not consider applications within seven days, any of the parties may appeal to the courts (Article 205).

Appeals to the commission or the court must be made within a limited period of time after the event that triggered the dispute: within three months for appeals to a commission and for varying periods for appeals to the court (Article 201).

In comparison to individual disputes, collective disputes are "unresolved disagreements between employers (employers' associations) and the collective of workers (employees' representatives) on the establishment and changes in working conditions in organizations, the conclusion and implementation of agreements and collective agreements, as well as on the application of the provisions of this Code and other normative legal acts of the Republic of Tajikistan, agreements and collective bargaining agreements" (Article 1). In collective disputes, mediators are selected by agreement of the parties (that is, the union and the employer's representatives) and must make decisions within 10 days (Article 320). Decisions are binding unless one of the parties objects within 10 days. If there is no decision within this time, or if there is a disagreement, a "labor arbitration" is created by the parties "with the participation of local government public authority, with the parties selecting the members and chairperson of the arbitration. The arbitration has 10 days to make a decision. (Article 321). If agreement cannot be reached, it is referred to the labor collective or trade union, which can use all means of the law to resolve the issue, including strikes (Article 323). In addition, collective disputes are subject to judicial review if requested by one of the parties (Article 322).

5.2 Occupational health and safety legislation

Occupational health and safety is also governed by the Labor Code, specifically Section V, Chapters 34-38. The law specifically includes construction and operation of facilities in the types of occupations that are subject to labor protection laws (Articles 349, 352).

Among other requirements, the law requires employers to:

- Be responsible for ensuring safe working conditions and safety of work at every workplace (Articles 331, 348) and for informing workers of workplace conditions and the results of labor inspections (Article 332)
- Apply the means to protect workers individually and collectively (including protective clothing and equipment) (Article 335)
- Provide appropriate work and rest regimes (Chapter 7)
- Training workers in their jobs and safe methods of work (Articles 348, 350)
- Provide instructions on labor protection (Article 336)

- Test and verify the knowledge of workers in working safely (Article 348)
- Provide certifications of workplaces at least every five years (Article 348)
- Investigate accidents (Articles 342, 348)
- Provide sanitation and medical services (Article 348)
- Provide access to premises by state officials (Article 348)
- Providing social insurance for accidents and diseases (Article 348).

Employees, on the other hand, are required to pass initial and periodic medical examinations, pass training and periodic checks of their knowledge of their jobs and safety requirements, and to carry out medical and health measures that are prescribed by medical institutions if paid by employer (Article 346).

Not only state officials have the right to inspect premises to verify safety conditions. In addition, trade unions and other employee representatives also may conduct inspections of working conditions and practices and to participate in accident investigations. In general, they have the right to "freely check" compliance with labor protection requirements and propose measures to eliminate violations, which must be considered by the Employer (Article 357).

Employers with over 50 employees must establish a Labor Safety Department. This requirement is met by the HSE Department of Pamir Energy.

The law gives workers the right to refuse to undertake work that endangers the employee's health or life (Articles 335, 337, 345). In addition, workers engaged in hazardous working conditions are entitled to free medical and preventative care (Article 333), additional paid leave (Article 95) and other benefits and compensation (Article 237). In case of disability or death, employers must provide compensation in multiples of average annual earnings as well as other amounts required by law (Article 343).

6. Responsible staff

Technical performance of contractors who design and construct the transmission and distribution lines and the substations will be supervised by the Pamir Energy Electricity Networks Department. Hydro, wind, and solar construction will be supervised by the Generation Department. Environmental and social performance of contractors, including labor management, will be overseen by the HR and Health and Safety Department.

The HR and Health and Safety Department currently has five permanent staff, and this will increase to 10 or more during construction. The Directors of the various Departments will coordinate with the Pamir Energy General Director in monitoring and managing construction and operation of the projects.

- Implementing this labor management procedure
- Ensuring that contractors who are constructing the distribution lines and connections prepare labor management procedures that comply with this labor management procedure, and also prepare Occupational Health and Safety Plans for PMU ES approval before mobilizing to the

field. Pamir Energy will approve the procedures and plans before issuing notices to proceed with construction works

- Monitoring to verify that contractors are meeting obligations toward contracted and subcontracted workers as required by Tajikistan law, the General Conditions of Contract, the Special Conditions of Contract, and the relevant World Bank Standard Procurement Documents
- Monitoring contractors' implementation of their approved Labor Management Procedures
- Monitoring compliance with occupational health and safety standards at all workplaces in line with Tajikistan occupational health and safety legislation and with approved Occupational Health and Safety Plans
- Monitoring training of project workers
- Ensuring that the grievance redress mechanism for project workers is established and implemented and that workers are informed of its purpose and how to use it
- Monitoring implementation of the Worker Code of Conduct.
- Reporting to the World Bank on performance on at least a quarterly basis.

Construction contractors will be responsible for the following:

- Developing Labor Management Procedures and Occupational Health and Safety Plans which will apply to their own and subcontractor employees who work on the projects. These procedures and plans will be submitted to Pamir Energy for review and approval before the contractors are allowed to mobilize to the field.
- Employing or appointing qualified social, labor (human resources), and occupational safety experts to prepare and implement Labor Management Procedures, Occupational Health and Safety Plans, and to manage subcontractor performance.
- Supervising subcontractors' implementation of labor managements procedures and Occupational Health and Safety Plans.
- Maintaining records of recruitment and employment of contracted workers.
- Communicating job descriptions and employment conditions to all workers.
- Developing and implementing the Worker Grievance Redress Mechanism, including ensuring that grievances received from their own and subcontractor employees are resolved in a timely manager, and reporting the status of grievances and resolutions on a monthly basis
- Having a system for regular review and reporting to corporate management on labor and on occupational safety and health performance
- Providing induction (including social induction) and regular training to employees in labor protection requirements, including training on their rights under Tajikistan law, on the risks of their jobs, and on measures to reduce risks to acceptable levels
- Ensuring that all contractor and subcontractor workers understand and sign the Code of Conduct prior to the commencement of works, and supervise compliance with the Code.

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.

7. Policies and procedures

This section outlines the main policies and procedures to be followed during construction phase of the project. As needed, this section will be updated and amended as needed, after construction contracts have been awarded.

Pamir Energy has in place its own "HR Regulations," which describes the rights of Pamir Energy employees in line with the Tajikistan Labor Code. The HR Regulations will apply to project direct workers (Pamir Energy employees and consultants working on the Project). Pamir Energy will develop a Worker Code of Conduct and all workers will be required to agree to and sign before they begin work.

All contractors will prepare labor management procedures in line with this labor management procedure and the Labor Code. The principles and procedures presented below represent the basic requirements, but should not be considered an exhaustive list of requirements.

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 developed by contractors and monitored by Pamir Energy (and the Supervision Consultant in the case of Sebzor HPP) to ensure fair treatment of all employees:

- Recruitment procedures will be transparent, public and non-discriminatory, and open with respect to ethnicity, religion, sexuality, disability or gender.
- Applications for employment will only be considered if submitted via the official application procedures established by the contractors or by Pamir Energy.
- 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.
- Unskilled labor will be preferentially recruited from the affected communities, settlements and municipalities, with a goal of at least 50 percent.
- Employees will be informed at least two months before their expected release date of the coming termination. If more than 50 workers will be terminated by Pamir Energy or by any contractor within any three-month period, the contractor will prepare a retrenchment plan for review and approval by the Supervision Consultant (for Sebzor HPP) or Pamir Energy (for other project components).
- The contracted workers will not be required to pay any hiring fees. If any hiring fees are to be incurred, these will be paid by the Employer (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.
- Interpretation will be provided for workers as necessary. It is noted that language-related problems are not expected.
- Foreign workers will require work permits that will allow them to work in Tajikistan.
- All workers will be at least 18 years old. This will be a requirement in Pamir Energy contracts with contractors.

Pamir Energy has health and safety procedures that cover all its activities, including management in the field of teams of engineers, technicians and other personnel, and technical teams.

Pamir Energy will be responsible for all activities during operation, including operation and maintenance of the hydropower project, transmission and distribution lines, substations, and the various other generation plants. As described above, the primary risks will be from working with electricity, working at heights, traffic accidents, and routine trips and falls. All workers will be trained in the safe performance of their jobs and provided with appropriate personal protective equipment.

As noted previously, companies that submit proposals in response to Pamir Energy tenders will have to demonstrate their capability to manage health and safety risks and will have to provide corresponding documentation. This will be considered during evaluation of proposals. After contract award, contractors will be required to prepare and submit their own Labor Management Procedures that are consistent with the Pamir Energy procedure. Contractors in turn will ensure that Procedures are implemented by subcontractors.

Construction contractors will also prepare detailed Occupational Health and Safety Plans, which will among other issues include an assessment of the risks of the specific activities to be undertaken and a permitting system that requires special training and authorization to undertake high-risk activities (e.g. working at height, working in or near water, excavation, etc.). All types of works will be covered in the risk assessment.

Pamir Energy will inform the World Bank about any significant event (labor, health and safety, or security incident, accident or circumstance) as soon as reasonably practicable, but no later than five calendar days after the occurrence of the event. Such events could include strikes or other labor protests, serious worker injuries or fatalities, project-caused injuries to community members, or property damage. Pamir Energy will prepare a report on the event and the corrective action taken, and submit to the World Bank within 30 calendar days of the event.

As noted, Pamir Energy will develop and require contractors to implement a Worker Code of Conduct. At Pamir Energy's discretion, construction contractors may develop their own Code, which will be reviewed by Pamir Energy (or the Supervision Consultant) and approved if it is consistent with Pamir Energy's. The Code of Conduct will reflect the company's core values and overall working culture. The suggested content of the Code of Conduct is included in the World Bank Standard Procurement Documents.

Contractors will be required to report periodically on the performance in terms of labor, occupational health and safety issues. The information will be included in the construction contractors' monthly reports.

In addition, contractors will report to Pamir Energy the findings of any inspections and audits carried out by any local, regional, or national authority. Pamir Energy will report findings to the World Bank if requested.

8. Age of employment

Tajikistan law prohibits anyone under 18 from performing "unhealthy or heavy" and there are special requirements for leave, work hours, and other conditions of employment. Pamir Energy will ensure that no construction workers under 18 years are employed unless they are hired for office work.

Contractors will be required to verify the identify and age of all workers. They 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 or engagement of the child in a responsible manner, taking into account the best interest of the child.

9. Terms and conditions of employment

The terms and conditions applying to Pamir Energy employees are set out in the "HR Regulations." These internal labor rules and regulations will apply to Pamir Energy employees who are assigned to work on the project (direct workers). Terms and conditions of part-time direct workers are determined by their individual contracts.

All of the about 700 Pamir Energy employees are members of the 'Social Committee – Union' (Profsoyuz in Russian). In instances where direct project workers are union members, terms and conditions set out in this collective agreement will apply to them.

The work hours for Pamir Energy employees are 40 hours per week, eight hours per workday. Pamir Energy compensates its eligible employees for overtime work with additional leave time, as allowed by the national Labor Code. It is noted the Labor Code provides for a work week of 40 hours but allows six-day weeks and this may be required for some project workers. All project workers will receive at least one rest day (24 hours) after six consecutive days of work.

Each 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, the Tajikistan Labor Code, and General Conditions of the World Bank Standard Procurement Documents.

10. Grievance redress mechanism

Pamir Energy currently does not have a formal grievance mechanism in place which allows all of its employees to raise workplace concerns. Rather, an informal arrangement allows anyone to raise issues to their supervisors or Department heads, or even to the General Director. There is no system in place to track grievances submitted by Pamir Energy employees.

The HR and Health and Safety Department will develop and implement a grievance mechanism for Pamir Energy employees to address workplace concerns. This grievance mechanism for direct workers (that is, for Pamir Energy employees) will be established by the date of project effectiveness.

Pamir Energy will require contractors to develop and implement a grievance mechanism for their workforce including sub-contractors, prior to the start of design stage, or to formally adopt the Pamir Energy mechanism. They will prepare their labor management procedures before they begin civil works, and the procedure will include a detailed description of the worker grievance mechanism.

The workers grievance mechanism will include, *inter alia*:

- Logistical arrangements for submission and receipt of grievances, such as comment/complaint form, suggestion boxes, email, telephone hotline
- Stipulated timeframes to respond to grievances.
- Register and procedures to record and track the timely resolution of grievances;
- Responsible department to receive, record and track resolution of grievances, and to communicate with workers who submit grievances.

Pamir Energy (or the Supervision Consultant in the case of Sebzor) will monitor the contractors' recording and resolution of grievances, and report a summary on a monthly basis. Pamir Energy will assign a person to oversee and implement the mechanism, overseen by the Director of the HR and Health and Safety Department.

The worker grievance mechanism will be described in staff induction training, which will be provided to all project workers, and a description added to the HR Regulations. 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
- Grievances will be treated confidentially, except anonymous ones.
- Anonymous grievances will be treated equally as other grievances, whose origin is known.
- Workers will be informed of how their grievances are resolved. Resolution of anonymous grievances will be announced to the wider workforce.
- Management will treat grievances seriously and take timely and appropriate action in response.

Information about the existence of the grievance mechanism will be readily available to all project workers (direct and contracted) through notice boards, the presence of "suggestion/complaint boxes", and other means as needed.

The grievance mechanism will not prevent workers from using the dispute procedures provided in the Labor Code.

11. Contractor management

Pamir Energy SE will use the Bank's 2017 Standard Procurement Documents for solicitations and contracts, and these include labor and occupational, health and safety requirements.

As part of the process to select the contractors who will engage contracted workers, Pamir Energy (and/or the Supervision Consultant in the case of Sebzor HPP) may review the following information:

- Information in public records, for example, corporate registers and public documents relating to violations of applicable labor law, including reports from labor inspectorates and other enforcement bodies
- Business licenses, registrations, permits, and approvals
- Documents relating to a labor management system and occupational health and safety system (e.g. HR manuals, safety program)
- Identification of labor management, safety, and health personnel, their qualifications, and certifications
- Records of labor-related litigation
- Workers' certifications/permits/training to perform required work
- Records of safety and health violations, and responses
- Accident and fatality records and notifications to authorities
- Records of legally required worker benefits and proof of workers' enrollment in the related programs
- Worker payroll records, including hours worked and pay received
- Identification of safety committee members and records of meetings
- Copies of previous contracts with contractors and suppliers, showing inclusion of provisions and terms reflecting ESS2 or equivalent requirements.

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 Tajikistan law. Pamir Energy will use the World Bank's Standard Procurement Documents for construction contracts, and these contracts include remedies for noncompliance with labor and other requirements. Remedies include withholding payment, termination of the contract, and forfeiture of all or part of an ESHS (Environmental, Social, and Health and Safety) performance security.

Pamir Energy (and the Supervision Consultant) 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.

12. Primary suppliers

The principle supplies for the various projects would include:

- Sebzor HPP: turbines and generators, penstock pipes, and during construction sand, gravel, and cement.
- Transmission lines: tower parts and conductors, and also sand, gravel, and cement.
- Substations: switching equipment, transformers, and other major electrical equipment, plus sand, gravel, and cement during construction.
- Wind generation projects: wind turbines and battery energy storage systems (BESSs), plus sand, gravel, and cement during construction.
- Photovoltaic generation projects: solar panels, battery energy storage systems, and possibly inverters, plus sand, gravel, and cement during construction.
- Distribution lines: wooden poles, conductors, transformers.

Companies that provide these supplies would not be "primary suppliers, as defined in footnote 34 of Environmental and Social Standard (ESS) 1 and footnote 5 of ESS2, as presented in the text box. In general, the supplies will not be provided on an *ongoing basis* but rather for the relatively short construction period ("short" in comparison to the overall project life). In addition, the supplies will not be provided directly to Pamir Energy, but rather to Pamir Energy contractors. As noted in paragraph 7.1 of the ESS2 Guidance Note for Borrowers, "…second, third, and further levels of the supply chain (sometimes referred to as Tier 2 and Tier 3 suppliers) are not covered by ESS2."

Further, no primary supplies are known to be needed on an ongoing basis during the operation phase.

> "Primary suppliers are those suppliers who, on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project. Core functions of a project constitute those production and/or service processes essential for a specific project activity without which the project cannot continue."
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> ***ESS1, paragraph 34***
>
> "'Primary suppliers' are those suppliers who, on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project."
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