



# WATER AND IRRIGATION SERVICES ENHANCEMENT PROJECT

## LABOR MANAGEMENT PROCEDURES



**LABOR MANAGEMENT PROCEDURES (LMP)**

*FOR THE*

**WATER AND IRRIGATION SERVICES ENHANCEMENT PROJECT (WISE –  
P508124)**

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**DRAFT (for consultations)**

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## ACRONYMS

AFD	Agence Française de Développement
C-ESMP	Contractor Environmental and Social Management Plan
EHS	Environmental Health and Safety Guideline
EMIB	Environmental and Mining Inspection Body
ES	Environmental and Social
ESI	Environmental and Social Instruments
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
ESIRT	Environment and Social Incident Response Toolkit
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standards
FGRM	Feedback and Grievance Redress Mechanism
FM	Financial Management
GoA	Government of Armenia
GRC	Grievance Redress Committee
H&S	Health and Safety
HLIB	Health and Labor Inspection Body
HMC	Hydrometeorology and Monitoring Center
HR	Human Resources
I&D	Irrigation and Drainage
IA	Implementation Agency
IBRD	International Bank for Reconstruction and Development
IEC	Information, Education and Communication
IFI	International Financial Institution
ILCS	Integrated Living Conditions Survey
ILO	International Labor Organization
IPF	Investment Project Financing
IPF-PBC	Investment Project Financing with Performance-Based Conditions
ISF	Irrigation Service Fee
IWAAC	National Irrigation Water Accounting and Adaptation Center
IWPC	Integrated Water and Planning Center
LMP	Labor Management Procedures
M&E	Monitoring and Evaluation
MoE	Ministry of Economy
MP	Monitoring Plan
MPA	Multi-phase Development Approach
MTAI	Ministry of Territorial Administration and Infrastructures
MTAI	Ministry of Territorial Administration and Infrastructure
NRW	Non-Revenue water
O&M	Operations and maintenance
OHS	Occupational Health and Safety
PBC	Performance-Based Conditions
PC	Public Consultation
PIT	Project Management Structure
PIT	Project Management Structure
PDO	Project Development Objective

PEA	Project Execution Agency
RA	Republic of Armenia
RPF	Resettlement Policy Framework
RWSS	Rural Water Supply and Sanitation Services
SCADA	Supervisory Control and Data Acquisition
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SEF	Stakeholder Engagement Framework
SEP	Stakeholder Engagement Plan
SNCO	State Non-Commercial Organization
WB	World Bank
WC	Water Committee
WSA	Water Supply Agency
WUA	Water User Association

## 1. PROJECT BACKGROUND

### 1.1 Project Activities and Components

The Project Development Objective (PDO) is to provide improved access to efficient and financially sustainable irrigation and rural WSS services in selected areas of Armenia. The project is part of a 10-year Multi-phase Development Approach (MPA) that aims to improve the delivery of irrigation and rural WSS services across Armenia. Phase 1 is designed to enhance climate-resilient irrigation and WSS services. It will equip six Water User Associations (WUAs) with modern irrigation systems and enhance irrigation service efficiency through upgrades to primary, secondary and tertiary networks in selected schemes to boost climate resilience towards drought, floods and extreme heat. Phase 1 will also improve access to sustainable WSS services by developing rural WSS investment plans and upgrading water supply infrastructure. It will also prepare feasibility studies, designs, and bidding documents for Phase 2 investments. Further, Phase 1 will also include Performance-based Conditions (PBCs) to support policy, legal and institutional reforms as well as a learning program that documents insights to guide implementation through research, data analysis and policy development. The project implementation period of Phase 1 will be six years.

Phase 1 of the project includes four components, including one component with PBCs, as follows:

- a. **Component 1. Water Sector Reform and Institutional Strengthening** supports MTAI and the Water Committee (WC) in key priority areas, including the development of national strategies for water, irrigation, and rural drinking water and sanitation; revision of irrigation tariffs based on land use and water consumption; establishment of an Asset Maintenance Fund and Plan for modernized irrigation schemes; creation of Rural Water Supply and Sanitation (RWSS) units with defined agreements, performance indicators, and monitoring systems; and the launch of a National Irrigation Water Accounting and Adaptation Center (IWAAC) to enhance water management and adaptation efforts.) with PBCs. This component will also include two PBCs that seek to support institutional capacity building within MTAI, WC and WUAs.
- b. **Component 2. Rural Water Supply and Sanitation Enhancement** will focus on providing improved access to efficient and financially sustainable rural WSS services in selected areas of Armenia. This includes a combination of institutional strengthening, capacity building as well as regulatory reforms and feasibility studies and infrastructure assessments. This subcomponent will support feasibility studies and detailed engineering designs for high-priority Water Supply and Sanitation (WSS) investments to enhance resilience against climate-induced droughts, floods, and extreme heat under both phases of the MPA. Based on an agreed investment plan with the Government of Armenia (GoA), it will implement ‘no-regret’ infrastructure and service improvements in the most critical unserved settlements, considering technical, economic, socio-political, and institutional factors.
- c. **Component 3. Modernizing Irrigation Infrastructure & System Management** will finance rehabilitation and modernization of selected irrigation systems at main, secondary, and tertiary canal levels currently managed jointly by WSA at the large main canal and reservoirs level and by WUAs at the secondary and tertiary distributary level. The total command area of the irrigation systems under consideration is about 39,580 ha which will be selected based on hydrological, technical, economic, and agricultural parameters, under a Framework Approach<sup>1</sup>. Similarly, for Phase 2 a total of additional 4 irrigation schemes were short-listed for consideration under this phase.
- d. **Component 4: Project Management.** An interim WISE Project Implementation Team (PIT) will be housed within the Water Committee and will assume primary responsibility for project implementation, including implementation of civil works and related procurement and financial management (FM), compliance with agreed environmental and social management measures, and project monitoring and evaluation (M&E). This component will finance staff costs; coordination of the project-financed activities with other ongoing International Financial Institution (IFI) projects in the water sector; design, implementation, and reporting

of baseline and project completion surveys; and the preparation of assessment studies (e.g., pre-feasibility and feasibility studies), detailed engineering designs, and construction supervision. The component will also include capacity building support for the PIT, including citizen engagement training skills for the staff of the PIT.

## 1.2 Implementing Agencies

Overall responsibilities for the project implementation will be located within the Ministry of Territorial Administration and Infrastructures (MTAI) and the Water Committee (WC). Day-to-day implementation will be supported by the Project Implementation Team (PIT) within the WC. Implementation of Components 1 - 3 will be conducted through the MTAI. A project Steering Council will be established at the level of the Deputy Prime Minister's (DPM) office to oversee and monitor the overall progress of the project. The project director will likely report directly to the Steering Council. The development of the National Water Strategy, the National Irrigation Strategy, and the National WSS Strategy will be carried out under the leadership of the DPM's Deputy Prime Minister's office and executed by the MTAI's and the WC with close involvement of all stakeholders engaged in the water sector in Armenia, as well as other entities involved in water sector development.

The PIT will be responsible for identifying subproject interventions for each component, developing bidding documents, procuring consultancy services and subproject designs. The PIT will ensure labor management procedures are integrated into the bidding documents/ works contracts. Additionally, it will manage the procurement of civil works and ensure technical supervision.

## 2. OBJECTIVE AND SCOPE

A Labor Management Procedure (LMP) has been prepared to establish an approach and set out requirements in which project workers will be managed in accordance with the national law and the World Bank Environmental and Social Standards (ESSs), in particular ESS2 on Labor and Working Conditions. These include procedures relating to working conditions and terms of employment, nondiscrimination and equal opportunity, grievance mechanisms and occupational health and safety. The LMP will set out roles and responsibilities on labor management, including monitoring, to promote consistent application of the national law and ESS2.

The LMP will be implemented throughout the project cycle as soon as the project is declared effective as further detailed in the project's Environmental and Social Commitment Plan (ESCP).

## 3. OVERVIEW OF LABOR USE ON THE PROJECT

**Types of project workers:** the project will involve two broad groups of activities, covering technical assistance and infrastructure investments. The project anticipates involvement of the following category of workers to deliver the proposed activities:

- a. **Direct workers.** These include government secondees, specialists and consultants, community facilitators and/or liaison officers directly hired by the implementing ministry and the PIT to run the project.
- b. **Contracted workers.** These include staff of consulting and service firms hired by the project on an output-based basis (i.e., design studies, provisions of training and facilitation), construction workers employed by civil work contractors. There may be sub-contractors whose workers will fall into the same category and fall under the responsibility of the hiring contractors.

Based on the experience acquired from the previous irrigation projects implemented in Armenia involvement of community workers providing voluntary contribution to the project is not anticipated.

The project could envisage primary supply workers since some project’s inputs may require primary supplies that need to be maintained on an on-going basis. These include provisions of project goods, and materials essential for the core functions of the project both during construction and Operations and Maintenance (O&M).

**Number of workers:** During project preparation, an estimated number of project workers was projected based on the required direct workers, including PIT staff for project implementation and supervision engineers. This estimate considered the potential scale of civil works, their geographical distribution, and engineering solutions. Human resource requirements for technical assistance activities will be further confirmed once the exact interventions are determined. The following table (Table 1) outlines the projected number of project workers for each activity group.

**Table 1: Project Workers**

Activity	Direct Workers	Contracted Workers
<b>Project Management (PIT)</b>		
<ul style="list-style-type: none"> <li><b>Project day-to-day management and supervision</b></li> </ul>	~30 including <sup>1</sup> - Program Manager - Deputy Program Manager - Financial Specialists (2) - Coordinators of Project Components (3) - Procurement Specialists (2) - Social Specialist/ESHS Group Coordinator - Environmental Specialist - OHS Specialist - Gender & Community Outreach Specialist - Lawyer/HR coordinator - M&E Specialist - IT specialist	
<b>Technical Assistance</b>		
<ul style="list-style-type: none"> <li><b>Design studies, including feasibility and detailed designs</b></li> </ul>	Design Engineers: - Hydro-technical Engineer (2) - WSS Engineer (2)	About 120 for all designs
<ul style="list-style-type: none"> <li><b>Policy and regulatory development</b></li> </ul>	-Institutional Specialist	5
<ul style="list-style-type: none"> <li><b>Capacity building, including Operations and Maintenance (O&amp;M) support</b></li> </ul>	- Specialist	5
<b>Infrastructure</b>		
<ul style="list-style-type: none"> <li><b>Rural water supply and sanitation</b></li> </ul>	2 Supervising Engineers	About 200 for all civil works
<ul style="list-style-type: none"> <li><b>Irrigation networks and auxiliary structure</b></li> </ul>	3 Supervising Engineers	About 200 for all civil works
<b>Support Staff</b>		
<ul style="list-style-type: none"> <li><b>Assistant</b></li> </ul>	1	

<sup>1</sup> The presented staffing of the PIT as direct workers (the PIT staff) is preliminary, it will be updated with the Project effectiveness.

• <b>Translator</b>	2	
• <b>Drivers</b>	2	
• <b>Cleaner</b>	1	

**Characteristics of Project Workers:** all workers are required to be at least 18 years of age. An age verification mechanism will be established as part of the hiring process.

There may be some migrant workers (either domestic or international) that will be employed under the project both as skilled and unskilled workers. Their nature of employment and number will be confirmed during implementation.

The RoA Labor Code is applicable to all individuals working in the country, including foreigners. However, the Code is not applicable to foreigners employed by a foreign entity abroad but operating in Armenia. The entire applicable provisions of the LMP will be applied to foreign workers employed by a foreign entity.

The project will promote employment of vulnerable groups: women, refugees, heads of low-income households, etc. The involvement of vulnerable groups in the Project will include:

- Identification of vulnerable groups with the help of the liaison officers hired in each of the affected marzes;
- Meaningful consultation for vulnerable groups to acquire information about the project and receive answers to all of their concerns and inquiries;
- Dissemination of leaflets in the target communities, among the vulnerable groups providing information about opportunities for temporary employment;
- Recommendation to the Contractors to hire representatives of vulnerable groups, in particular women and provide statistics on the number of involvements during implementation of civil works.

**Timing of Labor Requirements:** Key personnel hired under the PIT are expected to remain engaged throughout the project's duration. Other categories of workers, including contracted workers, will be mobilized for specific activities at the sub-project level. Civil works may experience seasonal pauses, particularly during the winter months in regions such as Shirak and Aragatsotn Marzes, where construction activities may be challenging from November 10 to March 20 or even longer. This applies to civil works carried out under Components 2 and 3. Meanwhile, activities under Component 1, such as institutional strengthening and capacity building, will continue year-round.

Based on the previous operations in Armenia, construction periods of similar scale and complexity may take up to 1.5 – 2 years including operations cease during the irrigation period as well as cold winter period. The contractors will be recommended to sign labor contracts with the workers especially those that will be employed for a longer period and to provide them with employment opportunities at other work sites during cease periods if possible. A strong recommendation will be made to the contractors during contract negotiations.

Work activities may be suspended during the colder months (from November 10 to March 20, or potentially longer) due to temperature-dependent requirements for certain civil works, which must be carried out at temperatures above +5°C.

During the winter season, the number of seasonal or casual workers will be significantly reduced, as the scope of interventions feasible in cold weather is limited.

According to Article 152 of the RA Labor Code, workers engaged in outdoor civil works are entitled to additional breaks if temperatures drop below -10°C or exceed +40°C. Furthermore, Article 100 of the RA Labor Code provides for the signing of seasonal contracts for work that cannot be performed year-round due to climatic conditions. Such contracts are limited to a maximum duration of eight months. The list of seasonal work types is defined by RA Government Decree #1480-N (dated August 25, 2005) and includes activities such as road construction and asphalt laying, infrastructure improvement (including underground cable installation), engineering explorations, drilling, and topography, among others.

The RA Labor Code does not provide for day-pay casual contracts. Instead, temporary contracts can be signed for up to two months, with payments made on a daily basis by mutual agreement. However, construction contractors

often engage so-called "daily paid" casual workers for non-specialized tasks without officially registering them, leading to frequent violations of their labor rights.

Additionally, some workers may be engaged on an intermittent basis to provide expert advice and supervision.

#### 4. ASSESSMENT OF KEY POTENTIAL LABOR RISKS

**Inherent risks:** The implementation of civil works under the Components 2 and 3 may be related to common labor risks, including OHS associated and/or heightened by several factors. Exposure to certain hazardous materials, physical hazards represent potential for accident or injury or illness due to repetitive exposure to mechanical action or work activity. Single exposure to physical hazards may result in a wide range of injuries, from minor and medical aid only, to disabling, catastrophic, and/or fatal. The risks are also related to working conditions: working in extremely hot or extremely cold weather; interaction with snakes in hot weather or wild animals provided the construction site is nearby forests.

The project will be implemented in rural areas in Armenia, according to the selected irrigation schemes the works will be implemented in Armavir, Aragatsotn, Kotayk, Shirak, Lori and Tavush Provinces (Marzes)

It is possible that in rare cases Contractors will hire children under 18 with low wages for non-qualified work. Removal and/or exposure to asbestos containing materials may also happen sometimes in the rural communities.

The above risks will be assessed as part of the feasibility studies and detailed designs as well as contractors' workplan, which should include their respective workforce plan. Mitigation measures will be incorporated as part of design development, including specifications and scheduling of works, siting, personnel qualifications, etc. which will need to be aligned with the contractors' workforce plans.

**Project-specific risks:** Labor risks associated with the project activities are assessed as moderate and can be mitigated through Good International Industry Practices (GIIPs) as established in the project's Environmental and Social Management Framework (ESMF). Common risks associated with the project activities are summarized as follows:

- a. **Rural water and sanitation:** While Occupational Health and Safety (OHS) risks are assessed to be low due to the scale and required engineering solutions which are not expected to be complex, OHS risks can be heightened due to the following factors:
  - Weak enforcement of OHS requirements and supervision by contractors and sub-contractors (i.e., use of Personal Protective Equipment (PPE), safe construction methods, etc.)
  - Poor housekeeping of construction materials and wastes (i.e., slips, trips and falls, electrocution, traffic accidents, etc.)
  - Exposure to hazardous materials associated with removals of existing pipelines and supporting infrastructure (i.e., ACMs, silica, etc).
  - Exposure to extreme weather conditions, particularly during peak summer and winter months.
  - Interaction with snakes in hot weather or wild animals provided the construction site is nearby forests.
  - Hiring local hands without registration which means they are deprived of all labor rights: paid vacation, paid sick leave, insurance, etc.
- b. **Irrigation network improvements:** rehabilitation and modernization of irrigation networks at main, secondary, and tertiary canals and their supporting infrastructure may involve medium-scale infrastructure with substantial labor requirements. Common labor risks, including OHS, are likely associated and/or heightened by the following factors:

- Use of heavy machinery i.e., site preparation, removal of old structures, transportation of construction materials, etc.
- Poor housekeeping, including storage (i.e., exposed steel rebars, piling of construction materials and construction wastes,
- Sub-standard construction practices (i.e., welding, electrical works, working at height, use of chemicals, etc.)
- Exposure to extreme weather conditions, particularly during peak summer and winter months.
- Interaction with snakes in hot weather or wild animals provided the construction site is nearby forests.
- Lack of traffic management, including dust controls.
- Limited qualifications to operate machineries and/or to perform specific works, fatigues.
- Exceeding permitted level of noise due to the use of machinery without proper technical examination.

**Risks for Direct workers:** It is expected that the labor risks associated with the direct workers will be low, given the fact that project implementing entities follow national labor legislation and the provisions of the national Labor Code. Moreover, the nature of the work and the working environments in which direct workers will operate do not pose a high risk of labor rights violations or significant OHS hazards.

**Risks for Contracted Workers:** The risks are associated and/or heightened by the following factors:

- poor housekeeping,
- demolition and removal of existing infrastructure
- installation of wires and cables, generators, transformers
- use of heavy equipment,
- exposure to noise and dust,
- exposure to physical hazards (falling objects,)
- exposure to hazardous materials (cement, fuels, paints, solvents, and particularly asbestos), and
- exposure to electrical hazards from the use of tools and machinery and from electrical works.

Common labor risks are associated with the Project activities of Components 2 and 3 which envisage rehabilitation of irrigation schemes and water supply and sanitation (WSS), provision of portable/clean water, upgrading of sewage systems.

**Rotating and Moving Equipment:** Injury or death can occur from being trapped, entangled, or struck by machinery parts due to unexpected starting of equipment or unobvious movement during operations.

**Noise:** No employee should be exposed to a noise level greater than 85 dB(A) for a duration of more than 8 hours per day without hearing protection. In addition, no unprotected ear should be exposed to a peak sound pressure level (instantaneous) of more than 140 dB(C).

**Vibration:** Exposure to hand-arm vibration from equipment such as hand and power tools, or whole-body vibrations from surfaces on which the worker stands or sits.

**Electrical:** Exposed or faulty electrical devices, such as circuit breakers, panels, cables, cords and hand tools, can pose a serious risk to workers. Overhead wires can be struck by metal devices, such as poles or ladders, and by vehicles with metal booms. Vehicles or grounded metal objects brought into close proximity with overhead wires can result in arcing between the wires and the object, without actual contact.

**Eye Hazards:** Solid particles from a wide variety of industrial operations, and / or a liquid chemical spray may strike a worker in the eye causing an eye injury or permanent blindness.

**Welding / Hot Work:** Welding creates an extremely bright and intense light that may seriously injure a worker’s eyesight. In extreme cases, blindness may result. Additionally, welding may produce noxious fumes to which prolonged exposure can cause serious chronic diseases.

**Industrial Vehicle Driving and Site Traffic:** Poorly trained or inexperienced industrial vehicle drivers have increased risk of accident with other vehicles, pedestrians, and equipment. Industrial vehicles and delivery vehicles, as well as private vehicles on-site, also represent potential collision scenarios.

**Working Environment Temperature:** Exposure to hot or cold working conditions in indoor or outdoor environments can result in temperature stress-related injury or death.

**Ergonomics, Repetitive Motion, Manual Handling:** Injuries due to ergonomic factors, such as repetitive motion, overexertion, and manual handling, take prolonged and repeated exposures to develop, and typically require periods of weeks to months for recovery.

**Air Quality:** Poor air quality due to the release of contaminants into the work place can result in possible respiratory irritation, discomfort, or illness to workers.

**Fire and Explosions:** Fires and or explosions resulting from ignition of flammable materials or gases can lead to loss of property as well as possible injury or fatalities to project workers.

**Asbestos Containing Materials (ACM):** The use of asbestos containing materials (ACM) should be avoided in new buildings or as a new material in remodeling or renovation activities.

**Table 2. Labor Risks and Recommendations for Avoidance**

<b>Labor Risk</b>	<b>Project Activity</b>	<b>Recommendation for avoidance</b>
<b>Rotating and Moving Equipment</b>	Civil works under Components 2 and 3	Turning off, disconnecting, isolating, and de-energizing (Locked Out and Tagged Out) machinery with exposed or guarded moving parts.
<b>Noise</b>	Demolition of infrastructures, use of prolonged use of noisy equipment, excavation	The use of hearing protection should be enforced actively when the equivalent sound level over 8 hours reaches 85 dB(A), the peak sound levels reach 140 dB(C), or the average maximum sound level reaches 110dB(A). Hearing protective devices provided should be capable of reducing sound levels at the ear to at least 85 dB(A).
<b>Vibration</b>	Civil works requiring use of hand and power tools.	It should be controlled through choice of equipment, installation of vibration dampening pads or devices, and limiting the duration of exposure.
<b>Electrical</b>	During all civil works requiring use of electrical devices; work with wires, cables	Marking all energized electrical devices and lines with warning signs: locking out (de-charging and leaving open with a controlled locking device) and tagging-out (warning sign placed on the lock) devices during service or maintenance, checking all electrical cords, cables, and hand power tools for frayed or exposed cords and following manufacturer recommendations for maximum permitted operating voltage of the portable hand tools, double insulating / grounding all electrical equipment used in environments that are, or may become, wet; using equipment, with ground fault interrupter (GFI) protected circuits, protecting power cords and extension

		cords against damage from traffic by shielding or suspending above traffic areas.
<b>Eye Hazards</b>	Civil works under Components 2 and 3	Use of machine guards or splash shields and/or face and eye protection devices, such as safety glasses with side shields, goggles, and/or a full-face shield. Specific Safe Operating Procedures (SOPs) may be required for use of sanding and grinding tools and/or when working around liquid chemicals.
<b>Welding/Hot work</b>	Works requiring welding	Provision of proper eye protection such as welder goggles and/or a full-face eye shield for all personnel involved in, or assisting, welding operations.
<b>Industrial Vehicle Driving and Site Traffic</b>	Transportation of materials, movement and exploitation of equipment	Industrial vehicle driving and site traffic safety practices include: training and licensing industrial vehicle operators in the safe operation of specialized vehicles such as forklifts, including safe loading/unloading, load limits, ensuring drivers undergo medical surveillance.
<b>Working Environment Temperature</b>	Civil works under Components 2 and 3, indoors and outdoors activities	Use of personal protective equipment (PPE) to protect against other occupational hazards can accentuate and aggravate heat-related illnesses. Extreme temperatures in permanent work environments should be avoided through implementation of engineering controls and ventilation. Where this is not possible, such as during short-term outdoor work, temperature-related stress management procedures should be implemented.
<b>Ergonomics, Repetitive Motion, Manual Handling</b>	Civil works under Components 2 and 3	These OHS problems should be minimized or eliminated to maintain a productive workplace.
<b>Air Quality</b>	Indoors rehabilitation activities	Employers should take appropriate measures to maintain air quality in the work area.
<b>Fire and Explosions</b>	Civil works under Components 2 and 3, indoors and outdoors activities	Prevention and control strategies include storing flammables away from ignition sources and oxidizing materials.
<b>Asbestos Containing Materials (ACM)</b>	Dismantling and demolition activities under Components 2 and 3	Existing facilities with ACM should develop an asbestos management plan which clearly identifies the locations where the ACM is present, its condition (e.g. whether it is in friable form with the potential to release fibers), procedures for monitoring its condition, procedures to access the locations where ACM is present to avoid damage, and training of staff who can potentially come into contact with the material to avoid damage and prevent exposure. The plan should be made available to all persons involved in operations and maintenance activities. Repair or removal and disposal of existing ACM in buildings should only be performed by specially trained personnel following host country requirements,

		or in their absence, internationally recognized procedures.
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As the construction activities will involve hazardous work, persons under the age of 18 will not be employed by the Project.

The Project risk of **Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH)** risk is assessed as moderate. The assessment is based on a review of national legislation and available information on SEA/SH aspects in the country.

In addition, based on the experience with construction projects in Armenia, the majority of workers’ complaints and violations of the Labor Code were associated with extended working hours, non-payments of wages, unsafe practices.

**Primary supply workers:** If during project implementation significant risks related to project suppliers are identified, in cases of complaints, the supervision company will be responsible for conducting due diligence on the primary supply workers (those providing key materials for construction, in particular raw materials), to ensure there is no forced and/or child labor (as per the Labor Code of Armenia). In conducting due diligence, the supervision company will:

- Inform the provider, that they will not engage a provider who has forced and/or child laborers;
- When possible, visit the company/factory, and conduct interviews with key personnel about their working conditions, as well as informal random interviews with workers.

## 5. BRIEF OVERVIEW OF LABOR LEGISLATIONS

Armenia’s Labor Code (2001) is generally aligned with international good practices and comprehensive with some gaps summarized in **Table 3**. Specific provisions where strengthening is warranted include protection of disadvantaged and vulnerable groups. These include foreign workers, women workers, workers at risk of sexual harassment, workers of differing sexual orientation.

At the institutional level, the main institutions with responsibility to enforce and supervise the Labor Code and other relevant regulations pertaining to labor include the Ministry of Labor and Social Affairs and the Health and Labor Inspection Body (HLIB) of the RA Government. However, recent reforms in the labor inspection services led to changes in their respective mandates and organizational capacity. Following merging of the labor and health inspection functions in 2013, labor inspectors do not have the mandate to conduct unannounced inspections. Since 2015, labor inspections have been restricted to cases where there are complaints on OHS violations. HLIB must inform employers of an upcoming inspection three business days in advance, thus limiting their capacity to detect all labor-related violations. Areas subject to inspections are also limited to a legally pre-determined checklist of issues which do not comprehensively cover issues related to non-discrimination, child and forced labor. As of 2022, HLIB employed 95 inspectors.

An assessment of specific areas relevant to the project is outlined as follows:

**Table 3: Regulatory Analysis on Labor and Working Conditions**

Areas of Concern	Provisions	Analysis	Additional Measures
<b>Working conditions and management of worker relationships</b>			
Terms and conditions of employment	Parties to the labor relationships shall enter a labor agreement, covering applicable terms and	Armenia’s Labor Code is aligned with ESS2	To ensure full protection of workers by the provisions of the Labor Code it is

	conditions of employment as specified below. The employer is obliged to properly inform the hired individuals about the working conditions, internal rules and regulations, and other conducts prior to employment. Community workers should be engaged according to the Law on Voluntary work (2023, June 14)	and international good practices.	recommended that employers sign employment (work) contract with the workers/employees instead of service contracts. This provision can be included in the contracts signed between the PIT and contractors.
Non-discrimination and equal opportunity	The Law on Equal Rights and Opportunities for Men and Women (2013) prohibit discrimination in employment and occupation based on gender.	The Labor Code does not explicitly require equal pay for equal work and does not include definitions of direct and indirect discriminations which are further governed in other laws.	Enforcement mechanisms to ensure compliance with equal pay and anti-discrimination for Project workers.
Working hours	40 hours per week. The Labor Code prohibits compulsory overtime more than four hours on two consecutive days and limits overtime to a total of 180 hours in a year.	Armenia’s Labor Code is aligned with international good practices.	
Wage	Minimum salary requirements are regulated under the Law on Minimal Monthly Salary (updated in 2022), covering basic salary and additional remuneration for the works performed. The salary shall also include hardship allowances for hazardous works (between 30 – 50 percent of the basic salary). Salary deductions or charges from the salary include the advance payment, overpayments due to calculation errors, unspent and untimely refunds of advance payments for business trips or transfers, and compensation for employer-related damages caused by the employee (salary deduction should not exceed fifty percent of the employee’s monthly salary).	Armenia’s Labor Code is aligned with international good practices.	
Overtime pay	For each hour of overtime, an additional payment off the top of the salary shall be provided, not less than 50 percent of the hourly rate and for each hour of night	Armenia’s Labor Code is aligned with the ESS2 and international good practices.	

	<p>work, not less than 30 percent of the hourly rate.</p> <p>Works performed on holidays shall be remunerated at least double the amount of hourly (daily) rate.</p>		
Rest periods	<p>The Labor Code includes provisions of two rest days for those who work five days a week and at least one day in a six-day week. Un-interrupted daily rest should not be less than 11 hours. Weekly rest should not be less than 35 hours. Extended rest periods may be provided under specific circumstances, such as extreme weathers and/or workplace hazards.</p>	<p>Armenia’s Labor Code is aligned with the ESS2 and international good practices.</p>	
Leave	<p>Paid annual days are stipulated to be at least 20 days for those working for five days a week and 24 days for those working six days a week. Maternity leave is at least 140 days and additional days are provided under specific circumstances (i.e., hard delivery, delivery of more than one child) . At the request of the mother (stepmother), father (stepfather), grandmother, grandfather, or other family relative (including the person appointed as the child's guardian), childcare leave is provided for the person who is actually taking care of the child until the child reaches three years of age.</p>	<p>Armenia’s Labor Code is aligned with the ESS2 and international good practices.</p>	
Insurance	<p>Although Armenia has ratified the core labor conventions of the International Labor Organization (ILO), the Labor Code does not contain provisions for compulsory health insurance as the country has not adopted compulsory health insurance system yet.</p>	<p>Armenia’s Labor Code has a gap with international good practices in regard with health insurance.</p>	<p>Enforcement mechanisms will be implemented to ensure compliance with insurance requirements, mandating that contractors and subcontractors provide health and accident insurance coverage for their worker. s.</p>
Collective bargaining	<p>Workers have the right to form and join independent unions and permit collective bargaining.</p>	<p>Armenia’s Labor Code is aligned with international good practices. Although the law does not</p>	<p>Foreign workers may raise their contractual disputes through workers’ GRM and they will receive legal</p>

		restrict foreign workers to form unions, they may not do so.	assistance and mediation to solve the disputes.
Termination of employment	Specific conditions for termination are governed by the Labor Code. Arbitrary termination by employers is prohibited.	While the Labor Code requires a notice on the employment termination and statutory payments to be paid to the employee on or before the date of termination, specific timelines are not fully stipulated for all grounds of termination.	Provide detailed guidelines for employers on how to handle termination procedures for different circumstances in their respective work contracts, reducing ambiguity.
<b>Protecting the Workforce</b>			
Minimum age	The minimum working age for the Project workers is 18.		
Child Labor	Persons under the age of 18 will not be employed by the Project.		
Forced Labor	Armenia has ratified the ILO Convention No. 291 on Forced or Compulsory Labor and ILO Convention No. 1052 on Abolition of Forced Labor. The Labor Code prohibits forced labor and compulsory labor and provides definitions of forced labor that are aligned with the ILO Convention on Forced Labor.	Armenia’s Labor Code is aligned with ESS 2 and international good practices.	While the risk of forced labor is expected to be minimal, the Project’s supervision of the LMP will include monitoring for any potential forced labor risks.
Protection to vulnerable groups		While the Labor Code is applicable to all citizens of Armenia and other individuals working in the country, including foreigners and stateless persons, the Code is not applicable to foreign workers entering an employment relationship with a foreign entity abroad but operating in Armenia. This gap is relevant if the project will involve foreign contractors employing workers from abroad.	The entire applicable provisions of the LMP will be applied to this category of foreign workers (who are being employed by a foreign entity). Worker GRM should be introduced to give a chance to the workers to raise their concerns and complaints related to their employment and receive support in solving them. The GRM for direct and contract workers will be used to address complaints from workplace concerns. Worker GRM will be sensitized for receiving and

			addressing grievances related to SEA/SH.
Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH)	Prohibition of conducts that constitute SEA/SH at the workplace is stipulated in the Law on Equal Rights and Opportunities for Men and Women and the revised Labor Code (introduced in May 2023). The Labor Code recognizes SEA/SH as a gross violation of labor disciplines which warrants disciplinary sanctions. Survivors of SEA/SH at the workplace are granted annual leave at their request, regardless of the period of employment.	The existing legal framework does not incorporate quid pro quo elements at the workplace. Further, the Criminal Code (2021) does not criminalize sexual harassment as a punishable act.  The Labor Code does not offer additional mechanisms for the protection of survivors.	The GRM for direct and contract workers will be Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) (SEA/SH) sensitive. The objective of deployment of these measures is SEA/SH prevention and response to complaints.  The measures apply to procurement of Works in Projects assessed as high-risk for SEA/SH.  The new measures hold Contractors and Sub-contractors accountable for implementing the SEA/SH prevention and response obligations in their contracts.
<b>Occupational Health and Safety</b>			
Safe work practices	The Labor Code in general includes OHS provisions in line with the ESS2, including among others: safe and healthy work environments, OHS risk assessments and plans, provisions of safety training and PPEs, sanitary and rest facilities. The Criminal Codes stipulates penalties for violations of OHS laws and regulations. Employers are responsible to establish procedures for monitoring compliance with OHS requirements, including internal approvals, recruitment of safety experts, appoint OHS committees, and provisions of information to workers on OHS risks.	While in general OHS aspects are covered, in practice, only workers with legal employment contracts are protected. Further, the Labor Codes does not explicitly prohibit retaliation against workers reporting unsafe work practices nor provide provisions to enable workers to leave unsafe work situations. The Labor Code does not include explicit requirements on provisions of first aid kits in workplaces, separate washrooms for men and women, and maintenance of training records.	The identified gaps are addressed as part of policy and procedures of the LMP. This includes provisions of i) confidential workers' grievance redress mechanism; ii) suspension of works where unsafe practices are reported and/or observed; iii) provisions of PPE including first aid kits at all times; iv) separate facilities for men and women where applicable, such as washrooms, sleeping areas, etc.  The PIT is recommended to hire an OHS specialist at the stage of preparation of bidding documents for development of H&S section in Terms of Reference (TOR).
Accidents and Incidents	The Labor Code includes provisions for reporting accidents	An official investigation is conducted to find out	The Bank should be promptly notified of any incident or accident related

	<p>and incidents to the employer and the police.</p>	<p>the causes of occupational diseases and accidents at the work place. Occupational diseases and accidents are subject to mandatory registration by the employer. This refers to officially registered personnel.</p>	<p>to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers including without limitation any allegations of gender-based violence and/or sexual exploitation, abuse and harassment (GBV/SEAH), project-related occupational accidents or fatalities, or labor strikes and social unrest; indicating immediate measures taken or that are planned to be taken to address it. The Bank should be notified within 48 hours after learning of the incident or accident in line with the World Bank Environment and Social Incidence Response Toolkit (ESIRT). An incident report would be provided within a timeframe acceptable to the Bank in line with the project’s ESCP.</p>
<p><b>Grievance Redress Mechanism</b></p>			
<p>Complaint Handling and Labor Disputes</p>	<p>Workers can pursue remedy through various judicial mechanisms if they believe that their rights are violated. Labor disputes are subject to court resolution according to the Code of Civil Procedure. Labor disputes may also be resolved through a collective agreement and/or arbitration. Civil servants may pursue resolution through the Ethics Committee under the Administrative Court as specified in the Law of Civil Servants.</p>	<p>The Labor Codes does not provide grievance resolution at the employer level nor provisions to maintain confidentiality and protection to complainants against retaliation.</p>	<p>The workers will be informed of the grievance mechanism at the time of recruitment and the measures put in place to protect them against any reprisal for its use. The project will establish a step-by-step GRM procedure for the Project workers consistent with the ESS2 before the Project Effectiveness and describe them in the Project Operations Manual (POM). Grievance procedures should be tailored to meet the needs of the project, culture and workforce composition. The</p>

		<p>Grievance procedures may be included in collective agreements. The GM will be accessible to all employees through various means (written, telephone, fax, social media etc.).</p>
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## 6. RESPONSIBLE STAFF

The LMP serves as a guidance for the management of labor risks across the project’s components. Sub-project instruments under Components 2 and 3, such as site-specific Environmental and Social Management Plans (ESMPs), Contractor Environmental and Social Management Plans (C-ESMPs), codes of conduct, Human Resource (HR) guideline, etc. shall refer to the provisions of the LMP.

At the project level, the PIT will assume the overall responsibility to ensure integration of the LMP provisions into appropriate tools and/or instruments and that they are adequately implemented. This includes ensuring project’s hiring practices are in line with the policy and procedures set forth in the LMP and that third-party providers, including civil work contractors, are fully compliant with the LMP requirements throughout execution of works. The Program Manager is accountable for the overall implementation of the LMP.

As the implementation of the WISE Project will be carried out by the PIT, it will also undertake full responsibility for institutional arrangements, for the implementation and monitoring of the LMP. The PIT will identify sub-project interventions under each component: will procure consultants and contractors, prepare subproject designs and bidding documents, as well as procuring contractors for civil works and technical supervision. The PIT will be responsible for contractor and site supervision, technical quality assurance, certification, and payment of works. The PIT will ensure labor management procedures are integrated into the procurement of contracts / bidding processes. The PIT will be responsible for conducting or assisting the consultants with the E&S screening process where necessary and approving screening results and subsequent Environmental and Social Management Plans (ESMPs), and to monitor and supervise the implementation of all E&S risk mitigation measures, including those laid out in the LMP. The monitoring and supervision of the implementation of the LMP will rest with the Social Specialist in the PIT.

The Social Specialist will analyze labor-related risks related to the project and will oversee the implementation of the LMP. The overall responsibility for the implementation of all E&S instruments lies with the Project Coordinator and the Program Manager.

On procurement for contractors, the PIT will avail the E&S instruments including LMP to the bidders so that contractors include the budgetary requirements for OHS and community health and safety measures in their respective bids. The contractor will develop and maintain an OHS management system that is consistent with the scope of work, duration of contract and IFC/WB General Environmental Health and Safety Guidelines (EHSGs) on Occupational Health and Safety. Contractor will adopt all E&S risk mitigation measures proposed for the subproject. Before submitting a bid for any contract, the contractor shall incorporate the requirements of the ESMF, including the LMP, and ensure all workers sign a Code and Conduct. Where appropriate, the PIT may withhold contractor’s payment until corrective action(s) is/are implemented on significant noncompliance of the LMP.

The PIT and contractors will apply the following guidelines when dealing with workers:

1. There will be **no discrimination** with respect to any aspects of the employment relationship, such as:
  - Recruitment and hiring;
  - Compensation (including wages and benefits);
  - Working conditions and terms of employment;

- Disciplinary practices.
- 2. **Harassment, intimidation and/or exploitation** will be prevented or addressed appropriately
  - Special measures of protection and assistance to remedy discrimination or selection for a particular job will not be deemed as discrimination.
  - Vulnerable project workers will be provided with special protection.
- 3. **Grievance Redress Mechanism** for all Workers:
  - All workers will apply the Project GRM to register any work-related grievances;
  - Workers are encouraged to solve matters with their respective employer where possible. However, all types of workers can apply the Project GRM at any time, where grievances can be filed directly with the PIT (in cases where they concern the contractor).

The following diagrams illustrates the institutional arrangement of the LMP across implementation levels and implementation arrangements of LMP:

Figure 1: Institutional Arrangement of LMP

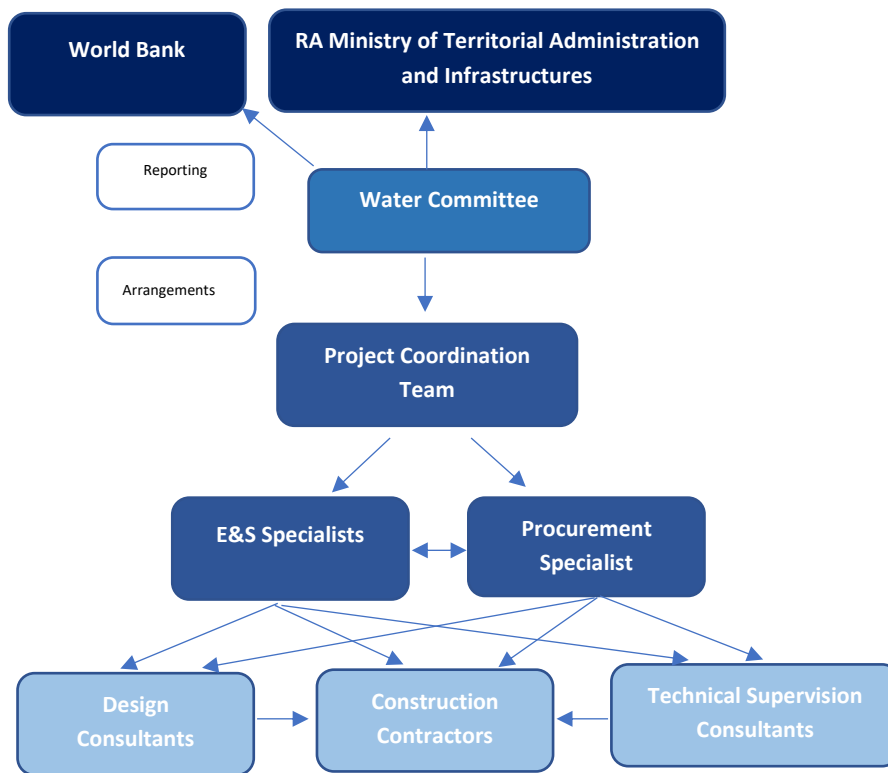
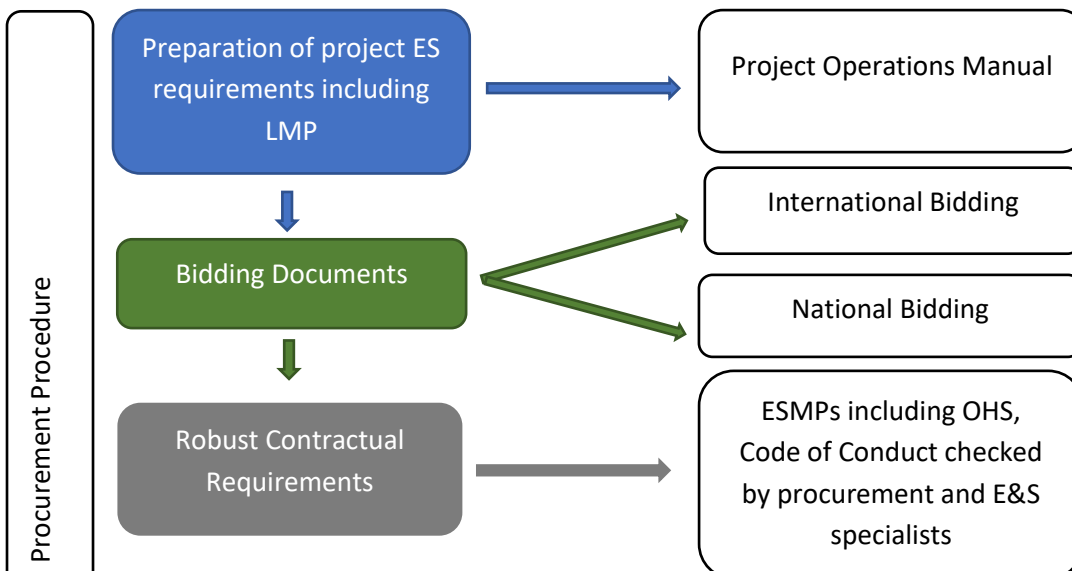
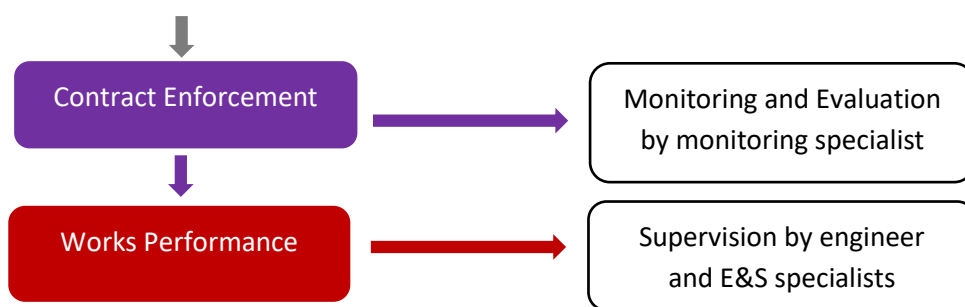


Figure 2. LMP Implementation Arrangement





Based on the institutional arrangement above, specific roles and responsibilities are summarized as follows:

**Table 4: Roles and Responsibilities under the LMP**

PICs	Roles and Responsibilities	Project Phases
<b>Project level</b>		
Program Manager	Examples: <ul style="list-style-type: none"> <li>• Ensure adoption of the LMP across components and their consistent implementation throughout the project.</li> <li>• Enforce disciplinary actions in the event of violations and/or lead investigations with relevant agencies for any allegations related to labor.</li> <li>• Coordinate with relevant agencies and/or ministries responsible for the implementation of the Labor Code, Labor Inspection, Ombudsman, etc.</li> <li>• Other</li> </ul>	Throughout project implementation, as soon as project is declared effective
Environmental and Social team	Examples: <ul style="list-style-type: none"> <li>• Establish project-specific procedures, including toolkits, guidelines for the operationalization of the LMP.</li> <li>• Establish a coordination mechanism and monitoring process of the LMP implementation.</li> <li>• Conduct evaluation of the LMP implementation based on the results of the monitoring and if the results are below the expectations, then update/upgrade the procedures if required.</li> <li>• Ensure consistent application of workers’ codes of conduct. This includes sensitization during the on-boarding process, development of internal protocols for the codes of conduct</li> </ul>	
Monitoring and Evaluation Specialist	<ul style="list-style-type: none"> <li>• Monitoring of contracts enforcement by the contractors</li> </ul>	
Procurement Officer	<ul style="list-style-type: none"> <li>• Include LMP in bidding documents along with other safeguard documents</li> </ul>	
Technical Engineers	<ul style="list-style-type: none"> <li>• Will be enrolled in a training on LMP to oversee its implementation during civil works.</li> </ul>	
<b>Sub-project level</b>		
Contractor manager	<ul style="list-style-type: none"> <li>• Ensure LMP implementation in their company</li> </ul>	Construction Phase

Contractor ESHS officer	<ul style="list-style-type: none"> <li>• Introduce the LMP and GM to the contractor personnel.</li> <li>• Oversee the LMP implementation in the company.</li> </ul>	
Supervision engineers	<ul style="list-style-type: none"> <li>• Ensure LMP implementation in their company</li> </ul>	

## 7. POLICIES AND PROCEDURES

The project requires duly implementation of the Labor Code and other relevant regulations concerning labor management. Where there are gaps in the country system against the ESS2 and/or where specific areas are not regulated, the LMP establishes specific policies and procedures to ensure that applicable provisions in the ESS2 are fully addressed. Specific provisions required by the project include:

- a. Minimum Age
- b. Terms and Conditions
- c. OHS
- d. Addressing vulnerability
- e. Non-discrimination

The LMP prepared for the WISE Project will be attached to all contracts signed with different contractors: design preparation, civil works and technical supervision implementation. In addition, the Bidders will have to submit the ESHS policy of their companies and the implementation plan along with the Code of Conduct (Annex 1). The E&S specialists will conduct regular monitoring visits to the construction sites to oversee the compliance of operations to the ESHS requirements, the terms and conditions and general environment at worksites. The E&S specialist will also organize a workshop on labor management to discuss all the afore provisions: minimum age, terms and conditions, OHS, ensuring equal opportunities for everyone on board, grievance mechanism for workers which is SEA/SH sensitive, prioritizing recruitment of women and vulnerable people, ES and OHS nonconformities of the contractors to requirements and the remedies (not paying the contractor, requesting to change the ESHS personnel, etc.).

## 8. WORKERS GRIEVANCE MECHANISM

A grievance mechanism is a procedure that provides a clear and transparent framework for addressing grievances related to the recruitment process and in the workplace. This typically takes the form of an internal procedure for complaints, followed by consideration and management response and feedback.

A grievance mechanism (GM) will be provided for all direct workers and contracted workers to raise workplace concerns. Such workers will be informed of the grievance mechanism at the time of recruitment and the measures put in place to protect them against any reprisal for its use.

The project will establish a step-by-step GM procedure for the Project workers consistent with the ESS2 before the Project Effectiveness and describe them in the Project Operations Manual (POM).

Essentially, this GM is not the same as the grievance mechanism to be established for project affected stakeholders. The GM will not prevent workers to use judicial procedure. Grievance procedures should be tailored to meet the needs of the project, culture and workforce composition. The Grievance procedures may be included in collective agreements. A clause in a contractor-level collective agreement that establishes a mechanism for individual employees to bring an employment-related grievance, potentially through their trade union and/ or with trade union assistance, will be sufficient to meet ESS2.

The GM will be accessible to all employees through various means (written, telephone, fax, social media etc.). Foreign workers may raise their contractual disputes as well through workers' GM and they will receive legal assistance and mediation to solve the disputes. Grievance logbook will be maintained in PIT office. To mitigate the risks related to direct workers a GM for Direct Workers will be established.

### **GM structure for WISE**

**First level.** Project coordinator/Human Resources Unit of the PIT depending on nature of the issue raised will be responsible to receive, consider and address in a timely manner the grievances, including the concerns on unaccounted working hours and lack of compensation for overtime, delay in/non-payment of salaries. If the issue cannot be resolved at first level within 7 working days, then it will be escalated to the next level.

**Second level.** Program Manager/Deputy Chairman of WC is a second level GM for direct workers if there is a situation in which there is no response from the HR or if the response is not satisfactory then complainants and feedback providers have the option to appeal directly to the Program Manager/ Deputy Chairman of WC to follow up on the issue. The complaints should be considered and feedback provided within next 7 working days.

### **GM structure for contracted workers**

Contractors should develop their own GM and to resolve the grievances of contracted workers. Grievance Focal Point (GFP) assigned by the Contractor will file the grievances and appeals of contracted workers and will be responsible to facilitate addressing the grievances.

**First level:** Social specialist of the Contractor will serve as Grievance Focal Point (GFP) to file the grievances and appeals of the project workers. They will be responsible to coordinate with relevant departments/organization and persons to facilitate addressing these grievances. If the issue cannot be resolved at the PIT level within 7 working days, then it will be escalated to the MTAI level.

**Second level:** If there is a situation in which PIT is unable to support the complainant the grievance will be send to the focal person/HR coordinator at the MTAI.

The GM for direct and contract workers will be used to address complaints from workplace concerns and will be Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) (SEA/SH) sensitive. The objective of deployment of these measures is SEA/SH prevention and response to complaints.

These new measures create an incentive for Contractors and their Sub-contractors to strengthen their performance in preventing Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) (SEA/SH) and improving how they respond to SEA/SH incidents in the event that they occur. The measures apply to procurement of Works in Projects assessed as high-risk for SEA/SH.

The new measures hold Contractors and Sub-contractors accountable for implementing the SEA/SH prevention and response obligations in their contracts. If the Contractor/Sub- contractor does not comply with their SEA/SH prevention and response obligations, they are disqualified from being awarded a Bank-financed contract for a period of 2 years.

The GRM will have special procedures for responding to allegations of SEA/SH that are made against a project actor. However, for any complaint that is reported to the GRM (including complaints involving other forms of GBV that are not related to the project), the GRM will also have procedures in place to refer the individual to GBV service providers.

Guiding principles of effective GMs Key principles include the following:

#### A. Confidentiality and Anonymity:

- Have multiple channels through which complaints can be registered.
- Allow safe and confidential reporting: survivors should be able to report SEA/SH without being identified publicly.
- Protect information about the complainants.

- Log cases information in a complainant logbook and stored in a locked cabinet, documenting only limited anonymous information about the incident.

B. Survivor-Centricity and Safety

- Support the creation of a supportive, dignified, and protective environment for the SEA/SH survivor, and full respect of his/her rights, wishes and choices.
- Be based on the survivor’s informed consent, which needs to be guaranteed throughout the GM.
- Maintain confidentiality and anonymity as a fundamental way to guarantee survivors’ safety: survivor files should not be discussed with anyone.
- Prioritize the safety of the survivor at all times
- Provide feedback on the case to the survivor only and exercise strong caution before communicating any results beyond the survivor.

## 9. CONTRACTOR MANAGEMENT

Environmental and social specialists within the PIT shall collaborate closely with the project’s technical specialists and procurement officers and/or relevant department managing procurement processes to ensure that labor-related risks are assessed as part of the development of detailed designs, which will need to be reflected in the Terms of Reference (ToR) and contract clauses for works. Prior to bidding, relevant provisions in the LMP shall be integrated into the procurement documents, specifying work requirements and schedules, personnel qualifications, Environmental Social Health, and Safety (ESHS) risk management, hiring practices, etc.

Bidders shall demonstrate that their Management Strategies and Implementation Plans (MSIPs) or their equivalents are consistent with the LMP work requirements as specified in the bidding document. The MSIPs may include an organogram of project management, including ESHS key personnel, corporate codes of conduct, system, and procedures for maintaining and overseeing OHS on sites, etc. and will collectively form the

Construction Environmental and Social Management Plans (C-ESMPs). The C-ESMPs shall be reviewed and approved by the supervision engineers and PIT’s E&S Specialists.

Selection process for civil work contractors may also consider the following:

- Information in public records, for example, corporate registers and public documents relating to violations of applicable labor law, including reports from labor inspectorates and other enforcement bodies. This may include accident and fatality records and notifications to authorities.
- Business licenses, registrations, permits, and approvals.
- ESHS management plans from similar projects to demonstrate past performance.
- Worker payroll records, including hours worked and pay received,
- Copies of previous contracts with sub-contractors and suppliers, showing inclusion of provisions and terms reflecting ESS2.

Supervision engineers will monitor the performance of contractors and their sub-contractors in relation to contracted workers, focusing on compliance by contractors with their contractual agreements (obligations, representations, and warranties). This may include periodic audits, inspections, and/or spot checks of project locations or work sites and/or of labor management records and reports compiled by contractors. Contractors’ labor management records and reports may include: (a) a representative sample of employment contracts or arrangements between third parties and contracted workers; (b) records relating to grievances received and their

resolution; (c) reports relating to safety inspections, including fatalities and incidents and implementation of corrective actions; (d) records relating to incidents of non-compliance with national law; and (e) records of training provided for contracted workers to explain labor and working conditions and OHS for the project.

According to Article 260 of the RA Labor Code, an employee suffering from an accident at the workplace or while performing work duties, suffering from an acute occupational disease (if he/she is able), as well as the person who witnessed the accident or its consequences, are obliged to immediately report it to the head of the department, the employer, to the employer's health and safety service.

In case of death of an employee at the workplace, the employer is obliged to immediately inform the insurance company, the RA Police and the inspection body.

According to Article 261 of the RA Labor Code, an official investigation is conducted to find out the causes of occupational diseases and accidents at the work place. Occupational diseases and accidents are subject to mandatory registration by the employer. The procedure for registration and official examination of occupational diseases and accidents is defined by the Government of the Republic of Armenia (RA Government Decree #458, March 23, 2006).

The Bank should be promptly notified of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers including without limitation any allegations of gender-based violence and/or sexual exploitation, abuse and harassment (GBV/SEAH). Project-related occupational accidents or fatalities, or labor strikes and social unrest. Enough detail regarding the incident or accident should be provided indicating immediate measures taken or that are planned to be taken to address it, and any information provided by any contractor and supervising entity, as appropriate while ensuring confidentiality especially for GBV/SEAH related incidents. Subsequently, a report on the incident or accident will be prepared as per the Bank's request.

The Bank should be notified within 48 hours after learning of the incident or accident in line with the World Bank Environment and Social Incidence Response Toolkit (ESIRT). An incident report would be provided within a timeframe acceptable to the Bank, as requested.

## 10. PUBLIC CONSULTATIONS AND STAKEHOLDER ENGAGEMENT

On April 15, 2025, a public consultation (PC) meeting was held in Water Committee in accordance with the requirements of ESS10 as specified in the Program SEP. The invitation for participation was sent to national and regional level stakeholders including relevant government agencies and non-government institutions 8 days prior to meeting with the link to the draft environmental and social instruments (ESIs) for WISE project disclosed 10 days prior the meeting in Armenian and English languages on the WC website. The information about the PC meeting was also made public on the social media (WC FB page).

The objective of the PC meeting was to introduce the upcoming WB project to the stakeholders and to present the draft LMP along with the ESCP, SEP, RF and ESMF to receive feedback and hold discussions for each of the instrument.

The presentations covered key ES risks, proposed mitigation measures, stakeholders' identification, engagement activities and methods, resettlement risks and impacts entitlements and eligibilities of affected persons as well as labor related health and safety (H&S) risks and proposed measures to eliminate or minimize the risks, integration of ES documents in bidding packages, supervision and monitoring of the project operations and activities in compliance with WB ESSs and national laws.

During the PC meeting, the participants made a number of suggestions for the further implementation of the ES instruments and the measures contained therein. Among others there were recommendations from Health and Labor Inspection Body (HLIB) representative related to OHS and labor issues:

- involvement of OHS specialist in the PIT at the beginning of the design stage, which would be better (HLIB);
- Including a provision in the Construction contracts about signing working agreements with all workers instead of service contracts, which will secure all the benefits for the workers (HLIB);

Stakeholders were informed that their feedback will be reviewed and integrated into the final ES instruments where applicable. The Minutes of the PC meeting is presented in Annex 2.

Additional PC meetings will be held in target regions in accordance with the requirements of ESSs and the respective legislation for the RA as specified in the Program SEP.

## ANNEX 1: SAMPLE CODE OF CONDUCT

### CODE OF CONDUCT FOR CONTRACTOR'S PERSONNEL

We are the Contractor, [enter name of Contractor]. We have signed a contract with [enter name of Employer] for [enter description of the Works]. These Works will be carried out at [enter the Site and other locations where the Works will be carried out]. Our contract requires us to implement measures to address environmental and social risks related to the Works, including the risks of sexual exploitation and abuse and gender-based violence.

This Code of Conduct is part of our measures to deal with environmental and social risks related to the Works. It applies to all our staff, laborers and other employees at the Works Site or other places where the Works are being carried out. It also applies to the personnel of each subcontractor and any other personnel assisting us in the execution of the Works. All such persons are referred to as “**Contractor's Personnel**” and are subject to this Code of Conduct.

This Code of Conduct identifies the behavior that we require from all Contractor's Personnel.

Our workplace is an environment where unsafe, offensive, abusive or violent behavior will not be tolerated and where all persons should feel comfortable raising issues or concerns without fear of retaliation.

### REQUIRED CONDUCT

Contractor's Personnel shall:

1. carry out his/her duties competently and diligently.
2. comply with this Code of Conduct and all applicable laws, regulations and other requirements, including requirements to protect the health, safety and well-being of other Contractor's Personnel and any other person.
3. maintain a safe working environment including by:
  - a. ensuring that workplaces, machinery, equipment, and processes under each person's control are safe and without risk to health.
  - b. wearing required personal protective equipment.
  - c. using appropriate measures relating to chemical, physical and biological substances, and agents; and
  - d. following applicable emergency operating procedures.
4. report work situations that he/she believes are not safe or healthy and remove himself/herself from a work situation which he/she reasonably believes presents an imminent and serious danger to his/her life or health.
5. treat other people with respect, and not discriminate against specific groups such as women, people with disabilities, migrant workers, or children.
6. not engage in any form of harassment, including sexual harassment, abuse, and sexual exploitation, with other Contractor's or Employer's Personnel or any member of surrounding communities.
7. in World Bank financed projects/operations, sexual exploitation occurs when access to or benefit from Bank financed Goods, Works, Consulting or Non-consulting services is used to extract sexual gain.
8. complete relevant training courses that will be provided related to the environmental and social aspects of the Contract, including on health and safety matters, and sexual exploitation, abuse and harassment.
9. report violations of this Code of Conduct; and

10. not retaliate against any person who reports violations of this Code of Conduct, whether to us or the Employer, or who makes use of the [Project Grievance [Redress] Mechanism].

### RAISING CONCERNS

If any person observes behavior that he/she believes may represent a violation of this Code of Conduct, or that otherwise concerns him/her, he/she should raise the issue promptly. This can be done in either of the following ways:

1. Contact [enter name of the Contractor’s Social Expert with relevant experience in handling sexual exploitation and abuse/sexual harassment, or if such person is not required under the Contract, another individual designated by the Contractor to handle these matters] in writing at this address [ ] or by telephone at [ ] or in person at [ ]; or
2. Call [TBD] to reach the Contractor’s hotline (if any) and leave a message.

The person’s identity will be kept confidential, unless reporting of allegations is mandated by the country law. Anonymous complaints or allegations may also be submitted and will be given all due and appropriate consideration. We take seriously all reports of possible misconduct and will investigate and take appropriate action. We will provide warm referrals to service providers that may help support the person who experienced the alleged incident, as appropriate.

There will be no retaliation against any person who raises a concern in good faith about any behavior prohibited by this Code of Conduct. Such retaliation would be a violation of this Code of Conduct.

### CONSEQUENCES OF VIOLATING THE CODE OF CONDUCT

Any violation of this Code of Conduct by Contractor’s Personnel may result in serious consequences, up to and including termination and possible referral to legal authorities.

#### FOR CONTRACTOR’S PERSONNEL:

I have received a copy of this Code of Conduct written in a language that I comprehend. I understand that if I have any questions about this Code of Conduct, I can contact [enter name of Contractor’s contact person with relevant experience in handling gender-based violence] requesting an explanation.

Name of Contractor’s Personnel: [insert name]

Signature: \_\_\_\_\_

Date: (day month year): \_\_\_\_\_

Countersignature of authorized representative of the Contractor:

Signature: \_\_\_\_\_

Date: (day month year): \_\_\_\_\_

## ANNEX 2. MINUTES OF PUBLIC CONSULTATION MEETINGS

### Minutes of Public Consultation Meeting on Environmental and Social Instruments for Water and Irrigation Enhancement Project

**Date:** 15.04.2025

**Time:** 14:00, Yerevan time

**Venue:** Water Committee of the Ministry of Territorial Administration and Infrastructure of the Republic of Armenia, Yerevan, Vardanants 13

**Participants:** Deputy Chairmen of the Water Committee Mr. Martiros Nalbandyan and Mr. Davit Mkrtchyan, representatives of government agencies: ministries, inspection bodies, ATDF, target regional administrations, “Jrar” CJSC, Institute of Water Problems and Hydro-Engineering, WUAs and the “Aarhus” Center. Total number of participants was 30 (12 female and 18 male participants).

**Agenda:**

1. Welcome and Opening Remarks
2. Presentation of ES Instruments
3. Questions and Answers, Discussion, Stakeholder Feedback
4. Next Steps and Closing Remarks

**Objective:** Disclosure and discussion of the following environmental and social (ES) instruments developed within the framework of the “Water and Irrigation Services Improvement” (WISE) project:

- Environmental and Social Commitments Plan (ESCP)
- Stakeholder Engagement Plan (SEP)
- Environmental and Social Management Framework (ESMF)
- Resettlement Framework (RF)
- Labor Management Procedures (LMP).

#### 1. Welcome and Opening Remarks

The Acting Chairman of the Water Committee, Mr. Martiros Nalbandyan opened the public consultation meeting and welcomed the participants. He noted that the Project is aimed at institutional improvement of the water sector, modernization of irrigation systems, as well as improvement of water supply and sanitation services in rural areas.

#### 2. Presentation of ES Instruments

Mrs. Marina Vardanyan, social consultant of Water Committee and Mrs. Kristina Sahakyan, environmental consultant of Water Committee provided an overview of the ES instruments, including the ESCP that will be a part of the Loan Agreement, SEP, ESMF, RF and LMP. The presentations covered key ES risks, proposed mitigation measures, stakeholders identification, engagement activities and methods, resettlement risks and impacts entitlements and eligibilities of affected persons as well as labor related health and safety (H&S) risks and proposed measures to eliminate or minimize the risks, integration of ES documents in bidding packages, supervision and monitoring of the project operations and activities in compliance with World Bank (WB) ES Standards (ESSs) and national laws.

#### 3. Stakeholder Feedback and Discussion

Stakeholders were invited to share their comments, concerns, and recommendations. The following key points were raised:

**Questions & Answers:**

1	<p>Sewage is discharged into water bodies, which disrupts ecosystems. For example, in Armavir region, drinking water supply is carried out from deep wells, which affects the groundwater level, which can lead to serious problems.</p> <p>Is it possible to solve such issues within the framework of this project? (Ejmiatsin WUA)</p>	<p>Within the WSS component of the project, Armavir region has also been considered, but the final selection of specific areas and systems is still a matter of discussion. The issues raised are important but they will be further clarified in the future.</p>
2	<p>It is very important how the procedural issues of Project management will be regulated, whether it is planned to have a general irrigation plan country-wise, which is a rather large-scale and investment-intensive process? There are a number of sectoral issues related to the improvement of the technical condition of secondary and tertiary irrigation networks. Will separate meetings and discussions be held for each sector separately for stakeholders to have the opportunity to raise technical issues and submit proposals? (Jrar)</p>	<p>Such meetings will certainly be organized during which there will be an opportunity to hold productive discussions and exchange opinions.</p>
3	<p>Are additional reservoirs planned? If so, can they be considered in conjunction with the EU-funded reservoir construction project currently underway? (EIEC SNCO)</p>	<p>Component 3 of the Project is related to main canals, secondary and tertiary irrigation networks and as such does not envisage the construction of large reservoirs. The Project envisages the construction of daily regulating reservoirs, which are small basins and cannot have large-scale impacts.</p>
4	<p>Is it known how many sub-projects will be subject to the EIA process? (Aarhus Centre)</p>	<p>The activities envisaged within the Project will mainly be of the “B” category in accordance with the RA legislation. Projects with an impact of “A” category are not envisaged, but there may also be activities that are not subject to EIAE. It is currently impossible to say how many sub-projects will require EIA implementation, as it depends on the specification and details of the activities envisaged under each component and subcomponent.</p> <p>For all sub-projects site-specific ESMPs will be prepared in compliance with WB ESSs which will be disclosed and public consultation (PC) meetings will be held in the affected communities.</p>
5	<p>How will the stakeholder engagement process be implemented and organized in regions, in</p>	<p>Public consultation meetings will be held in all target regions with participation of all identified</p>

	particular, the involvement of the public sector and residents? (Aarhus Centre)	stakeholders including public and private sector representatives.
6	How will the monitoring/supervision procedure of the entire project be implemented? (Aarhus Centre)	The monitoring of the entire Project will cover all aspects: technical, environmental, social, etc. In particular, this will be ensured within the framework of technical and author’s supervision, through the preparation and submission of regular reports to the Project Coordination Team (PIT) and the WB by the PIT. Monitoring visits will also be carried out by the PIT. Inspection bodies also play a key role in this process, in particular, the Environmental and Mineral Protection Inspection Body, the Health and Labor Inspection Body. In addition, monitoring visits will also be carried out by the World Bank team throughout the implementation of the Project. The reports at all levels of monitoring will contain documented information with relevant supporting documents, photographs, etc.
7	Is livestock watering schemes construction included in the Project? (Ejmiatsin WUA)	No, livestock watering schemes construction is not included in this project.
8	How will the participation of stakeholders at PC meetings be ensured? (Ejmiatsin WUA)	Public hearings are mandatory in accordance with the RA legislation in case of EIA/REG processes. Two public hearings are envisaged in accordance with the procedure established by the legislation. It should be noted that local self-government bodies play an important role in this process, since they are the ones responsible for the first public hearing organization, after which the community council gives its preliminary consent on the implementation of the planned activity. For projects not requiring an EIA and expertise, the site-specific ESMPs will also be consulted.
9	Do the representatives of local self-government bodies have sufficient skills or abilities to present the program and answer questions? (Ejmiatsin WUA)	Local self-government bodies are responsible for organizing public hearings, also involving community residents and other interested parties. The presentation of the project and answering questions is the function of the PIT.
10	Who will propose the community representatives to the public hearing? (Aarhus Centre)	Stakeholders at regional and community levels are identified by the SEP and will be duly invited to participate in meetings. In addition, the Project will hire Liaison Officers in each target region to support the project with organization of various level meetings at regional and community levels including identification of vulnerable groups for meaningful consultations.
11	Is it possible to conduct long-term monitoring of new infrastructures after the project	The PIT will not be able to conduct long-term monitoring with loan funds. For this purpose, the

	implementation at operation phase? (Armavir Marzpetaran)	government has inspection bodies with their respective functions.
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**Suggestions & Recommendations:**

1	Closer collaboration of PIT with regional administrations before the design phase. (Armavir Marzpetaran)
2	It would be better to involve OHS specialist in the PIT at the beginning of the design stage. (HLIB)
3	Construction contracts should include a provision about signing working agreements with all workers instead of service contracts. This will secure all the benefits for the workers. (HLIB)
4	Land ownership verification to be done at communities as Cadastral Maps are not precise sometimes. (Lori Marzpetaran)
5	<p>A need for separate meetings and discussions be held for each sector separately for stakeholders to have the opportunity:</p> <ul style="list-style-type: none"> <li>- to understand how the procedural issues of Project management will be regulated, whether it is planned to have a general irrigation plan country-wise, which is a rather large-scale and investment-intensive process,</li> <li>- to raise technical issues and submit proposals. (Jrar)</li> </ul>

**4. Next Steps and Closing Remarks**

- Stakeholders were informed that their feedback will be reviewed and integrated into the final ES instruments where applicable.
- The revised documents will be shared with stakeholders for further input.
- The consultation process will continue through project launch meetings in regions and public consultation meetings in communities, discussions in affected settlements and meaningful consultations with vulnerable groups.

The meeting concluded with closing remarks from Mrs. Sahakyan and Mrs. Vardanyan thanking all participants for their valuable contributions and reaffirming the commitment to addressing environmental and social concerns.

**List of Participating Agencies**

- Water Committee
- Ministry of Territorial Administration and Infrastructures
- Ministry of Finance
- Ministry of Economy
- Ministry Environment
- Environmental Impact Expertise Center
- Health and Labor Inspection Body
- Environmental Protection and Mining Inspection Body
- Armenian Territorial Development Fund

Aragatsotn Regional Administration

Armavir Regional Administration

Kotayk Regional Administration

Lori Regional Administration

“Jrar” CJSC

Institute of Water Problems and Hydro-Engineering

“Aarhus” Center

Yerevan WUA

Aragatsotn WUA

Ejmiatsin WUA

Tavush WUA

Lori WUA

Kotayk WUA

**List of Participants**

*(Is not subject to public disclosure)*

**Photos**

*(Are not subject to public disclosure)*