

**Republic of Moldova
Ministry of Economy**

**MOLDOVA MSME COMPETITIVENESS
PROJECT (P177895)**

**Labor Management
Procedures (LMP)
Draft for consultation**

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Acronyms and abbreviations

ESF	Environmental and Social Framework
ESHS	Environmental, Social, Health and Safety
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESS	Environmental and Social Standard
GBV	Gender Based Violence
GN	Guidance Note to ESS2
GM	Grievance Mechanism
LMP	Labor-Management Procedures
M&E	Monitoring & Evaluation
MoF	Ministry of Finance
MSME	Medium, Small and Medium Enterprise
NGO	Non-Governmental Organization
ODIMM	Organization for the Development of Small and Medium Enterprises
OHS	Occupational Health and Safety
PDO	Project Development Objective
PIU	Project Implementation Unit
PPE	Personal Protective Equipment
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SEP	Stakeholder Engagement Plan
WB	World Bank

1. Introduction

The *Labor Management Procedures* (LMP) contain provisions describing labor risks and associated requirements and summarizing mitigation measures that will be adopted under the project to address these risks, including the specific risks to workers posed by COVID-19. These procedures apply to workers hired in association with components one and three of the project and may inform the review and preparation of labor management procedures for participating financial institutions under component two of the project.

The project will be carried out in accordance with the requirements of ESS2, in a manner acceptable to the World Bank. This will include, inter alia, implementing adequate occupational health and safety measures (including emergency preparedness and response measures), setting out grievance mechanisms for direct and contracted project workers, and incorporating labor requirements to ensure that ODIMM and participating PFIs screen for and monitor activities to prevent occurrences of harmful child or forced labor.

The LMP contain a Code of Conduct which can be used by PFIs and ODIMM as recommended tool for beneficiary MSMEs and their vendors, aimed at promoting an environment in which *Sexual Exploitation and Abuse (SEA)* and *Sexual Harassment (SH)* have no place, and where they will not be tolerated by any employee, sub-contractor, supplier, associate, or representative of vendors involved in the implementation of activities under the MSMEs Competitiveness Project.

Activities that involve significant risk of child or forced labor will not be financed under the project.

1.1 Project Background

The Project Development Objective is to increase the export competitiveness of Moldovan enterprises, reduce the regulatory burden they face, and increase access to finance to enterprises.

This will be achieved through a set of activities that aim to: a) digitize government to business services and inspections and reduce the regulatory burden enterprises face; b) support the development of micro, small, and medium-sized enterprises, enhance their export competitiveness, and improve the national quality infrastructure; and c) support access to finance for enterprises through credit guarantees and improve the operations of the Credit Guarantee Fund.

The operation will have three main components:

Component 1 (USD21 million): Digitization and Regulatory Reform: to reduce the regulatory burden enterprises face. Activities under Regulatory Reform / Digitization will focus on scaling up digitization of Government to Business services (permissive documents, authorizations, etc.) promoting integrated service delivery and reducing regulatory burden for private sector and increase competitiveness in post-COVID recovery. This will be complemented with digitizing and enhancing capacity of inspections (equipping them, improving e-Inspection management system, and enabling risk-based inspections). Relevant regulatory reform as needed to implement digitization, as well as reforms linked with regulatory simplification, will complement digitization. This involves a) scale-up of digitization of government to business services (permits, licenses, approvals, notifications, etc.); b) enhance and upgrade e-Inspection

system to enable proper inspection planning and implementation of field inspection visits; and c) simplification will involve process re-engineering, including export-import processes, laws and regulations to enable more conducting digital trade and services. Activities on digitizing government to business services will consider climate risks and vulnerabilities to ensure climate resilience and will directly lead to the reduction of paper consumption and reduce emissions of Greenhouse gas (GHG). The component will also build on the work carried out under the Second Competitiveness Enhancement Project on promotion of the new Competition Law and further amendments to by laws and other relevant regulation.

Component 2 (USD15 million): The Access to Finance component will support the Credit Guarantee Fund (CGF) in its provision of financial guarantees to MSMEs. The Project will support the financing needs of MSMEs by addressing the emanating credit risk through public credit guarantees. As firms, especially MSMEs, are confronted by plunging incomes and disruptions in supply chains, demand for financing increases. Access to credit for viable enterprises who have become cash-strapped is critical to preserve the private enterprise sector, avoid increased insolvencies, and maintain jobs. The Access to Finance will support public partial credit guarantees via the existing CGF. Public credit guarantees are particularly useful in the presence of high collateral requirements by banks and bank risk aversion, as in the case of Moldova. The Project will finance the provision of partial credit guarantees to MSMEs and technical assistance to strengthen CGF.

(a) The Project will support ODIMM in launching a portfolio guarantee product under the CGF. The authorities are in process of amending the legal framework to enable the provision of portfolio guarantees, which is expected to be launched in 2022. The portfolio delivery mechanism will significantly reduce the waiting period for access to credit for MSMEs and streamline the requirements for qualifying MSMEs and Participating Financial Institutions (PFIs). Implementation costs for the design of the portfolio guarantee are covered from the European Fund for South East Europe (EFSE). ODIMM is benefiting from external technical assistance with regards to elaborating a beneficiary evaluation system, estimation of credit risk exposure for each transaction, the elaboration of the operational manual / guide for issuing portfolio guarantees and the possibility to access a counter-guarantee fund. With the implementation of the new portfolio guarantee mechanism, the terms and conditions of the guarantees will be revised in order to enable expansion and flexibility on guarantee coverage, which in turn will ensure financial sustainability over the medium-term.

(b) The component will also include an amount for technical assistance for ODIMM for capacity building for ODIMM in the area of operational, financial and risk management policies, and financial reporting.

(c) The component will enhance the capacity of PFIs to address climate action priorities by providing trainings on climate change topics (adaptation and mitigation). Discussions between ODIMM and PFI will identify the existing knowledge gaps of the PFI personnel and their project-related training needs. The trainings will address climate change adaptation and mitigation topics relevant for financial institutions in the country and in the context of international regulations (e.g., EGD, EU Taxonomy, etc.).

(d) RBF: The component will enhance the effectiveness of CGF products and ODIMM's operational capacity under PBCs. To ensure that the portfolio product outreach is scalable and that financial sustainability can be achieved over the medium-term, the PBCs will focus on enhancement of financial and statistical reporting of CGF (including granular use of proceeds data), improvements in internal control and risk management policies, and establishment of a framework for monitoring and evaluation, including impact assessment. Additionally, the Project

will support enhanced reporting on CGF guarantee use of proceeds including green and sustainable finance. Adding “green tags” in credit information collected under the CGF guarantees will provide a baseline on current credit flow and will inform future guarantee products that could help to achieve the country’s green and sustainable finance goals. To ensure that the portfolio product is flexible and responsive to movements in market demand, and to channel credit to policy priority sectors, CGF will assess the portfolio guarantee performance, including preliminary outreach and will conduct additional market demand assessment to align its product composition and delivery to target underserved markets (whether through product adjustments or enhancements). CGF/ODIMM will also develop an investment policy to support medium-term outreach and financial sustainability targets on the basis of augmented capital. Such investment policy should be in line with best international practices, shall be approved by the ODIMM Council, and reviewed periodically. Further, ODIMM is expected to implement an action plan toward medium-term efficient and sustainable governance and financial and operational independence, including preparing an action plan toward additional capitalization of CGF.

Component 3 (USD 13.2 million): Support the development of micro, small, and medium-sized enterprises, enhance their export competitiveness. MSME Development / Export Competitiveness will support firms through matching grants, export readiness, quality infrastructure enhancement (ie. improvement in certification, accreditation, standardization), and export promotion programs. Activities under this component are interlinked and cross-support each-other. A new program initiated by ODIMM on internationalization and export readiness aims at helping aspiring local enterprises become export ready. Tools provided under this program will help companies to address some of the shortcoming at present and improve them to be able to export. The MGF is designed to provide business development services (BDS) for these as well as other companies in Moldova willing to export. BDS have proven to be very effective in reaching international markets, thus this activity fits well in the overall scheme of increasing export competitiveness. Local linkages program is aimed to help local firms to link into exporting value chains of FDI’s present in the country. At present, very few FDI’s source locally (22%) and local firms are not integrated in exporting value chains. Given the recent trends in near shoring and the fact that most FDI’s are from neighboring countries, Moldova has an opportunity to explore this potential in post-COVID recovery. Local linkages, export readiness, and the MGF and targeted promotion programs will provide tools for this. Upgrades to quality infrastructure (ie. improvement in certification, accreditation, standardization) to enable exports to EU and other countries will be done. Finally, targeted export promotion to selected countries of interest will open opportunities for exporters to reach international markets.

The project will also include an amount for technical assistance for key measures in all three components. The project implementation period will be five years. In addition, a Project Management component will be included, with a PIU based in the Ministry of Economy (MoE).

1.2 Objectives of the Labor Management Procedures

The purpose of the LMP, outlined in the World Bank’s ESS2, is to manage risks associated with labor and working conditions under the project. The labor management procedures help to identify the different types of project workers that are likely to be involved in the project, and set out the ways of meeting the requirements of ESS2 and national law that apply to the different types of workers.

The LMP objectives are:

- To provide a review of national laws and policies related to labor environment in the Republic of Moldova;
- Promote fair and equitable labor practices for fair treatment, non-discrimination and equal opportunity of workers;
- Protect workers' rights and promote healthy, safe and secure work conditions;
- Ensure the management and control of activities that may pose labor-related risks at workplaces.

These Labor Management Procedures have been developed early in the project preparation stage and will be reviewed and updated as needed during implementation of the project. Where relevant information is not available, this should be noted and the LMP should be updated as soon as possible. In preparing and updating this LMP, PIU refer to the requirements of national law and ESS2 and the Guidance Note to ESS2 (GN).

2. Overview of Labor Use on the Project

2.1 Characteristics of Project Workers

The project will mostly involve government workers (staff of different government agencies and the MoE), and contracted workers (consultants providing technical advise in the PIU and on subproject activities).

The staff of ODIMM and other government agencies, and the PIU are civil servants who will remain governed by their existing public sector agreements. Staff of ODIMM will participate in delivery of the access to finance component for provision of credit guarantees.

For the matching grants component, the PIU will hire relevant consultants to complete this task. For matching grants, ODIMM will only be engaged as other institutions to participate in validation and technical committees.

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

Direct workers: PIU staff, staff of different government agencies, ODIMM and the MoE, staff of PFIs who have an employment contract with these institutions.

Contracted Workers: consultants providing technical advise in the PIU and on subproject activities. The PIU and contracted consultants will be involved in screening grant applications, selecting sub-projects for grant financing and monitoring implementation of grant-financed activities.

Workers of beneficiary-MSMEs: these are permanent and temporary employees of the beneficiary MSMEs. Entrepreneurs benefitting from support under the project will commit to adhere to the national legislation and any relevant measures under the ESMF, Labour Management Procedures and ESMS of ODIMM and PFIs. Separate labor management procedures shall apply to participating financial institutions under component two that will inform requirements for MSMEs receiving loans as a result of the provision of credit guarantees.

Suppliers/vendors' workers: These workers may be engaged under the project component three as contracted workers of contractors or sub-contractors / vendors who provide various services. Civil works contractors hired by MSMEs may be involved small-scale construction activities for MSMEs under component three, which will be addressed separately under ODIMM and PFI ESMS. They may also be involved in transport and installation of equipment and materials procured under the matching grants for component two.

Community workers: There is no intent to use voluntary community labor for implementation of project activities.

2.2 Number of Project Workers

Direct Workers. The estimated number of direct workers in the PIU team is 9 staff members.

Short-term consultants will be hired to support the implementation, coordination, supervision and reporting on various activities of the project.

Contracted Workers. The exact number of subproject contracted workers, to be employed, is not defined at this stage.

Workers of beneficiary-MSMEs: As defined by Moldovan law, a micro enterprise has at most 9 employees, annual turnover of up to 9 million lei or total assets of up to 9 million lei; a small enterprise has 10-49 employees, annual turnover of up to 25 million lei or holds total assets of up to 25 million lei; a medium-sized enterprise has 50-249 employees, annual turnover of up to 50 million lei or total assets of up to 50 million lei. Over the course of project implementation, a few hundred to over a thousand MSMEs may receive support associated with the project, mainly through component three on provision of credit guarantees for loans to MSMEs. An undetermined but more limited number of MSMEs will participate in component two through development of business plans and provision of small amounts of equipment and materials.

2.3 Timing of Labor Requirements

The direct workers (PIU, ODIMM, PFIs staff) are hired on a full-time basis for the entire project period. Other experts/consultants will be hired on demand basis throughout the project implementation period. The time input of contracted workers will vary depending upon the number of participating MSMEs and the timing of their own business activities. Seasonal agriculture and construction related work typically lasts from March-April to October-November but can be somewhat longer or shorter depending on weather conditions.

3. Assessment of Key Potential Labor Risks

3.1 Project activities

Project activities will occur across the country and are projected to involve from a few hundred up to a few thousand MSMEs. Financial intermediation via a credit guarantee fund that will partner with up to 11 domestic banks for the provision of guarantees for loans to MSMEs will provide financing opportunities irrespective of subregional location. Similar activities under the previous project (CEP2) involved loans that were broadly geographically distributed with 33 percent of loans made to participating MSMEs in Chisinau, 21 percent in other parts of the central region, 24 percent made to companies in the south of the country and 22 percent in the north.

Technical assistance and matching grants will also involve a range of MSMEs for preparation of business plans and purchase of equipment and materials to facilitate production (examples include moderate amounts of sewing machines, packing equipment, electricity generators, piston pumps, barrels). Matching grants are likely to target different MSMEs to those participating in the financial intermediation component with some minor overlap. The small scale of each activity and general disbursement throughout the country will be monitored and managed at a portfolio level for adverse cumulative impacts.

The main business supported by Project are linked with agriculture, construction and processing:

- E-1 Mammalian livestock production*
- E-2 Poultry production*
- E-3 Annual crop production & plantation crop production*
- E-4 Aquaculture*
- E-5 Seeds
- E-6 Pedigree seeds
- E-7 Fertilizers application
- E-8 Pesticides application
- E-9 Agricultural machinery (tractors, winnowers, sowing machines, etc.)
- E-10 Vehicles
- E-11 Buildings for crop stock, machinery and other agricultural needs
- E-12 Land preparation
- E-13 Fuel & Lubricants' Storage and Handling
- E-14 Fencing
- E-15 Veterinary service
- F-1 Poultry & meet processing*
- F-2 Slaughter-houses
- F-3 Poultry & meat packing
- F-4 Dairy*
- F-5 Vegetable oil processing*
- F-6 Sugar manufacturing*
- F-7 Food and beverage processing*
- F-8 Breweries*
- F-9 Vegetable processing and canning*
- F-10 Frozen food production
- F-11 Flour milling
- F-12 Warehousing
- F-13 Markets

- G-1 Construction activities
- G-2 Construction material extraction*
- G-3 Cement and lime manufacturing*
- G-4 Ceramics manufacturing*
- G-5 Glass manufacturing*
- G-6 Textile manufacturing*
- G-7 Tanning and leather finishing*
- G-8 Soap and detergent manufacturing
- G-9 Printing*
- G-10 Sawmilling and manufactured wood products*
- G-11 Board and particle-based products manufacturing*
- G-12 Pharmaceuticals and biotechnology manufacturing*
- G-13 Semiconductors and other electronics manufacturing*
- G-14 Pulp and paper mills manufacturing*
- G-15 Surface treatment of metals and plastics*
- G-16 Metal, plastic and rubber products manufacturing*
- G-17 Foundries*

*Resource: ESMF: Annex E-G. Environmental, Health, and Safety Guidelines. World Bank Group, 2007.
<http://www.ifc.org/ifcext/sustainability.nsf/Content/EnvironmentalGuidelines>

3.2 Key Labor Risks

The key labor risks depend on type of work activity and physical environment of the workplace. Overall, it is expected that the labor risks associated with the direct and contracted workers under project component three will be low, given the fact that project implementing entities have high awareness of national labor legislation and the provisions of the national Labor Code. Moreover, the type of work to be carried out by the direct workers does not entail high vulnerability to abuse of labor rights or OHS risks.

Thus, *direct workers* (PIU staff, staff of different government agencies, ODIMM and the MoE, staff of PFIs) and *contracted workers* (consultants providing technical advise in the PIU and on subproject activities¹) are mainly office staff. The major labor risks associated with hazards that these workers can be exposed in an office are:

- repetitive work, like computer use.
- sitting for long periods.
- poorly designed workstations.
- lifting, handling and moving office equipment and supplies.
- tripping on objects on the floor or power cords.
- workplace bullying, harassment and occupational violence.
- work-related stress and mental exhaustion/professional burnout,
- exposure to contracting the COVID-19 contagion at the workplace, while travelling to work, during work-related travel to an area with local community transmission, as well as on the way to and from the workplace, with potential for grave consequences including severe illness and death.
- passing on infection to families.

¹ The PIU and contracted consultants will be involved in screening grant applications, selecting sub-projects for grant financing and monitoring implementation of grant-financed activities.

Another set of labor risks are associated with the work activity of *suppliers /vendors' workers* and *workers of beneficiary MSMEs*. These workers may be engaged under component three of the project as contracted workers of contractors or sub-contractors / vendors who provide various services. Civil works contractors hired by MSMEs may be involved in small-scale construction activities and for transport and installation of equipment procured under component two. Those hired by MSMEs for activities associated with loans backed by credit guarantees under component two of the project will be assessed under the ESMS of participating financial institutions to be developed separately.

Labor risks for this category of workers may include:

- 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);
- welding hazards (fumes, burns and radiation)
- exposure to noise,
- exposure to risk to electrical hazards from the use of tools and machinery,
- risk from operating heavy machinery.
- working at height;
- slips, trips, and falls;
- material and manual handling;
- asbestos insulation or pipe lagging;
- workplace bullying, harassment and occupational violence
- exposure to contracting the COVID-19 contagion at the workplace, while travelling to work, during work-related travel to an area with local community transmission, as well as on the way to and from the workplace, with potential for grave consequences including severe illness and death.
- passing on infection to families.

Other project-assessed risks include:

- **Community health and safety.** The risk is associated with the potential for unprotected worksites, management of traffic and labor management. While a substantial number of jobs will be created these will be disbursed among small enterprises throughout the country, and it is not expected that the Project area will experience substantial labor influx as most of the skills required by these enterprises can be sourced locally in Moldova. If will be the case, external workers, expat and national, will be accommodated at existing housing in the area, houses that are normally rented out for such purposes, which has been prior practice by Construction companies in similar projects. There will be no dedicated camps established for worker accommodation under the project. Specific requirements to manage risks associated with interaction between project workers and local communities, such as communicable diseases and SEA/SH, are managed through contractual requirements, code of conduct and training set out in this ESMF and in the ESMS for component two. These procedures are guided by national legislation and ESS2 and ESS4.
- **Occupational health and safety.** The risk may be accidents of falling into ditches or heights, as there will be reservoir construction that will be more than 5m high, collapsing of deep excavations like deep trenching, etc. The risks assessment will be developed for each subproject and be updated during the implementation of the project. Mitigation measures will be placed for all identified risks in the OHS Plan. Specific requirements to

manage health risks associated with interaction of project workers and local communities, such as communicable diseases and gender-based violence, are managed through contractual requirements, code of conduct, awareness raising, and training set out in this document. These procedures are guided by national legislation and ESS2 and ESS4.

- **Labor influx.** Companies activities will result in job creation but it is not expected that the Moldova and subprojects areas will experience any substantial labor influx. PIU will minimize the risk of labor influx by requesting Companies to prioritize recruitment of unskilled local labor in the project areas consequently, no labor camps will be established.
- **Forced Labor.** Since civil works to be supported under the project will be very small in scale and prioritized by Project, the risk of forced labor is not expected. Nonetheless, the contractor will be required in the contract to commit against the use of forced labor, and Project staff in charge of contractor supervision will monitor and report the absence of forced labor.
- **Child Labor.** Based on current conditions in the sector it is assessed that there is low risk of child labor becoming associated with the project. Instances of child labor are mainly a result of informal labor arrangements and not likely to involve participating MSMEs. It is preventable through effective application of national legislation and WB requirements described in this LMP.

Subprojects screened as involving significant risks to labor rights, health and safety of employees, and child or forced labor will be excluded from financing.

- **Violence against women** may be prevalent in domestic spaces in Moldovan communities. According to the National Bureau of Statistics, rural women, elderly women, Romani women, women with disabilities and HIV-positive women are at increased risk. However, the country has made advances in raising awareness in rural communities and has established peer-support networks for prevention and access to services. Project activities are small scale and localized and there are no anticipated movements of workers to local areas or other circumstances that would increase risk of sexual exploitation and abuse and sexual harassment (SEA/SH). These risks are estimated to be low but preventative measures including worker codes of conduct and grievance mechanisms respecting confidential complaints and referring to specialist service providers should be put in place in the PFI and ODIMM ESMS. A suggested Code of Conduct is provided in Annex 1.

3.3 Planning of other Mitigation Measures

Labor management and occupational health and safety measures:

- Maintaining records of recruitment and employment process of contracted workers;
- Communicating clearly job description and employment conditions to contracted workers;
- Having a system for regular review and reporting of labor, and occupational safety and health performance on site;
- Delivering regular orientation and OHS training to employees;
- Provide workers with relevant PPE equipment due to WHO recommendations and WB EHS Guidelines;

- Establish and implement a procedure for documenting specific incidents such as project-related occupational injuries, illnesses, and lost time accidents. Maintain such records;
- In instances of medium, severe, fatal accidents, inform the law enforcement bodies and Labor Inspectorate; and
- Developing and implementing a grievance registration mechanism that would record and address the grievances raised by the workers.

In the case of suppliers/vendors' workers and workers of beneficiary MSMEs involved in small-scale construction works, construction sites may have a mix of workers, e.g. workers from the local communities; workers from a different part of the country who commute / travel daily. Assessing different aspects of the workforce will help in identifying appropriate mitigation measures. These may include:

- preparing a detailed profile of the project work force, key work activities, schedule for carrying out such activities, different durations of contract and rotations (e.g. 4 weeks on, 4 weeks off).
- where possible, identify workers that may be more at risk from COVID-19, those with underlying health issues or who may be otherwise at risk.
- consider to minimize movement in and out of site. This could include lengthening the term of existing contracts, to avoid workers returning home to Covid-affected areas, or returning to site from affected areas.
- Workers accommodated on site should be required to minimize contact with people near the site, and in certain cases be prohibited from leaving the site for the duration of their contract.

Preventing the incidence of Gender-Based Violence, Sexual Exploitation and Abuse/Sexual Harassment:

Gender-based violence (GBV) is an umbrella term for any harmful act that is perpetrated against a person's will and that is based on socially-ascribed (i.e., gender) differences between males and females. It includes acts that inflict physical, sexual or mental harm or suffering, threats of such acts, coercion, and other deprivations of liberty.

Sexual Exploitation and Abuse (SEA): is defined as any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another.

Sexual Abuse: "The actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions."

Sexual exploitation: any actual or attempted abuse of a position of vulnerability, differential power or trust for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another (UN Glossary on Sexual Exploitation and Abuse 2017, pg. 6). Sexual abuse: actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions.

Sexual harassment (SH) is any unwelcomed sexual advances, request for sexual favors, and other verbal or physical conduct of a sexual nature.

Although the project is assessed as "Low" on the risk of gender-based violence, sexual exploitation and abuse, all entities involved in the implementation of the present project should abide by provisions of the law related to GBV, SEA/SH. A Code of Conduct is available in the

annex of the present LMP and should guide the entities involved in project implementation to institute measures aimed at preventing the incidence of such instances.

Preventing the risks of Forced and Child Labor

Child labor will be mitigated through certification of laborers' age. This will be done using national identification documents, passports, birth certificates.

As condition of participation in project-related activities all enterprises will be required to have a written contract with their workers materially consistent with the objectives of ESS2 and in compliance of this LMP, in particular explicitly prohibiting child and forced labor.

Fair labor conditions and worker health and safety need to be included in the PFI's ESMS and ensured by PFIs screening for track record of participating companies and identifying labor-related risks associated with MSME activities prior to approval of credit guarantees and subsequent loans.

MSMEs that use labor for production and services should have protection measures in place to avoid SEA/SH and prohibit use of forced labor and harmful child labor.

3.4 Specific measures to prevent spread of Covid-19 and/or related variants

All entities involved in the implementation of the MSMEs Competiveness Project, including the PIU, ODIMM, PFIs, contractors, vendors, various suppliers and the beneficiary MSMEs should be guided by the following minimum set of measures and instructions of the national health authorities instructions.

- 1) Assigning or employing a person responsible for the adaption and implementation of the OHS plan and adapting workplaces and procedures to minimize physical contact and ensuring required distance between workers, thus avoiding the spread of the contagion;
- 2) Provision of medical insurance covering treatment for COVID-19, sick pay for workers who either contract the virus or are required to self-isolate/quarantine due to close contact with infected workers and payment in the event of death;
- 3) Set specific procedures relating to the workplace and the conduct of the work (e.g., creating at least 1-2 meters between workers, limiting the number of workers present);
- 4) Set specific procedures and measures dealing with specific risks, such as infection prevention and control strategies, health workers' exposure risk assessment and management, developing an emergency response plan as per WHO Guidelines;
- 5) Appointing a COVID-19 focal point with responsibility for monitoring and reporting on COVID-19 issues, and liaising with other relevant parties;
- 6) Implement training on the latest WHO advice and recommendations on the COVID-19 infection prevention;
- 7) Raise awareness and ensure that all workers participate in trainings in mitigating the spread of COVID-19;
- 8) Including contractual provisions and procedures for managing and monitoring the performance of contractors, in light of changes in circumstances prompted by COVID-19; and
- 9) Monitor, supervise, and report on health and safety issues relating to COVID-19.

In line with ILO COVID-19 action checklist for the construction industry², the following practical measures to ensure employers, workers and the self-employed prevent and mitigate the transmission of COVID-19 in construction work include:

1. Construction site managers should consult with workers or their representatives to develop and distribute a statement of their commitment to prevent and reduce the risk of on-site COVID-19 exposure and transmission.
2. Create and train a COVID-19 response team, comprising managers and workers, with clear responsibility for verifying that this checklist is followed and for identifying required actions if this is not the case.
3. The principal contractor should coordinate and ensure compliance with all safety and health measures identified for COVID-19 when present on site, and should appoint a competent person or body to do so when not on site.
4. Conduct a site-specific assessment of every individual's risk of contracting COVID-19. Identify appropriate risk control measures to ensure that risk is kept at an acceptable level.
5. The risk assessment should identify tasks and activities where work schedules may need to be adjusted to avoid excess numbers of workers on site at the same time, and assess whether some activities can be performed off site, for example through teleworking of managerial and administrative staff. It should also facilitate the safe management of external visitors to the site (delivery of materials, equipment, etc.).
6. Maintain dialogue between managers/supervisors and workers and their representatives to ensure that implemented control measures are effective and modified as necessary.
7. Communicate the worksite policies and risk control measures related to COVID-19, in a manner and language that all workers understand. In particular, ensure there is clear messaging at site entrances concerning:
 - a. the need to maintain physical distancing;
 - b. the need to observe good hand hygiene;
 - c. the need to observe respiratory etiquette (wear mask).
8. Ensure that all new workers, receive induction training covering the risk control measures in use on the site including those related to COVID-19.
9. Set up regular toolbox talks enabling managers/supervisors and workers to discuss planned work activities with a view to ensuring that all identified risk control measures, including those for COVID-19, can be implemented.
10. Inform workers of their right, under national legislation, to remove themselves from any work activity on the construction site if circumstances arise which appear, with reasonable justification, to pose an imminent and serious danger to their safety or health.
11. The most important prevention measure is physical distancing. In this regard, workers and management must follow national guidance. The recommended physical distance is two metres.
12. Split the site into separate working zones manned by specific teams that do not mix, so that each person works with only a few others. If teams need to enter other working zones, ensure that the previous teams have left. This may also mean staggering start and finish times to avoid large concentrations of workers at site entrances/exits.
13. Where possible and reasonably practicable, separate the working stations, ensuring that operators are two metres apart, or place screens between workers or workers and visitors.
14. If workers have to work in close proximity, for example during lifting or maintenance activities, keep numbers to a minimum and ensure masks are worn.

² https://www.ilo.org/global/topics/safety-and-health-at-work/resources-library/publications/WCMS_764847/lang-en/index.htm

15. Whenever possible, hold meetings outside; if not, then in well-ventilated spaces. In areas where regular meetings take place, use floor signage to help workers maintain physical distancing.
16. Ensure that shared spaces, such as offices, changing, washing and sanitary facilities, and construction areas, are well ventilated, for example by opening opposite-facing windows/doors to create airflow and avoid pockets of stagnant air. Also increase the frequency of cleaning and disinfection.
17. Create sheltered and well-ventilated outdoor rest and eating areas equipped with seating that ensures physical distancing. Limit the use of shared devices.
18. Establish a policy, which stipulates that only essential personnel and visitors are authorized to enter the site and arrange for work progress to be monitored by the management when workers are not present, in order to reduce mixing between workers and other less frequently present personnel.
19. To help with physical distancing, promote the use of one-way staircases and limit the number of workers allowed in hoist cages and lifts at any one time. If physical distancing cannot be maintained, workers should wear a non-medical (fabric or home-made) mask or a medical (surgical) mask.
20. Further reduce mixing by discouraging nonessential work trips and travel between sites.
21. Ensure that distance is maintained between drivers and workers when unloading construction materials and recommend that drivers remain in their vehicles whenever possible.
22. When possible, communicate with visiting lorry drivers using methods such as mobile phones, two-way radios, in order to minimize physical interaction. Where necessary, provide workers with individual writing materials. Any writing material used by several people should be disinfected after each use.
23. The number of workers carried simultaneously in employer-provided transportation should be reduced. This can be achieved by methods such as leaving seats empty, using larger-capacity vehicles and/or increasing the number of trips made. Ventilation should also be maximized in enclosed vehicles and masks worn as required.
24. As necessary, provide additional vehicle parking facilities or bicycle racks and encourage workers to reach the site by private transport and to avoid public transport as much as possible.
25. Identify areas where workers directly share items such as tools, materials or job instructions, and find ways to avoid such direct contact by using drop-off points or transfer zones. Where practicable, items such as tools should be disinfected between users. Employers should ensure that rented equipment has been disinfected prior to its use on site and that responsibility for its return and disinfection while on site has been agreed with the rental enterprises.
26. Provide adequate hand-washing stations wherever possible throughout the site, including at entrances, exits and in eating or rest areas, equipped with soap, clean water and paper towels together with appropriately sealed disposal bins (preferably pedal-operated to prevent hand contact with the lid).
27. Encourage workers to wash their hands frequently and correctly. An alcohol-based hand sanitizer can only be used with clean hands. It is not effective on dirty hands.
28. Provide disinfectants and disposable tissues or disposable paper towels to sanitize frequently touched work surfaces, for example tools, switches, controls, handles, ladders, hoists, steering wheels and cabs of site equipment, at the end of shifts and between users. Make sure these cleaning materials are placed in appropriately sealed bags/bins and that waste is disposed of in a safe and sustainable way.
29. Carefully read the product label and Safety Data Sheet of cleaning agents, ensuring that application methods are correctly identified before use and that workers follow safe practices regarding the contact times for effective disinfection.

30. Ensure that workers have sufficient time to implement cleaning practices during their shift, by including these among the duties to be performed during working hours.
31. Where possible, replace door handles, taps, water fountains and garbage cans with hands-free or foot-controlled devices.
32. Encourage the following respiratory etiquette: 1) Cover coughs and sneezes with a single-use tissue or paper towel and dispose of it in a closed pedal bin; 2) If there is no tissue or paper towel, sneeze or cough into your bent elbow; 3) In both situations, wash or sanitize hands immediately afterwards.
33. Train all workers in all the COVID-19 risk control measures to be adopted for the site, as well as any other relevant control measures such as the use, disposal and storage of personal protective equipment (PPE). Encourage workers to avoid touching their eyes, nose and mouth as much as possible.
34. Provide workers with all the PPE required for their activities, free of charge, including that needed to control the risk of COVID-19. Emphasize that PPE is just that - personal - and should not be shared.
35. Ensure that workers receive advice and instructions on how to conduct daily self-monitoring and report the most common symptoms (e.g. fever, dry cough, fatigue) and how to seek medical attention if they have a fever, cough or difficulty in breathing. Encourage them to stay home and follow the directions of the local health authorities if they find themselves in such a situation or if they have been in contact with a suspected or confirmed case of COVID-19.
36. Consider conducting thermal screening, in accordance with national laws and policies, to identify possible infectious persons at site entrances. Ensure that procedures are in place to deal with the situation should a possibly infectious person be identified (separation, provision of PPE and transportation).
37. Establish appropriate additional protective measures for workers with additional risk factors, such as pregnancy and pre-existing medical conditions and illnesses, and ensure that these workers do not suffer discrimination.
38. Provide support for workers who may be suffering from anxiety, stress or other psychosocial disturbances and workers at high risk.

More detailed measures to guide entities on prevention of Covid-19, including seasonal respiratory diseases are available in the annex of the present Labor Management Procedures.

4. Brief Overview of Labor Legislation: Terms and Conditions

This section sets out the key aspects of national labor legislation, regarding the working terms and conditions. The Moldovan labor management and OHS legislation is extensive, although its actual implementation and enforcement have proven to be lacking, particularly in terms of enforcement of safety and OHS regulations.

The overview focuses on legislation, which relates to the items set out in ESS2, paragraph 11 (i.e., wages, deductions and benefits). The Labor Code of the Republic of Moldova will be applied in relation to all project workers.

A brief overview of the legislation in terms of wages, deductions and benefits is summarized below (see Section 4.9).

4.1 Salary and deductions

The amount and form of remuneration in Moldova is determined by the individual labor contract. The wage is paid at least monthly.

The average gross monthly nominal earnings in units with 4 and more employees as well all budgetary institutions amounted to 9175,7 lei in the third quarter of 2021³.

The amount of the average monthly salary per economy for the year 2022, approved by Government Decision no. 458 of 29.12.2021 regarding the approval of the amount of the average monthly salary per economy, forecasted for 2022 (Official Gazette of the Republic of Moldova no. 325-333 art. 761 of 31.12.2021), constitutes 9900 lei.

In accordance with Art. 7 para. (3) of Law no. 289/2004 regarding allowances for temporary work disability and other social insurance benefits, the insured income for the months included in the calculation when determining the calculation basis of the social insurance allowances cannot exceed the sum of 5 average monthly salaries forecasted on the economy for the respective year multiplied at 12 or the number of months in which the person has earned insured income. If the calculation includes an incomplete calendar year, the insured income shall have a ceiling based on the number of months in which the insured income for that year was received⁴.

The employers usually deduct the income tax and the health and social insurance contributions automatically from the wages, and transfer them to the fiscal authorities. The total amount of deductions cannot exceed 50 percent from the wage to be paid to the employee.

According to para. 28 of annex no. 3 of Law no. 489/1999 on the public social insurance system, social insurance may not be deducted from the amount of “material aid” paid by the trade unions and employers organizations. This is within the limit of an average monthly salary per economy, forecast and approved annually by the Government, per employee per year, except for assistance in the event of the death and / or illness of the employee or his or her first-degree relatives and / or relatives. Thus, in 2022 the material aid granted by trade unions and employers’ organizations from which no state social insurance contributions are calculated constitutes the amount of 9900 lei. If the salary is higher than 9900 lei, compulsory state social insurance contributions shall be calculated and deducted out of the amount that is over 9900 lei.

4.2 Working Hours

The Moldovan Labor Code envisages a regular 40-hour work week. The workweek is set at 24 hours for individuals aged 15-16 and 35 hours for those aged 16-18 as well as for individual working in hazardous sectors of the economy. Disabled individuals of category I and II are entitled to a 30-hour working week without the reduction in remuneration or other employment rights (Articles 95 and 96 of the Moldovan Labor Code).

4.3 Rest Breaks

Employees are entitled to a lunch break of at least half an hour each workday. The exact duration of the lunch break rest is stipulated in the collective labor agreement or the internal regulations of the entity. Meal breaks, with the exceptions specified in the collective labor agreements or entity internal regulations, shall not be included in the working time. The duration of the daily

³ <https://statistica.gov.md/newsview.php?l=en&id=7191&idc=168>

⁴ <https://cnas.gov.md/libview.php?l=ro&idc=360&id=5702&t=/Mass-media/Noutati/Cuatumul-salariului-mediulunar-pe-economie-prognozat-pentru-anul-2022>

break, that is the time between the end of the working program and the start of the work program the following workday cannot be less than the double duration of the daily working time (Article 107). Weekly rest is granted for two consecutive days, usually Saturday and Sunday.

4.4 Leaves

The right to annual leave is guaranteed to all employees. Any employee who works based on an individual labor contract shall benefit from the right for annual rest leave, which can be used after the first six months of employment. All the employees are entitled to paid annual rest leave, with a duration of minimum 28 calendar days. Leave does not include a period of temporary disability, and maternity leave. In addition, employees may request up to 60 calendar days of unpaid leave with a justification and agreement from the employer. Short-term and seasonal contracts are not clearly covered in the Moldovan Labor Code and practically, those employees do not benefit from annual leaves.

4.5 Overtime Work

An employer can order overtime work in case that is related to national defense or emergencies. Normally, at employer's request, employees can perform overtime work up to 120 hours during the calendar year. In exceptional cases, this limit can be extended to 240 hours with the agreement of both parties (Article 104). Employers must keep a record of worked performed outside normal working hours. The overtime work is paid at 1.5 the amount of the regular hourly rate for the first two hours of overtime work and at 2 times the regular rate for the subsequent hours.

4.6 Labor Disputes

The Labor Code of Moldova includes provisions that allow workers to resolve individual and collective disputes between the employer and the employee(s) over the terms and conditions of a labor agreement or other aspects of work, including occupational and health safety (Articles 357-361). The disagreements and disputes may be solved through conciliation. A conciliation commission should be set not later than three days from the registration of the labor dispute and conflict. The commission should notify the parties in writing within five days from reaching an agreement on how to settle the dispute. If the parties do not agree with the recommendations of this commission, the conflict shall be settled in court.

4.7 Discrimination

Moldova has made substantial progress to improve its legislative framework on nondiscrimination in recent years, but that there are outstanding issues relating to the legal definition giving expression to "equal pay for work of equal value". Few complaints relating to discrimination are brought forward in practice, indicating shortcomings in the implementation and enforcement of relevant laws. In particular, it is reported that decisions on discrimination cases issued by the courts commonly do not include proper assessments of evidence, do not follow national law and do not apply international legal principles relating to equality. Overall, both by global and regional standards, Moldova performs relatively well on measures of gender equality in employment. However, the Moldovan Equality Council and international observers have raised concerns regarding the prevalence of gender discrimination, particularly in relation to pregnancy and maternity. Also, the National Trade Union Confederation (NTUC) reported frequent cases of employers denying employment to pregnant women, since such employment was associated with additional benefits payable after childbirth. The Equality Council and the

ILO have also reported discrimination issues in relation to Roma persons, persons with disabilities, older workers and on the basis of health status and language.

4.8 Sexual Harassment

Sexual Harassment is defined in Article 173 of the Criminal Code of Moldova and Labor Code of Moldova. Sexual harassment is defined as “any form of physical, verbal, or nonverbal behavior that violates the dignity of a person or creates an unpleasant, hostile, degrading, or humiliating atmosphere in order to induce sexual intercourse or other unwanted sexual acts through threats, coercion or blackmail”. According to article 173 of the Criminal Code, such conduct is punished by a fine in the amount of 650 to 850 conventional units or community service for 140 to 240 hours, or imprisonment for up to three years.

4.9 Violence against Women

Moldova’s national legislation covers gender equality, domestic violence, sexual harassment, sexual and physical assault, marital rape, mandatory reporting and sex-disaggregated data collection. Domestic violence and marital rape were criminalized by means of an amendment to the Criminal Code in 2010. The Law on Preventing and Combating Family Violence (2007) tackles domestic violence, covering responsibilities for the police, judiciary, probation services, legal aid, health, social protection and victims’ rights to counselling for physical, psychological and social rehabilitation. It also establishes procedures for the creation of centers for the rehabilitation of victims.

The Parliament approved on October 14, 2021 the ratification of the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence (Istanbul Convention). By ratifying the Convention, the Moldovan authorities duly undertake to prosecute violence against women, allocate resource to ensure the operation of crisis centers, 24/7 hotline, shelters for victims of violence, provide psychological and legal assistance, and other measures.

There is currently an emergency telephone line (0 8008 8008): accessible 24/24 hours a day, offering victim counseling services, information in conditions of anonymity and confidentiality, managed by the International Center "La Strada".⁵

Overall progress in the area includes the following improvements in legislation:

- Act No. 196/2016, which introduces emergency restriction orders by amending Act No. 45-XVI of 2007 on Preventing and Combating Domestic Violence, in 2016;
- Act No. 71/2016, which: (i) prohibits of the use sexist language by amending the Law on the Press, the Law on Advertising and the Audiovisual Code; (ii) establishes a minimum quota of 40 per cent for the representation of women candidates on the electoral lists of political parties by amending the Electoral Code; and (iii) introduces paternity leave for a period of 14 days by amending the Labour Code, in 2016.
- Institutional and policy framework were improved aimed at accelerating the elimination of discrimination against women and promoting gender equality, such as the adoption or establishment of the following:

⁵ <http://lastrada.md/>

- National strategy on preventing and combating violence against women and domestic violence (2018–2023) and the action plan for its implementation (2018–2020);
- National strategy for preventing and combating trafficking in human beings (2018–2023) and the action plan for its implementation (2018–2020);
- National programme on sexual and reproductive health and rights (2018–2022);
- Third national human rights action plan (2018–2022);
- National programme on the implementation of Security Council resolution 1325 (2000) on women and peace and security (2018–2021) and the national action plan for its implementation.

5. Specific Provisions Related to Occupational Health & Safety

The Moldovan Labor Code as well as the Law on Occupational Health and Safety (OHS) (2008) set the framework for occupational health and safety in Moldova. Several Government orders and decisions detail how these are to be implemented and outline the list of hazardous industries and occupations in the country. Overall, the Moldovan OHS legislation is extensive and generally in line with the provisions set out in ESS2, paragraphs 24 to 30, the main challenge being the implementation and enforcement of these provisions.

5.1 Employers' Obligations

Article 198 of the Labor Code envisages that each business entity or organization should have internal regulations that outline, among other things, the occupational health and safety provisions of the organization. Articles 9 and 10 of the Law on OHS makes the employers responsible for ensuring the health and safety of the employees, for identifying and preventing work-related risks, for informing and training staff on the risks and organizational OHS provisions.

The employer must provide the necessary means and equipment and adapt the working environment to prevent and minimize occupational risks. Article 11 requires the employer to assign at least one trained individual within the organization responsible for ensuring the OHS provisions.

The employer may set a collective OHS committee made up of both employee and employer's representatives to supervise the OHS arrangements in the workplace.

In case of emergencies, the employer must take immediate action to provide emergency response and evacuation of workers from the premises/site (Article 12 of the OHS law).

5.2 Employees' Rights and Obligations

Employees have the right and obligation to inform the employer of any emerging hazard or malfunctioning equipment as well as make suggestions on how to improve the OHS rules at the workplace.

Employees have the right to refuse to work if the working place does not meet the OHS requirements. They are entitled to be informed and trained about the occupational risks and be provided the required protective equipment by the employer at the employer's expense

6. Responsible Staff

6.1 Project Implementation Unit

The PIU has the overall role to manage all project activities. The PIU will assist the beneficiaries in all aspects and is responsible for reporting to both the Government and the World Bank.

The PIU will coordinate screening of activities directly for the matching grants component and will support ODIMM to establish its own environmental and social management system (ESMS) to screen and provide due diligence on credit guarantees for the access to finance component.

The PIU has the responsibility to prepare an overall project Environmental and Social Commitment Plan (ESCP), Stakeholder Engagement Plan (SEP) and Grievance Mechanism (GM), and (for components one and three) an Environmental and Social Management Framework (ESMF), including the present Labor Management Procedures and ensure all relevant entities comply with labor legislation and requirements and procedures established here. The PIU has part-time Environmental Consultant and Social Consultant to support the project.

6.2 Ministry of Economy

Ministry of Economy is the central body to promote the state policy in the field of economics and coordinate economic development of the country (<http://www.me.gov.md/>). The Ministry of Economy had established the PIU as a dedicated legal entity, reporting to MoE, to implement CEP (through Government decision No. 895 of August 25, 2005). So, the PIU Executive Director discusses, consults and agrees all key project aspects with MoE.

6.3 ODIMM

Organization for MSME development is a structure for the promotion of small business establishment and support for the development of the existing enterprises (<http://odimm.md>).

The *Matching Grants Facility (MGF)* will be implemented under ODIMM and will be structured to provide business development services, international certifications, and small equipment for these as well as other companies in Moldova willing to export. ODIMM received adequate training to conduct screening of sub-project loan applications for compliance with safeguards procedures.

For Component 3, ODIMM will need to implement its own ESMS for screening of E&S risks and have this ESMS prepared and adopted before the project's effectiveness. ODIMM would also review and assist PFIs to prepare their ESMS for screening of E&S risks associated with the MSME activities financed by PFIs under the Project. Each PFI would be required to have its ESMS prepared and adopted before the provision of Credit Guarantees to the PFI.

The MGF team is responsible for general management, implementation, and supervision of the MGF component. The MGF team is composed of: a MGF Coordinator; a MGF Officer; a Monitoring and Evaluation Officer; a Communication Officer, an Accountant and Administrative Assistant. ODIMM has assigned an Environmental Officer in its existing staff.

The detailed responsibilities of each MGF team position are described below. As well each MGF team member for services to be performed has signed with a PIU a Contract and Terms of Reference and Scope of Services.

The MGF Coordinator works under the supervision of the PIU Executive Director and provides support to the Executive Director for implementing the MGF subcomponent. The MGF Coordinator leads the MGF team for the implementation of all the activities needed to achieve MGF component objectives in compliance with the Project Document, Project operation manual, MGF operations manual and the Moldovan legislation.

The MGF Officer works under the supervision of the MGF Coordinator and provides support to the MGF Coordinator for implementing the MGF subcomponent. The objective of this team member is to assist MGF Coordinator in all aspects related to MGF, in particular to: the development of the MGF manual; the application and implementation procedure; project documents reporting; Beneficiary procurement procedures; communication with key stakeholders, Applicants and Beneficiaries; etc.

The MGF Monitoring & Evaluation Officer works under the supervision of the MGF Coordinator and provides support to the MGF Coordinator for implementing the MGF subcomponent in order to ensure all Monitoring & Evaluation procedures. The project envisages the implementation of the following M&E activities: develop and implement the M&E Strategy, ensure data collection and analysis, monitoring activities on project indicators, evaluation of implementation processes and performance, disseminate the monitoring data and evaluation results, BIPs progress reporting etc.

The MGF Communication Officer works under the supervision of the MGF Coordinator and assists the MGF Coordinator for implementing all communication activities needed to achieve MGF subcomponent's objectives in order to ensure systematic communication about project components progress. The project envisages the implementation of the following communication activities: develop and implement the Communication Strategy; elaboration of promotional materials; organization of media events; communication with stakeholders, professional and business associations, sectorial organizations, etc., dissemination of information to potential beneficiaries and constant attraction of a pool of applicants; design and broadcast TV and radio spots; maintaining an updated website and updating of social media channels, etc.

ODIMM is encouraged to expand its existing partnership relation with UN Women and create avenues for beneficiary MSMEs to benefit from the training programs implemented with support of UN Women on the elimination of violence against women, combating sexual exploitation and harassment and economic empowerment of women.

6.4 Participating Financial Institutions

Fair labor conditions and worker health and safety need to be included in the PFI's ESMS and ensured by PFIs screening for track record of participating companies and identifying labor-related risks associated with MSME activities prior to approval of credit guarantees and subsequent loans.

6.5 The Companies beneficiary firms (MSMEs)

The Companies beneficiary firms (MSMEs) will be responsible for the following:

- MSMEs that use labor for production and services should have protection measures in place to avoid SEA/SH and prohibit use of forced labor and harmful child labor.
- MSMEs should comply with requirements of the national legislation and the LPM;
- To develop “Occupational Health and Safety Plan”, which will apply to contracted and sub-contracted workers. These procedures and plans will be submitted for review and approval to PIU.
- To maintain the records of recruitment and employment process for the contracted workers;
- To communicate clearly the job description and the employment conditions to all contracted workers;
- To have a system for regular review and reporting on labor, and occupational safety and health performance.
- A Grievance Mechanism (GM) has been detailed within this LMP. The Companies will be required to comply with the GM provisions.
- The MSMEs are encouraged to use the template of Code of Conduct of Combating Sexual Exploitation, Abuse and Harassment and implement it in the company. . The Works Contractor should also submit a Code of Conduct for review and approval to PIU. The Code of Conduct will reflect the company’s core values and overall working culture including prohibition of any type of harassment and will include provisions related to GBV, Sexual Exploitation and Harassment. A sample Code of Conduct is provided in Annex to these Labor Management Procedures.
- The beneficiary MSMEs are required to ensure that the assigned workers are adequately trained and briefed with overall safety arrangement, use of equipment, GM procedures, and the working conditions under the project.

7. Labor Management Policies and Procedures

Under the present MSME Competiveness project, all entities involved in the implementation of project activities, all beneficiary-MSMEs, contractors and subcontractors are obliged to comply with the labor management policies and procedures set in the present document and the legislation of the Republic of Moldova. As set out in the Labor Code, project workers' jobs will be based on non-discrimination laws and equal opportunities. There will be no discrimination regarding any aspects of the employment relationship including recruitment, working conditions compensation, and terms of employment, access to training, promotion or termination of employment. PIU will incorporate such standardized social clauses in the tender documentation and contract documents so that the potential bidders are aware of the social / labor performance requirement. No major gaps can be found in local legislation because is harmonized mostly with ILO policies.

No forced and under-aged labor will be engaged by PIU, Companies, Suppliers, sub-contractor or any stakeholder in any circumstance. Forced labor includes bonded labor, excessive notice period, retaining worker’s identity, limitations of freedom of movement and substantial fines,

physical punishment, under high unpayable debt or any other condition where the project worker is compelled to work in a non-voluntary basis.

7.1 Occupational Safety and Health

All the Companies under the project will have to comply with the Moldovan OHS legislation and the Labor Code, as well as the provisions set under the World Bank's ESS2. The Companies will have to prepare or adjust their internal regulations, in case they do not comply with the current legislation. They will also make them known and available to their staff and workers. According to national legislation, the obligations of the employer are to provide a healthy work environment; the obligation to assign an individual who will be responsible for the OHS arrangements at work and on site; describe and explain the main risks of the work involved to the employee; train the employees and workers on the OHS arrangements at the enterprise; provide appropriate protective equipment, clothing and gear to mitigate the potential risks; record and report the work incidents on site; ensure that first-aid help is available on site and have emergency and evacuation protocols in place and explained to the staff and workers for emergency cases. The PIU will guide to:

- Comply with OHS related legislation and other, related applicable requirement.
- Ensure transparent recruitment process that is open with respect to ethnicity, religion, disability or gender.
- Enable active involvement in OHS risk elimination by promoting adequate hazard skills, knowledge and attitudes.
- Continuously improving the process and efficiency of OHS implementation.
- Make this policy statement available to all interested parties at all project sites and facilities.
- Under current rules of Moldova the companies are required to have at least one occupational health and safety representative for the worksite. The representative must:
 - Conduct regular OHS training to workers
 - Identify any potential hazard
 - In case of an accident, investigate the cause and report the PIU
 - Ensure that all the workers are taking the required safety measures during workhours.
 - Ensure availability of first aid box at worksite.

PIU will conduct regular monitoring to ensure proper OHS implementation. The OHS representative will be responsible to provide regular reports to ESS unit of PIU.

7.2 Sexual Exploitation and Abuse/Sexual Harassment

Contractors are required to address the risk of gender-based violence by providing training and awareness raising sessions for the workers to refrain from any unacceptable conduct towards local community members, particularly women. Moreover, contractors are obliged to inform their workers about the legal consequences and punishment by law of sexual harassment and gender-based violence.

In addition, the above statement, each of the contractor and construction companies shall include GBV prevention to their labor management plans and Code of Conduct on preventing sexual exploitation and abuse / sexual harassment.

7.3 Non-discriminatory Nature of Employment

All the workers hired under the project, whether direct, contracted or sub-contracted, will be employed based on the principles of non-discrimination. As per Article 8 of the Moldovan Labor Code, any discrimination based on gender, age, race, ethnicity, political option, social origin, residence, handicap, status or trade union activity, as well as other criteria not related to his/her professional qualities, shall be prohibited.

7.4 Terms of Employment

All workers will have written contracts describing terms and conditions of work. Workers will sign the employment contract in two originals. The terms and conditions of employment will be available at the work sites. Every worker, when employed, will be briefed on the contents of the contract; the internal regulations of the institution; the work safety and OHS arrangements at the work place. All employees will be informed about the possibility to request a copy and to study these internal documents in more detail. All workers / employees should be provided with a copy of the contract.

7.5 Employee Rights and Obligations

The Moldovan legislation specify, among others, that the employees have the right to a safe working environment; lunch breaks and rest days; timely payment of wages and salaries; the right to appeal to employers, trade unions and authorities in case of labor disputes; the right to associate freely.

7.6 General requirements at workplaces

According to the Government Decision of the Republic of Moldova no. 80 of February 09, 2012 regarding the minimum safety and health requirements for temporary or mobile sites, the Contractor must provide workers with good hygiene standards, with fresh drinking water, clean beds, enough blankets, restrooms and showers, clean bedrooms, good illumination, lockers, proper ventilation, safe electrical installation, fire and lightening protection, separate cooking and eating areas. The recreation and / or accommodation rooms must be equipped with a sufficient number of tables and chairs, corresponding to the number of workers. If there is no room for recreation and / or accommodation, other facilities must be made available to workers so that they can use them during work interruption.

Useful References

A complete labor guide for employers and Companies is available on the website of Moldovan Labor Inspectorate at: <https://ism.gov.md/ro/content/ghid-pentru-angajatori>. Article 199 of the Labor Code provides the minimum structure of the internal regulations of an enterprise.

Sample internal regulations for Companies can be found by following the link: [http://editurastatistica.md/sites/default/files/2019/Regulament%20intern%20L.S.%20Editura%20de%20I
mprimare%20STATISTICA.pdf](http://editurastatistica.md/sites/default/files/2019/Regulament%20intern%20L.S.%20Editura%20de%20Impriate%20STATISTICA.pdf). The protection of employees during Covid-19 pandemic: https://msmps.gov.md/sites/default/files/ghid_practic_print.pdf

The COVID-19 prevention measures contains recommendations from the World Bank/WHO, as well as recommendations from the Moldova's in the form of a Guide, that the Contractor of the construction works needs to implement. The Contractor is required to follow/update and implement the measures that

are currently in force and adopted by the Government as binding at national level. Official site for information related to COVID-19 on national level is www.msmps.gov.md and www.ansp.md.

8. Age of Employment

According to art. 46 paragraph (2) of the Labor Code of Moldova, the legal age of employment is 16 years old. Work of persons under the age of 18 years old is not allowed during night (art. 103 para.5), overtime work (art. 105 para.1), during rest days (art. 110 para. 3) and national holidays (art. 111). Manual lifting and carrying by minors of weights exceeding the maximum standards established for them is not permitted in accordance with art. 255 of the Labour Code of Moldova.

The minimum age for employment under the project is 18 years. This provision applies to ODIMM and participating enterprises under component three and will also inform ESMS of PFIs as a condition for enterprises of receipt of loans backed by credit guarantees under component two. Therefore, the Companies will not hire individuals under the age of 18 years. They will be required to verify the age of all workers. If a child under the minimum age is discovered working under the project, the relevant supervisor will take the required actions to terminate responsibly the employment of the child, considering the best interest of the child.

9. Terms and Conditions

The terms and conditions of employment applied to all the types of project workers shall be governed by the internal regulations of enterprises and suppliers in line with the Moldovan Labor Code and other national labor-related legislation. These terms and conditions will be clearly mentioned in the written contracts for all type of workers, whether full-time or part-time, and be made known to project workers prior to contract signature.

The working hours are 40 per week for all workers. The number of weekly overtime hours and the payment of overtime shall be governed by the provisions of the Moldovan Labor Code, which is in line with the ESS2.

The work hours should not exceed 8 hours a day, with the provision of at least 1 hour for rest.

There is no project-wide collective labor agreement. However, some institutions involved in the project implementation are part of a branch collective agreement, including the Ministry of Finance⁶.

Table 1. Gap Analysis between World Bank ESS 2 and legislation of the Republic of Moldova related to labor and workers/employees rights

Labor related risk	WB ESS 2	Provision in the legislation of Moldova	Gap in the national legislation	Action to be taken under the Project
Health and safety	To promote safety and health at work.	Law 186 on H&S	Adequate provisions exist in the national legislation to impose clear requirements	LMP is applicable to all entities involved in the project
Discrimination	To promote fair	Provision on	Adequate provisions	LMP and law

⁶ <https://mf.gov.md/sites/default/files/documente%20relevante/CCM%20MF%202018-2023.pdf>

at the workplace	treatment, non-discrimination and equal opportunity of project workers.	equal pay for equal work in the labor code (LC) Art. 8 LC on non-discrimination	exist in the national legislation to impose clear requirements	requirements should be strictly complied with
Sexual harassment at the workplace	To protect project workers, including vulnerable workers such as women, persons with disabilities, children, migrant workers, contracted workers, community workers and primary supply workers.	Article 173 of the Criminal Code; Law # 71/2016, which amended Law #121 on Ensuring Equality, the Labour Code, Law #140 on the State Labour Inspectorate, the Press Law and Broadcasting code.	Adequate provisions exist in the national legislation to impose clear requirements	The Code of Conduct available in these LMP should be applied by all entities involved in project implementation
Use of child labour and forced labor	To prevent the use of all forms of forced labor and child labor	The legal age of employment is 16; minors aged 15 can be hired with written consent of parents/tutors	There is a gap related to age of employment. In practice, minors may be found working at agri-enterprises either on school vacation and rarely during school hours.	Under this project the age of employment is 18. During site visits the issue should be monitored. Activities that involve significant risk of child or forced labor will not be financed under the project
Freedom of association	To support the principles of freedom of association and collective bargaining of project workers in a manner consistent with national law.	Articles 357-361 Labor Code	The national legislation adequately covers the issue.	
Lack or limited information	To provide project workers with accessible means to raise workplace	Law on access to information Law on transparency in	The national legislation adequately covers the issue. Generally, in practice	SEP developed under the project

	concerns	the decision-making	public authorities incur penalties for failure to comply to this requirement	
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10. Grievance Mechanism

PIU will provide an effective grievance mechanism for workers to raise workplace problems and concerns. The grievance mechanism will be established by the beginning of the project implementation and will be maintained over the project life. PIU will be the main body for receiving, recording and tracking resolution of grievances.

Addressing grievances raised by direct and contracted workers associated with World Bank funded projects is an important component of managing project risks and for mitigation strategies. The GM can serve as an effective tool for early identification, assessment and resolution of grievances related to unfair treatment of women, minorities and other vulnerable workers in terms of pay and conditions, risk of harassment and retribution and therefore for strengthening accountability to beneficiaries. The GM is an important feedback mechanism that can improve project impact and respond to concerns and grievances helping to resolve potential for dispute among the workforce about unfair treatment, discrimination, and personal safety ranging from sensitive incidents (such as SEA/SH) to feedback associated with COVID-19 measures and other sources of workplace health and safety concern. Due to ongoing COVID-19 safety concerns, with restrictions on movement, it is important that, where possible, staff managing grievances can access systems and work remotely to enable processes to work effectively.

All project workers are encouraged to use the existing project grievance mechanism to raise workplace concerns, report concerns related to COVID-19, preparations being made by the project to address COVID-19 related issues, how procedures are being implemented, and concerns about the health of their co-workers and other staff. The Worker GM ensures confidentiality of complainant identities and the content of complaints in order to protect against retaliation and does not impede worker access to judicial remedy through the national court system.

Channels to Make Complaints:

The PIU has the following channels to provide feedback and to lodge complaints:

1. By Email: piu@me.gov.md ;
2. Online at <https://uipac.md/eng/suggestions-box> ;
3. In writing to PIU Director Aureliu Casian at 180, Stefan cel Mare si Sfânt avenue, office 813, MD 2004;
4. Dedicated phone number: +37322 296724;
5. Verbal complaints addressed to project staff at the address indicated above.

The project treats sensitive and confidential complaints, including those related to Sexual Exploitation and Abuse/Harassment (SEA/SH) in line with the WB ESF Good Practice Note on SEA/SH.⁷ For GBV, and particularly for SEA/ SH complaints, there are risks of stigmatization,

⁷ Add where SEA/SH risks are relevant to the project.

rejection and reprisals against survivors. The GM will assist GBV survivors by referring them to GBV Services Provider(s) for support immediately after receiving a complaint directly from a survivor. A green-line is available for women and girls suffering from domestic abuse, victims of trafficking in human beings, victims of sexual exploitation: 0 8008 8008. The list of GBV service providers/ NGOs is available www.stopviolenta.md⁸.

The emergency line 112 service also will redirect all calls coming from women-victims of domestic violence to the Trustline for Women and Girls, in the cases when the beneficiary refuses police intervention or is in a state of crisis and requires emotional support and psychological counselling. The redirection will also happen when the beneficiaries will need information about their rights and the services available to them. This is possible since December 2020, when La Strada and 112 emergency service have signed an agreement of collaboration, under which La Strada have inclusively offered training support and capacity building for the 112 operators in the field of domestic and sexual violence.

Under the MSMEs Competitiveness project, the following three layers for grievance resolution will function:

Level 1. ODIMM/MGF and PFIs. The supervisors/ Grievance Focal Point(s) will be responsible for collecting grievances from direct workers as well as Contractors` workers. The channels for grievance submission will be disclosed for all MSMEs applying for support related to matching grants, export readiness, quality infrastructure enhancement (ie. improvement in certification, accreditation, standardization), and export promotion programs.

ODIMM and PFIs should publish on their websites the information related to the procedure of grievance lodging and resolution.

Level 2. PIU. Complainants have the possibility to submit grievance to PIU as follows:

e-mail: piu@me.gov.md

postal address: Aureliu Casian 180, Stefan cel Mare si Sfânt ave, office 813, MD 2004

by telephone: 022 296724

online on the PIU website <http://uipac.md/rom/sugestii-si-reclamatii>

Level 3. Ministry of Economy. Complainants may use the online form following the provided on-line link or fill in the template available as Annex of this SEP, and send to:

online: <http://me.gov.md/ro/content/petitia-line>⁹

e-mail: secretariat@me.gov.md

postal address: Ministry of Economy, MD-2012 Chisinau, Piata Marii Adunari Nationale, 1, street *by telephone:* 022 250 593 (green/ trust line)

The timeline for response will not exceed 14 working days. The PIU will coordinate and monitor the responses to all complaints and will ask implementing entities to develop their own mechanisms in order to comply with ESS2 and ESS10 and overall strategic approach outlined in the present SEP. The MEI will be able to extend the term of addressing grievance up to 20

⁸ <https://stopviolenta.md/index.php?do=feedback>

⁹ Online petitions to the Government / ministries are confidential, but cannot be anonymous under the law. The addresses that do not contain the obligatorily requested information in the address form and do not correspond to the requirements for the electronic document, including the application of the digital signature (art. 5.2 of the Law on Petitions no. 190 / 19.07.94), are not examined. During the public consultations and through GMF PIIS, the persons will be informed about the possibility to send anonymous notifications by other means.

working days (the complainant will be informed about extension).

The World Bank's corporate Grievance Redress Service. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel, which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

Complainants can also submit grievances to the World Bank office in Moldova at the following address

Str. Puskin 20/1, MD-2012, Chisinau, Republica Moldova

+373-22-262-262

+373-22-262-236

moldova_contact@worldbank.org

11. Contractor Management

The project will use the Bank's 2019 Standard Procurement Document or other WB Procurement Rules and Procedures for small scale procurement under component three, both will include provisions referring to labor and occupational, health and safety requirements that must comply with the Moldovan national legislation and ESS2.

As part of selection process for the Companies, who will receive the support, PIU may review the following information:

- Information in public records, for example, corporate registers and public documents related to violations of applicable labor law, including reports from labor inspectorates and other enforcement bodies;
- Business licenses, registrations, permits, and approvals;
- Documents related to a labor management system, including OHS issues, for example, labor management procedures;
- Identification of labor management, safety, and health personnel, their qualifications, and certifications;
- 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 payment received;
- Identification of safety committee members and records of meetings; and
- Copies of previous contracts with the Companies and suppliers, showing the provisions and terms reflecting ESS2.

PIU assigned staff will monitor the performance of beneficiary firms in relation to the contracted workers. This may include periodic audits, inspections, and/or spot checks of locations or production sites and/or of labor management records and reports compiled by Companies.

Companies' labor management records and reports may include: (a) a representative sample of employment contracts or arrangements between third parties and contracted workers; (b) records related to grievances received and their resolution; (c) reports related to safety inspections, including fatalities and incidents and implementation of corrective actions; (d) records related to incidents of non-compliance with the national law; and (e) records of training provided for contracted workers to explain labor and working conditions and OHS provisions under the project.

Annex 1 to LMP: Code of Conduct to ensure compliance with requirements to combat Sexual Exploitation, Abuse and Harassment

The template provided in this annex will be used by companies and employers involved in the implementation of Moldova MSME Competiveness Project. It applies under this ESMF to those involved in Component One and Component Three and will be adapted for use in the ESMS of participating financial intermediaries under Component Two.

1. Introduction

All legal entities and individuals involved in project implementation are committing to ensuring a work environment, which minimizes any negative impacts on the local environment, communities, and its workers. They strongly commit to creating and maintaining an environment in which Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) have no place, and where they will not be tolerated by any employee, sub-contractor, supplier, associate, or representative of the company.

2. Purpose of the Code of Conduct

The purpose of the Code of Conduct is to:

1. Create a common understanding of what constitutes Sexual Exploitation, Abuse, and Sexual Harassment;
2. Create a shared commitment to standard behaviour and guidelines for company employees to prevent, report, and respond to SEA and SH, and
3. Create understanding that failure to comply with policies and commitment to combating sexual exploitation and abuse and sexual harassment will result in disciplinary action, and depending on gravity of such breach, the case will be deferred to relevant state authorities in accordance with provisions of the national legislation.

3. Understanding policy requirements related to Sexual Exploitation and Abuse, and Sexual Harassment

Addressing gender-based violence, Sexual Exploitation and Abuse (SEA), and Sexual Harassment (SH) more generally in the context of its development work is a priority for the World Bank. The Bank continues to take concerted measures to strengthen its approach to management and prevention of SEA-SH risks.

The strengthened requirements in works procurement are guiding borrowers in the assessment of bidders' responsiveness and competence to comply with specific SEA-SH-related obligations during the bid evaluation process. They also set clear expectations in contract conditions by stipulating obligations to manage GBV/SEA-SH risks that are within the contractors' control. Enhanced procurement documents provide clear, strong basis for borrowers to prevent, mitigate and manage SEA-SH risks and exercise appropriate remedies.

The following definitions are used by the World Bank and operated in projects financed by the institution:

Sexual Exploitation and Abuse (SEA): is defined as any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another.

Sexual Abuse: “The actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions.”

Sexual exploitation: any actual or attempted abuse of a position of vulnerability, differential power or trust for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another (UN Glossary on Sexual Exploitation and Abuse 2017, pg. 6). **Sexual abuse:** actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions (UN Glossary on Sexual Exploitation and Abuse 2017, pg. 5). **Sexual harassment (SH)** is any unwelcome sexual advances, request for sexual favors, and other verbal or physical conduct of a sexual nature.

Gender-based violence (GBV) is an umbrella term for any harmful act that is perpetrated against a person’s will and that is based on socially-ascribed (i.e., gender) differences between males and females. It includes acts that inflict physical, sexual or mental harm or suffering, threats of such acts, coercion, and other deprivations of liberty. These acts can occur in public or in private (2015 Inter-Agency Standing Committee Gender-based Violence Guidelines, page 5).

Violence against Women Article 1 of the 1993 UN Declaration on the Elimination of Violence against Women defines violence against women as any act of gender-based violence that results in, or is likely to result in, physical, sexual or psychological harm or suffering to women, including threats of such acts, coercion or arbitrary deprivation of liberty, whether occurring in public or in private life. Article 2 of the Convention further states that violence against women shall be understood to encompass, but not be limited to, the following: (a) physical, sexual and psychological violence occurring in the family, including battering, sexual abuse of female children in the household, dowry-related violence, marital rape, female genital mutilation and other traditional practices harmful to women, non-spousal violence and violence related to exploitation; (b) physical, sexual and psychological violence occurring within the general community, including rape, sexual abuse, sexual harassment and intimidation at work, in educational institutions and elsewhere, trafficking in women and forced sex work; (c) physical, sexual and psychological violence perpetrated or condoned by the State, wherever it occurs. The term violence against women and girls is also used.

SEA versus SH: SEA occurs against a beneficiary or member of the community. SH occurs between personnel/staff and involves any unwelcome sexual advance or unwanted verbal or physical conduct of a sexual nature. The distinction between the two is important so that agency policies and staff training can include specific instructions on the procedures to report each.

Sexual Harassment is defined in Article 173 of the Criminal Code of Moldova and Labour Code of Moldova.

Sexual harassment is defined as “any form of physical, verbal, or nonverbal behaviour that violates the dignity of a person or creates an unpleasant, hostile, degrading, or humiliating atmosphere in order to induce sexual intercourse or other unwanted sexual acts through threats, coercion or blackmail”.

According to article 173 of the Criminal Code, such conduct is punished by a fine in the amount of 650 to 850 conventional units or community service for 140 to 240 hours, or imprisonment for up to three years.

The definition and provision in the Criminal Code was included as a result of Law No. 71, passed by the parliament in April 2016, which introduced amendments to several existing laws to include coverage of sexual harassment. The term “sexual harassment” and relevant measures to

it were incorporated into Law. No. 121 on Ensuring Equality, the Labour Code, Law No. 140 on the State Labour Inspectorate, the Press Law and Broadcasting code.

Also, the notion of “sexist language” was added in the laws enumerated above.

Sexist Language is defined as “expressions and appearances that portray the woman and the man in humiliating, degrading and violent manner, offending their dignity.” The definition can be found in Law 71.

4. Reporting of incidence of sexual harassment

The Moldova legislation provides in Article 212 of Law #5 on Equality between women and men that “Employees of public authorities have the right to report in writing the incidence of discrimination based on sex and / or sexual harassment to the gender unit within the public authorities, to the Council for the Prevention and Elimination of Discrimination and Ensuring Equality, to the People's Advocate or directly to law courts, in the manner provided by law”.

Contractors under this project will develop their company-level Code of Conduct. A key element of the Code of Conduct is the sanctions that may be applied if an employee is confirmed as a SEA/SH perpetrator, the sanctions need to be proportional to the violation. Prior to imposition of sanctions, if a worker raises a credible challenge to alleged violation with the Code of Conduct, the worker’s employer should place the worker on administrative leave pending a full and fair review to determine the veracity of said allegation(s). Examples of potential sanctions include the following:

- Informal warning;
- Formal warning; Additional training;
- Loss of up to one week's salary;
- Suspension of employment (either administrative leave as above or without payment of salary), for a minimum period of one month up to a maximum of six months;
- Termination of employment; and/or,
- Referral to the police or other authorities as warranted

A green-line is available for women and girls suffering from domestic abuse, victims of trafficking in human beings, victims of sexual exploitation: 0 8008 8008. The list of GBV service providers/ NGOs is available www.stopviolenta.md¹⁰.

The emergency line 112 service also will redirect all calls coming from women-victims of domestic violence to the Trustline for Women and Girls, in the cases when the beneficiary refuses police intervention or is in a state of crisis and requires emotional support and psychological counselling. The redirection will also happen when the beneficiaries will need information about their rights and the services available to them.

5. Communicating the Policy

The policy on sexual harassment and its specific contents should be effectively communicated to all staff members, including managers, supervisors, workers, customers, clients, contractors, and any other business contacts, including those who supply and receive goods and services. Effective means of communicating the policy include through newsletters, training manuals, training courses, leaflets, websites, e-mails and displaying anti-sexual harassment posters on notice boards in shared work areas.

¹⁰ <https://stopviolenta.md/index.php?do=feedback>

Annex 2 to LMP: COVID-19 Considerations in Construction/Civil Works

This note was issued on April 7, 2020 and includes links to the latest guidance as of this date (e.g. from WHO). Given the COVID-19 situation is rapidly evolving, when using this note it is important to check whether any updates to these external resources have been issued.

This Guidance is to be used for component three and applies to all workplaces under the project, including PIU, ODIMM and contractors. This document can also be adapted and adjusted by PFIs for use in their ESMS.

The present document represents a guidance note. The provision specified in section 3.4 “Specific measures to prevent the spread of Covid-19 and/or related variants” represent a minimum set of measures to be established in all working environments.

1. INTRODUCTION

The COVID-19 pandemic presents Governments with unprecedented challenges. Addressing COVID-19 related issues in both existing and new operations starts with recognizing that this is not business as usual and that circumstances require a highly adaptive responsive management design to avoid, minimize and manage what may be a rapidly evolving situation. In many cases, we will ask Borrowers to use reasonable efforts in the circumstances, recognizing that what may be possible today may be different next week (both positively, because more supplies and guidance may be available, and negatively, because the spread of the virus may have accelerated).

This interim note is intended to provide guidance to teams on how to support Borrowers in addressing key issues associated with COVID-19 and consolidates the advice that has already been provided over the past month. As such, it should be used in place of other guidance that has been provided to date. This note will be developed as the global situation and the Bank’s learning (and that of others) develops. This is not a time when ‘one size fits all’. More than ever, teams will need to work with Borrowers and projects to understand the activities being carried out and the risks that these activities may entail. Support will be needed in designing mitigation measures that are implementable in the context of the project. These measures will need to consider capacity of the Government agencies, availability of supplies and the practical challenges of operations on-the-ground, including stakeholder engagement, supervision and monitoring. In many circumstances, communication itself may be challenging, where face-to-face meetings are restricted or prohibited, and where IT solutions are limited or unreliable.

This note emphasizes the importance of careful scenario planning, clear procedures and protocols, management systems, effective communication and coordination, and the need for high levels of responsiveness in a changing environment. It recommends assessing the current situation of the project, putting in place mitigation measures to avoid or minimize the chance of infection, and planning what to do if either project workers become infected or the work force includes workers from proximate communities affected by COVID-19. In many projects, measures to avoid or minimize will need to be implemented at the same time as dealing with sick workers and relations with the community, some of whom may also be ill or concerned about infection. Borrowers should understand the obligations that contractors have under their existing contracts (see Section 3), require contractors to put in place appropriate organizational structures (see Section 4) and develop procedures to address different aspects

of COVID-19 (see Section 5).

2. CHALLENGES WITH CONSTRUCTION/CIVIL WORKS

Projects involving construction/civil works frequently involve a large work force, together with suppliers and supporting functions and services. The work force may comprise workers from international, national, regional, and local labor markets. They may need to live in on-site accommodation, lodge within communities close to work sites or return to their homes after work. There may be different contractors permanently present on site, carrying out different activities, each with their own dedicated workers. Supply chains may involve international, regional and national suppliers facilitating the regular flow of goods and services to the project (including supplies essential to the project such as fuel, food, and water). As such there will also be regular flow of parties entering and exiting the site; support services, such as catering, cleaning services, equipment, material and supply deliveries, and specialist sub-contractors, brought in to deliver specific elements of the works.

Given the complexity and the concentrated number of workers, the potential for the spread of infectious disease in projects involving construction is extremely serious, as are the implications of such a spread. Projects may experience large numbers of the work force becoming ill, which will strain the project's health facilities, have implications for local emergency and health services and may jeopardize the progress of the construction work and the schedule of the project. Such impacts will be exacerbated where a work force is large and/or the project is in remote or under-serviced areas. In such circumstances, relationships with the community can be strained or difficult and conflict can arise, particularly if people feel they are being exposed to disease by the project or are having to compete for scarce resources. The project must also exercise appropriate precautions against introducing the infection to local communities.

3. DOES THE CONSTRUCTION CONTRACT COVER THIS SITUATION?

Given the unprecedented nature of the COVID-19 pandemic, it is unlikely that the existing construction/civil works contracts will cover all the things that a prudent contractor will need to do. Nevertheless, the first place for a Borrower to start is with the contract, determining what a contractor's existing obligations are, and how these relate to the current situation.

The obligations on health and safety will depend on what kind of contract exists (between the Borrower and the main contractor; between the main contractors and the sub-contractors). It will differ if the Borrower used the World Bank's standard procurement documents (SPDs) or used national bidding documents. If a FIDIC document has been used, there will be general provisions relating to health and safety. For example, the standard FIDIC, Conditions of Contract for Construction (Second Edition 2017), which contains no 'ESF enhancements', states (in the General Conditions, clause 6.7) that the Contractor will be required:

- to take all necessary precautions to maintain the health and safety of the Contractor's Personnel
- to appoint a health and safety officer at site, who will have the authority to issue directives for the purpose of maintaining the health and safety of all personnel authorized to enter and or work on the site and to take protective measures to prevent accidents

- to ensure, in collaboration with local health authorities, that medical staff, first aid facilities, sick bay, ambulance services and any other medical services specified are always available at the site and at any accommodation
- to ensure suitable arrangements are made for all necessary welfare and hygiene requirements and for the prevention of epidemics

These requirements have been enhanced through the introduction of the ESF into the SPs (edition dated July 2019). The general FIDIC clause referred to above has been strengthened to reflect the requirements of the ESF. Beyond FIDIC's general requirements discussed above, the Bank's Particular Conditions include a number of relevant requirements on the Contractor, including:

- to provide health and safety training for Contractor's Personnel (which include project workers and all personnel that the Contractor uses on site, including staff and other employees of the Contractor and Subcontractors and any other personnel assisting the Contractor in carrying out project activities)
- to put in place workplace processes for Contractor's Personnel to report work situations that are not safe or healthy
- gives Contractor's Personnel the right to report work situations which they believe are not safe or healthy, and to remove themselves from a work situation which they have a reasonable justification to believe presents an imminent and serious danger to their life or health (with no reprisal for reporting or removing themselves)
- requires measures to be in place to avoid or minimize the spread of diseases including measures to avoid or minimize the transmission of communicable diseases that may be associated with the influx of temporary or permanent contract-related labor
- to provide an easily accessible grievance mechanism to raise workplace concerns

Where the contract form used is FIDIC, the Borrower (as the Employer) will be represented by the Engineer (also referred to in this note as the Supervising Engineer). The Engineer will be authorized to exercise authority specified in or necessarily implied from the construction contract. In such cases, the Engineer (through its staff on site) will be the interface between the PIU and the Contractor. It is important therefore to understand the scope of the Engineer's responsibilities. It is also important to recognize that in the case of infectious diseases such as COVID-19, project management – through the Contractor/subcontractor hierarchy – is only as effective as the weakest link. A thorough review of management procedures/plans as they will be implemented through the entire contractor hierarchy is important. Existing contracts provide the outline of this structure; they form the basis for the Borrower to understand how proposed mitigation measures will be designed and how adaptive management will be implemented, and to start a conversation with the Contractor on measures to address COVID-19 in the project.

4. WHAT PLANNING SHOULD THE BORROWER BE DOING?

Task teams should work with Borrowers (PIUs) to confirm that projects (i) are taking adequate precautions to prevent or minimize an outbreak of COVID-19, and (ii) have identified what to do in the event of an outbreak. Suggestions on how to do this are set out below:

- The PIU, either directly or through the Supervising Engineer, should request details in writing from the main Contractor of the measures being taken to address the risks. As stated in Section 3, the construction contract should include health and safety

requirements, and these can be used as the basis for identification of, and requirements to implement, COVID-19 specific measures. The measures may be presented as a contingency plan, as an extension of the existing project emergency and preparedness plan or as standalone procedures. The measures may be reflected in revisions to the project's health and safety manual. This request should be made in writing (following any relevant procedure set out in the contract between the Borrower and the contractor).

- In making the request, it may be helpful for the PIU to specify the areas that should be covered. This should include the items set out in Section 5 below and take into account current and relevant guidance provided by national authorities, WHO and other organizations. See the list of references in the Annex to this note.
- The PIU should require the Contractor to convene regular meetings with the project health and safety specialists and medical staff (and where appropriate the local health authorities), and to take their advice in designing and implementing the agreed measures.
- Where possible, a senior person should be identified as a focal point to deal with COVID-19 issues. This can be a work supervisor or a health and safety specialist. This person can be responsible for coordinating preparation of the site and making sure that the measures taken are communicated to the workers, those entering the site and the local community. It is also advisable to designate at least one back-up person, in case the focal point becomes ill; that person should be aware of the arrangements that are in place.
- On sites where there are a number of contractors and therefore (in effect) different work forces, the request should emphasize the importance of coordination and communication between the different parties. Where necessary, the PIU should request the main contractor to put in place a protocol for regular meetings of the different contractors, requiring each to appoint a designated staff member (with back up) to attend such meetings. If meetings cannot be held in person, they should be conducted using whatever IT is available. The effectiveness of mitigation measures will depend on the weakest implementation, and therefore it is important that all contractors and sub-contractors understand the risks and the procedure to be followed.
- The PIU, either directly or through the Supervising Engineer, may provide support to projects in identifying appropriate mitigation measures, particularly where these will involve interface with local services, in particular health and emergency services. In many cases, the PIU can play a valuable role in connecting project representatives with local Government agencies, and helping coordinate a strategic response, which takes into account the availability of resources. To be most effective, projects should consult and coordinate with relevant Government agencies and other projects in the vicinity.
- Workers should be encouraged to use the existing project grievance mechanism to report concerns relating to COVID-19, preparations being made by the project to address COVID-19 related issues, how procedures are being implemented, and concerns about the health of their co-workers and other staff.

5. WHAT SHOULD THE CONTRACTOR COVER?

The Contractor should identify measures to address the COVID-19 situation. What will be possible will depend on the context of the project: the location, existing project resources, availability of supplies, capacity of local emergency/health services, the extent to which the virus already exist in the area. A systematic approach to planning, recognizing the challenges associated with rapidly changing circumstances, will help the project put in place the best measures possible to address the situation. As discussed above, measures to address COVID-19 may be presented in different ways (as a contingency plan, as an extension of the existing project emergency and preparedness plan or as standalone procedures). PIUs and contractors

should refer to guidance issued by relevant authorities, both national and international (e.g. WHO), which is regularly updated (see sample References and links provided).

Addressing COVID-19 at a project site goes beyond occupational health and safety and is a broader project issue which will require the involvement of different members of a project management team. In many cases, the most effective approach will be to establish procedures to address the issues, and then to ensure that these procedures are implemented systematically. Where appropriate given the project context, a designated team should be established to address COVID-19 issues, including PIU representatives, the Supervising Engineer, management (e.g. the project manager) of the contractor and sub-contractors, security, and medical and OHS professionals. Procedures should be clear and straightforward, improved as necessary, and supervised and monitored by the COVID-19 focal point(s). Procedures should be documented, distributed to all contractors, and discussed at regular meetings to facilitate adaptive management. The issues set out below include a number that represent expected good workplace management but are especially pertinent in preparing the project response to COVID-19.

(a) ASSESSING WORKFORCE CHARACTERISTICS

Many construction sites will have a mix of workers, e.g. workers from the local communities; workers from a different part of the country; workers from another country. Workers will be employed under different terms and conditions and be accommodated in different ways. Assessing these different aspects of the workforce will help in identifying appropriate mitigation measures:

- The Contractor should prepare a detailed profile of the project work force, key work activities, schedule for carrying out such activities, different durations of contract and rotations (e.g. 4 weeks on, 4 weeks off).
- This should include a breakdown of workers who reside at home (i.e. workers from the community), workers who lodge within the local community and workers in on-site accommodation. Where possible, it should also identify workers that may be more at risk from COVID-19, those with underlying health issues or who may be otherwise at risk.
- Consideration should be given to ways in which to minimize movement in and out of site. This could include lengthening the term of existing contracts, to avoid workers returning home to affected areas, or returning to site from affected areas.
- Workers accommodated on site should be required to minimize contact with people near the site, and in certain cases be prohibited from leaving the site for the duration of their contract, so that contact with local communities is avoided.
- Consideration should be given to requiring workers lodging in the local community to move to site accommodation (subject to availability) where they would be subject to the same restrictions.
- Workers from local communities, who return home daily, weekly or monthly, will be more difficult to manage. They should be subject to health checks at entry to the site (as set out above) and at some point, circumstances may make it necessary to require them to either use accommodation on site or not to come to work.

(b) ENTRY/EXIT TO THE WORK SITE AND CHECKS ON COMMENCEMENT OF WORK

Entry/exit to the work site should be controlled and documented for both workers and other parties, including support staff and suppliers. Possible measures may include:

- Establishing a system for controlling entry/exit to the site, securing the boundaries of the site, and establishing designating entry/exit points (if they do not already exist). Entry/exit to the site should be documented.
- Training security staff on the (enhanced) system that has been put in place for securing the site and controlling entry and exit, the behaviour required of them in enforcing such system and any COVID -19 specific considerations.
- Training staff who will be monitoring entry to the site, providing them with the resources they need to document entry of workers, conducting temperature checks and recording details of any worker that is denied entry.
- Confirming that workers are fit for work before they enter the site or start work. While procedures should already be in place for this, special attention should be paid to workers with underlying health issues or who may be otherwise at risk. Consideration should be given to demobilization of staff with underlying health issues.
- Checking and recording temperatures of workers and other people entering the site or requiring self-reporting prior to or on entering the site.
- Providing daily briefings to workers prior to commencing work, focusing on COVID-19 specific considerations including cough etiquette, hand hygiene and distancing measures, using demonstrations and participatory methods.
- During the daily briefings, reminding workers to self-monitor for possible symptoms (fever, cough) and to report to their supervisor or the COVID-19 focal point if they have symptoms or are feeling unwell.
- Preventing a worker from an affected area or who has been in contact with an infected person from returning to the site for 14 days or (if that is not possible) isolating such worker for 14 days.
- Preventing a sick worker from entering the site, referring them to local health facilities if necessary or requiring them to isolate at home for 14 days.

(c) GENERAL HYGIENE

Requirements on general hygiene should be communicated and monitored, to include:

- Training workers and staff on site on the signs and symptoms of COVID-19, how it is spread, how to protect themselves (including regular handwashing and social distancing) and what to do if they or other people have symptoms (for further information see WHO COVID-19 advice for the public).
- Placing posters and signs around the site, with images and text in local languages.
- Ensuring handwashing facilities supplied with soap, disposable paper towels and closed waste bins exist at key places throughout site, including at entrances/exits to work areas; where there is a toilet, canteen or food distribution, or provision of drinking water; in worker accommodation; at waste stations; at stores; and in common spaces. Where handwashing facilities do not exist or are not adequate, arrangements should be made to set them up. Alcohol based sanitizer (if available, 60-95% alcohol) can also be used.
- Review worker accommodations and assess them considering the requirements set out in IFC/EBRD guidance on Workers' Accommodation: processes and standards, which provides valuable guidance as to good practice for accommodation.
- Setting aside part of worker accommodation for precautionary self-quarantine as well as more formal isolation of staff who may be infected (see paragraph (f)).

(d) CLEANING AND WASTE DISPOSAL

Conduct regular and thorough cleaning of all site facilities, including offices, accommodation,

canteens, common spaces. Review cleaning protocols for key construction equipment (particularly if it is being operated by different workers). This should include:

- Providing cleaning staff with adequate cleaning equipment, materials and disinfectant.
- Review general cleaning systems, training cleaning staff on appropriate cleaning procedures and appropriate frequency in high use or high-risk areas.
- Where it is anticipated that cleaners will be required to clean areas that have been or are suspected to have been contaminated with COVID-19, providing them with appropriate PPE: gowns or aprons, gloves, eye protection (masks, goggles or face screens) and boots or closed work shoes. If appropriate PPE is not available, cleaners should be provided with best available alternatives.
- Training cleaners in proper hygiene (including handwashing) prior to, during and after conducting cleaning activities; how to safely use PPE (where required); in waste control (including for used PPE and cleaning materials).
- Any medical waste produced during the care of ill workers should be collected safely in designated containers or bags and treated and disposed of following relevant requirements (e.g., national, WHO). If open burning and incineration of medical wastes is necessary, this should be for as limited a duration as possible. Waste should be reduced and segregated, so that only the smallest amount of waste is incinerated (for further information see WHO interim guidance on water, sanitation and waste management for COVID-19).

(e) ADJUSTING WORK PRACTICES

Consider changes to work processes and timings to reduce or minimize contact between workers, recognizing that this is likely to impact the project schedule. Such measures could include:

- Decreasing the size of work teams.
- Limiting the number of workers on site at any one time.
- Changing to a 24-hour work rotation.
- Adapting or redesigning work processes for specific work activities and tasks to enable social distancing, and training workers on these processes.
- Continuing with the usual safety trainings, adding COVID-19 specific considerations. Training should include proper use of normal PPE. While as of the date of this note, general advice is that construction workers do not require COVID-19 specific PPE, this should be kept under review (for further information see WHO interim guidance on rational use of personal protective equipment (PPE) for COVID-19).
- Reviewing work methods to reduce use of construction PPE, in case supplies become scarce or the PPE is needed for medical workers or cleaners. This could include, e.g. trying to reduce the need for dust masks by checking that water sprinkling systems are in good working order and are maintained or reducing the speed limit for haul trucks.
- Arranging (where possible) for work breaks to be taken in outdoor areas within the site.
- Consider changing canteen layouts and phasing mealtimes to allow for social distancing and phasing access to and/or temporarily restricting access to leisure facilities that may exist on site, including gyms.
- At some point, it may be necessary to review the overall project schedule, to assess the extent to which it needs to be adjusted (or work stopped completely) to reflect prudent work practices, potential exposure of both workers and the community and availability of supplies, taking into account Government advice and instructions.

(f) PROJECT MEDICAL SERVICES

Consider whether existing project medical services are adequate, considering existing infrastructure (size of clinic/medical post, number of beds, isolation facilities), medical staff, equipment and supplies, procedures and training. Where these are not adequate, consider upgrading services where possible, including:

- Expanding medical infrastructure and preparing areas where patients can be isolated. Guidance on setting up isolation facilities is set out in WHO interim guidance on considerations for quarantine of individuals in the context of containment for COVID-19). Isolation facilities should be located away from worker accommodation and ongoing work activities. Where possible, workers should be provided with a single well-ventilated room (open windows and door). Where this is not possible, isolation facilities should allow at least 1 meter between workers in the same room, separating workers with curtains, if possible. Sick workers should limit their movements, avoiding common areas and facilities and not be allowed visitors until they have been clear of symptoms for 14 days. If they need to use common areas and facilities (e.g. kitchens or canteens), they should only do so when unaffected workers are not present and the area/facilities should be cleaned prior to and after such use.
- Training medical staff, which should include current WHO advice on COVID-19 and recommendations on the specifics of COVID-19. Where COVID-19 infection is suspected, medical providers on site should follow WHO interim guidance on infection prevention and control during health care when novel coronavirus (nCoV) infection is suspected.
- Training medical staff in testing, if testing is available.
- Assessing the current stock of equipment, supplies and medicines on site, and obtaining additional stock, where required and possible. This could include medical PPE, such as gowns, aprons, medical masks, gloves, and eye protection. Refer to WHO guidance as to what is advised (for further information see WHO interim guidance on rational use of personal protective equipment (PPE) for COVID-19).
- If PPE items are unavailable due to world-wide shortages, medical staff on the project should agree on alternatives and try to procure them. Alternatives that may commonly be found on construction sites include dust masks, construction gloves and eye goggles. While these items are not recommended, they should be used as a last resort if no medical PPE is available.
- Ventilators will not normally be available on work sites, and in any event, intubation should only be conducted by experienced medical staff. If a worker is extremely ill and unable to breathe properly on his or her own, they should be referred immediately to the local hospital (see (g) below).
- Review existing methods for dealing with medical waste, including systems for storage and disposal (for further information see WHO interim guidance on water, sanitation and waste management for COVID-19, and WHO guidance on safe management of wastes from health-care activities).

(g) LOCAL MEDICAL AND OTHER SERVICES

Given the limited scope of project medical services, the project may need to refer sick workers to local medical services. Preparation for this includes:

- Obtaining information as to the resources and capacity of local medical services (e.g. number of beds, availability of trained staff and essential supplies).

- Conducting preliminary discussions with specific medical facilities, to agree what should be done in the event of ill workers needing to be referred.
- Considering ways in which the project may be able to support local medical services in preparing for members of the community becoming ill, recognizing that the elderly or those with pre-existing medical conditions require additional support to access appropriate treatment if they become ill.
- Clarifying the way in which an ill worker will be transported to the medical facility and checking availability of such transportation.
- Establishing an agreed protocol for communications with local emergency/medical services.
- Agreeing with the local medical services/specific medical facilities the scope of services to be provided, the procedure for in-take of patients and (where relevant) any costs or payments that may be involved.
- A procedure should also be prepared so that project management knows what to do in the unfortunate event that a worker ill with COVID-19 dies. While normal project procedures will continue to apply, COVID-19 may raise other issues because of the infectious nature of the disease. The project should liaise with the relevant local authorities to coordinate what should be done, including any reporting or other requirements under national law.

(h) INSTANCES OR SPREAD OF THE VIRUS

WHO provides detailed advice on what should be done to treat a person who becomes sick or displays symptoms that could be associated with the COVID-19 virus (for further information see WHO interim guidance on infection prevention and control during health care when novel coronavirus (nCoV) infection is suspected). The project should set out risk-based procedures to be followed, with differentiated approaches based on case severity (mild, moderate, severe, critical) and risk factors (such as age, hypertension, diabetes) (for further information see WHO interim guidance on operational considerations for case management of COVID-19 in health facility and community). These may include the following:

- If a worker has symptoms of COVID-19 (e.g. fever, dry cough, fatigue) the worker should be removed immediately from work activities and isolated on site.
- If testing is available on site, the worker should be tested on site. If a test is not available at site, the worker should be transported to the local health facilities to be tested (if testing is available).
- If the test is positive for COVID-19 or no testing is available, the worker should continue to be isolated. This will either be at the work site or at home. If at home, the worker should be transported to their home in transportation provided by the project.
- Extensive cleaning procedures with high-alcohol content disinfectant should be undertaken in the area where the worker was present, prior to any further work being undertaken in that area. Tools used by the worker should be cleaned using disinfectant and PPE disposed of.
- Co-workers (i.e. workers with whom the sick worker was in close contact) should be required to stop work, and be required to quarantine themselves for 14 days, even if they have no symptoms.
- Family and other close contacts of the worker should be required to quarantine themselves for 14 days, even if they have no symptoms.
- If a case of COVID-19 is confirmed in a worker on the site, visitors should be restricted from entering the site and worker groups should be isolated from each other as much as possible.

- If workers live at home and has a family member who has a confirmed or suspected case of COVID-19, the worker should quarantine themselves and not be allowed on the project site for 14 days, even if they have no symptoms.
- Workers should continue to be paid throughout periods of illness, isolation or quarantine, or if they are required to stop work, in accordance with national law.
- Medical care (whether on site or in a local hospital or clinic) required by a worker should be paid for by the employer.

(i) CONTINUITY OF SUPPLIES AND PROJECT ACTIVITIES

Where COVID-19 occurs, either in the project site or the community, access to the project site may be restricted, and movement of supplies may be affected.

- Identify back-up individuals, in case key people within the project management team (PIU, Supervising Engineer, Contractor, sub-contractors) become ill, and communicate who these are so that people are aware of the arrangements that have been put in place.
- Document procedures, so that people know what they are, and are not reliant on one person's knowledge.
- Understand the supply chain for necessary supplies of energy, water, food, medical supplies and cleaning equipment, consider how it could be impacted, and what alternatives are available. Early pro-active review of international, regional and national supply chains, especially for those supplies that are critical for the project, is important (e.g. fuel, food, medical, cleaning and other essential supplies). Planning for a 1-2 month interruption of critical goods may be appropriate for projects in more remote areas.
- Place orders for/procure critical supplies. If not available, consider alternatives (where feasible).
- Consider existing security arrangements, and whether these will be adequate in the event of interruption to normal project operations.
- Consider at what point it may become necessary for the project to significantly reduce activities or to stop work completely, and what should be done to prepare for this, and to re-start work when it becomes possible or feasible.

(j) TRAINING AND COMMUNICATION WITH WORKERS

Workers need to be provided with regular opportunities to understand their situation, and how they can best protect themselves, their families and the community. They should be made aware of the procedures that have been put in place by the project, and their own responsibilities in implementing them.

- It is important to be aware that in communities close to the site and amongst workers without access to project management, social media is likely to be a major source of information. This raises the importance of regular information and engagement with workers (e.g. through training, town halls, tool boxes) that emphasizes what management is doing to deal with the risks of COVID-19. Allaying fear is an important aspect of work force peace of mind and business continuity. Workers should be given an opportunity to ask questions, express their concerns, and make suggestions.
- Training of workers should be conducted regularly, as discussed in the sections above, providing workers with a clear understanding of how they are expected to behave and carry out their work duties.
- Training should address issues of discrimination or prejudice if a worker becomes ill and provide an understanding of the trajectory of the virus, where workers return to work.

- Training should cover all issues that would normally be required on the work site, including use of safety procedures, use of construction PPE, occupational health and safety issues, and code of conduct, taking into account that work practices may have been adjusted.
- Communications should be clear, based on fact and designed to be easily understood by workers, for example by displaying posters on handwashing and social distancing, and what to do if a worker displays symptoms.

(k) COMMUNICATION AND CONTACT WITH THE COMMUNITY

Relations with the community should be carefully managed, with a focus on measures that are being implemented to safeguard both workers and the community. The community may be concerned about the presence of non-local workers, or the risks posed to the community by local workers presence on the project site. The project should set out risk-based procedures to be followed, which may reflect WHO guidance (for further information see WHO Risk Communication and Community Engagement (RCCE) Action Plan Guidance COVID-19 Preparedness and Response). The following good practice should be considered:

- Communications should be clear, regular, based on fact and designed to be easily understood by community members.
- Communications should utilize available means. In most cases, face-to-face meetings with the community or community representatives will not be possible. Other forms of communication should be used; posters, pamphlets, radio, text message, electronic meetings. The means used should take into account the ability of different members of the community to access them, to make sure that communication reaches these groups.
- The community should be made aware of procedures put in place at site to address issues related to COVID-19. This should include all measures being implemented to limit or prohibit contact between workers and the community. These need to be communicated clearly, as some measures will have financial implications for the community (e.g. if workers are paying for lodging or using local facilities). The community should be made aware of the procedure for entry/exit to the site, the training being given to workers and the procedure that will be followed by the project if a worker becomes sick.
- If project representatives, contractors or workers are interacting with the community, they should practice social distancing and follow other COVID-19 guidance issued by relevant authorities, both national and international (e.g. WHO).

6. EMERGENCY POWERS AND LEGISLATION

Many Borrowers are enacting emergency legislation. The scope of such legislation, and the way it interacts with other legal requirements, will vary from country to country. Such legislation can cover a range of issues, for example:

- Declaring a public health emergency
- Authorizing the use of police or military in certain activities (e.g. enforcing curfews or restrictions on movement)
- Ordering certain categories of employees to work longer hours, not to take holiday or not to leave their job (e.g. health workers)
- Ordering non-essential workers to stay at home, for reduced pay or compulsory holiday

Except in exceptional circumstances (after referral to the World Bank's Operations Environmental and Social Review Committee (OESRC)), projects will need to follow

emergency legislation to the extent that these are mandatory or advisable. It is important that the Borrower understands how mandatory requirements of the legislation will impact the project. Teams should require Borrowers (and in turn, Borrowers should request Contractors) to consider how the emergency legislation will impact the obligations of the Borrower set out in the legal agreement and the obligations set out in the construction contracts. Where the legislation requires a material departure from existing contractual obligations, this should be documented, setting out the relevant provisions.