



Guvernul Republicii Moldova

**Ministerul Economiei și
Infrastructurii**

Republic of Moldova

Labor Management Procedure (LMP)

for

**Second District Heating Efficiency
Improvement Project**



Moldova Energy Projects Implementation Unit

March 2020

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Acronyms and abbreviations

CHP	Combined Heat and Power Plant
DHS	District Heating System
DHEIP	District Heating Efficiency Improvement Project
DHEIP-2	Second District Heating Efficiency Improvement Project
DHW	Domestic Hot Water
ESMP	Environmental and Social Management Plan
ESF	Environmental and Social Framework
ESS	Environmental and Social Standard
GBV	Gender Based Violence
GRM	Grievance Redress Mechanism
IHS	Individual Heating Substation
OHS	Occupational Health and Safety
LC	Labor Code
LMP	Labor Management Procedure
MEPIU	Moldova Energy Projects Implementation Unit
MoEI	Ministry of Economy and Infrastructure of the Republic of Moldova
TE	„Termoelectrica” S.A.
WB	World Bank

1. INTRODUCTION

1.1 Project Background

The World Bank is continuing to provide support to the Government of the Republic of Moldova in improvement of District Heating (DH) sector. The Development Objective of DHEIP-2 is to increase the efficiency and reliability of heat and power production and distribution of the Chisinau District Heating system, according to the recommendations of the previously prepared Study on Optimization of Chisinau District Heating System.

The Project will finance: (i) modernization of production units nos. 2 and 3 at CHP Source-1 and installation of gas engines, including electrical connections, to increase and optimize the efficiency of heat and electricity production by „Termoelectrica” S.A. (TE); and (ii) energy efficiency investments in public and residential buildings that benefited of installation of individual heat substations (IHS) under the ongoing District Heating Efficiency Improvement Project (DHEIP) and TE's own investments, such as modernization of in-house distribution piping, installation of domestic hot water piping, switch from vertical to horizontal in-house network layout.

The Project is being prepared under the World Bank's new Environment and Social Framework (ESF), which came into effect on October 1, 2018, replacing the Bank's Environmental and Social Safeguard Policies. Under the ESF, all World Bank Borrowers have agreed to comply with ten Environmental and Social Standards (ESSs) applied to investment project lending financed by the Bank. The project recognizes the significance of, and adopts the ESSs, for identifying and assessing as well as managing the environmental and social risks and impacts associated with this investment project. One of the Standards – ESS2 relates to Labor and Working Conditions and expects the Borrowers to develop labor-management procedures (LMP). The LMP identifies the main labor requirements and risks associated with the project and help the Borrower to determine the resources necessary to address labor issues. The LMP is a living document, which is initiated early in project preparation stage and is reviewed and updated throughout the development and implementation of the project.

1.2 About the Project

The project will finance the following activities grouped into three components:

Component 1. Optimization of Heat and Electricity Generation

This component will finance modernization of CHP Source-1 and installation of gas engines, including electrical connections, installation of a new Management Information System and Hydraulic Management System to increase and optimize the efficiency of heat and electricity production by Termoelectrica, and technical supervision for sub-component 1.2. The Component will consist of five sub-components:

1.1. *Modernization of Generation at CHP Source* financing: (i) Reconstruction of Unit 2, which will include reconstruction of steam turbine high-pressure equipment to extend its operational lifetime, retrofit of low-pressure equipment to increase electricity production capacity, power generator diagnosis, retrofit and modernization of vibration control module, replacement of turbine supporting equipment, replacement of heat boiler burners and other equipment to increase boiler's efficiency, and installation of automated control module for

capacity regulation and burning and (ii) major overhaul of turbine and replacement of boiler heat surface at Unit 3, which will include major overhaul of steam turbine high-pressure equipment to extend its operational lifetime, and replacement of steam boiler' economizer.

1.2. *Increasing Efficient Cogeneration.* This sub-component will finance the installation of (i) efficient cogeneration modular units (gas engines) at HOB West and CHP Source-3 [*a new dedicated facility within the area of Source-3*]; and (ii) installation of power transformers and power facility/switchgear ID-110 kV. This will include construction of new light facilities (sandwich panels) to accommodate gas engines and their installation, installation of power transformers and switchgears for connection to urban grid at HOB-West and installation of switch gears at Source-3. The final heat and power generation capacity and number of GE units will be determined at a later stage of the project preparation [after international competitive bidding].

1.3. Development and installation of a modern comprehensive Management Information System (*Business and Operational Planning Management System*) for Termoelectrica to improve its operational planning and control capabilities.

1.4. Development and installation of a modern interactive Hydraulic Management System (US\$0.3 million).

1.5. Technical Supervision for sub-component 1.2.

Component 2. Pilot Energy Efficiency Investments

This component will finance pilot energy efficiency investments by TE in the public and residential buildings that benefitted from installation of IHSs under the DHEIP and TE's own investments such as replacement of in-house heating distribution pipes, installation of new piping for DHW in the buildings which currently don't have the service (only about 50% of DH consumers have both heating and DHW provided by TE via DH system), and pilot investments in switching from vertical to horizontal internal distribution. Such investments would maximize the energy efficiency outcomes of DHEIP investments.

Component 3. Project Management and Technical Assistance

This component will finance consultancy support for project implementation and supervision, including fiduciary, safeguards, project monitoring and reporting through the existing Moldovan Energy Projects Implementation Unit (MEPIU), as well as entity and project's audit.

2. THE PURPOSE OBJECTIVES OF LABOR MANAGEMENT PROCEDURES

The purpose of the LMP, outlined in the World Bank's ESS2, is "*to facilitate planning for the project and help identify the resources necessary to address the labor issues associated with the project. The labor management procedures help to (a) identify the different types of project workers that are likely to be involved in the project, and (b) set out the ways of meeting the requirements of ESS2 that apply to the different types of workers. The LMP set out a systematic approach to the management of labor issues in the project and reflect the requirements of national law and requirements of ESS2*".

The objectives of this LMP are to:

- 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.

3. OVERVIEW OF LABOR USE WITHIN THE PROJECT

3.1 Type of workers

In line with ESS 2 requirements, the term "project worker" refers to:

1. People employed or engaged directly by the Borrower (including the project proponent and the project implementing agencies) to work specifically in relation to the project (direct workers); examples of direct workers may include persons employed or engaged by the Borrower's project implementation unit to carry out design and supervision, monitoring and evaluation, or community engagement in relation to the project.
2. People employed or engaged through third parties to perform work related to core functions of the project, regardless of location (contracted workers);
3. People employed or engaged by the Borrower's primary suppliers (primary supply workers);
4. People employed or engaged in providing community labor (community workers).

ESS2 applies to project workers including full-time, part-time, temporary, seasonal and migrant workers.

Community workers and primary supply workers will not be involved in the project. Thus, it is expected that project will engage the following categories of project workers as defined by ESS2:

Direct workers: In this category are included two implementing entities: „Termoelectrica” S.A. (the beneficiary of the project) and Moldova Energy Projects Implementation Unit (MEPIU).

Both entities will be involved in all stages of project design and implementation: procurement design, preparation of bidding documents (especially technical specifications), evaluation of bids and selection of contractors, engineering design, construction, installation, testing, commissioning, and quality control.

To facilitate the project implementation, „Termoelectrica” S.A. will create a project working group, consisting of heads of company's subdivisions where works related to the implementation of component 1 will be carried out (CHP managers that will be the involved in the project works) and representatives of the human resources, legal, financial, development, technical, commercial and administrative departments/subdivisions of the company.

MEPIU is the implementation unit for the day-to-day management of IFIs-funded projects of the Ministry of Economy and Infrastructure (MoEI). Generally, MEPIU will have the fiduciary responsibilities (disbursement, financial management, procurement management, project monitoring & evaluation, environmental and social aspects), particularly will monitor the application of ESSs of the World Bank during project implementation, including ESS2 and will play a liaison role between the Government, TE and WB.

The MEPIU team for this project will consist of the following consultants:

1. MEPIU Director/Project Manager
2. Reporting, Monitoring and Evaluation Consultant
3. Financial Consultant and/or Senior accountant (s)
4. Procurement Consultant
5. Procurement Assistant
6. Technical Consultant
7. Environmental, Health and Safety Consultant
8. Social Consultant
9. Project Assistant
10. Other MEPIU team members, as required by specific project activities.

Contracted Workers: Contracted workers would be hired under the design, supply and installation contracts. Each contractor might need engagement of multiple subcontractors. The subcontractors' workforce will be also considered as contracted workers.

3.2 Number and Characteristics of Project Workers

Direct Workers. The estimated number of direct workers from TE team would not likely exceed 20 staff members from different departments of TE, who will be assigned to work under this project.

Total number of MEPIU employees, dedicated to this project, is estimated at about 10 persons.

Contracted Workers. The exact number of project contracted workers, to be employed, is not defined at this stage. However, it is estimated that the total number of contracted workers to be involved would be less than 200 persons. Migrant workers are not expected to be employed. This information results from the experience gained following DHEIP implementation.

Considering the nature of the project works, it is not expected that the number of female workers will be high. It is estimated that women would represent less than 5 percent of the workforce, and those would likely be technical (engineer-technician) and/or staff working in the operation offices. Based on previous experience, all workers will be over 18 years old. The unskilled laborers are not expected to be involved in the project works /the construction works.

3.3 Timing of Labor Requirements

In addition to the basic tasks and assignments within the enterprise, the direct workers of TE's Working Group will be partially involved in the project implementation process. The activities related to the implementation of the project will be part of the work program that these employees have within the company.

The direct workers (MEPIU staff) will be 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 be defined at a later stage, however, it is clear that they will be engaged depending on the implementation of various project components and sub-components on specific time slots.

The labor timing and sequencing of the contracted workers is under determination. This section can be filled once the sequencing of labor of the contracted workers, the implementation and procurement plans are finalized.

4. ASSESSMENT OF KEY POTENTIAL LABOR RISKS

Project activities

The component 1 of the project covers the following activities: modernization of CHP Source 1 production facilities (major overhaul of the high-pressure part of the steam turbine, steam turbine operation lifetime extension, increasing the electrical capacity and steam turbine efficiency by reconstruction (retrofit) of the low-pressure part of the turbine, diagnostics of the electrical generator, modernization of the vibrations control system, removal and replacement of equipment associated to the steam turbine retrofit, increasing the steam boiler efficiency by removal of the old burners and installation of new energy efficient and low-emissions burners, removal of the equipment associated to the old burners and installation of new respective equipment, installation of automatic power control, safety/protection and burning control systems) and installation of Gas Engines and of Electrical Connections (Installation of Gas Engines (GE), works for preparation of the sites for installation of the Gas Engines, construction of the premises for the GEs and new equipment, installation of the Gas Engines and associated equipment for the GEs, connection to the natural gas, district heating, water, sewerage and flue gas infrastructure, construction of flue gas stack, testing and commissioning of the Gas Engines, landscaping of the surrounding land; Installation of power transformers and electrical infrastructure.

The component 2 of the project includes the following activities: installation of IHSs and associated pipes; reconstruction of the internal heat and DHW distribution systems; thermal rehabilitation of residential buildings which have horizontal distribution systems.

Key Labor Risks

It is expected that the Labor risks associated with the **direct workers** 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.

It is assessed that the key labor risks for the **contracted workers** would be associated with health and safety risks related to the construction activities for both components, such as exposure to physical, chemical and biological hazards during construction activities, including use of heavy equipment, trip and fall hazards, exposure to noise and dust, falling objects, exposure to hazardous materials and exposure to electrical hazards from the use of tools and machinery. As the construction activities will involve hazardous work, persons under the age of 18 will not be employed under the project. Many workers will be exposed to occupational health and safety hazards, primarily including, but not limited to:

- Lack of awareness on occupational health and safety requirements such as the use of personal protective equipment (PPE) and safe workplace practices;
- Electrical works;
- Exposure to chemicals (as paints, solvents, lubricants, and fuels);
- Traffic accidents;
- Excavations hazards;
- Lifting of heavy structures;
- Exposure to construction airborne agents (dust, silica and asbestos);
- Welding hazards (fumes, burns and radiation).

No other labor risks are considered to be significant. The project is assessed as Low on gender-based violence (GBV) risk. However, an ESMPs for Component 2 of the project will be developed and will include GBV risks assessment and mitigation measures to prevent and respond to GBV risks.

Therefore, the GBV aspect in 2 DHEIP implementation will focus on prevention of GBV (*physical violence - such as slapping, kicking, hitting, or the use of weapons; emotional abuse - such as systematic humiliation, controlling behavior, degrading treatment, insults, and threats; sexual violence etc.*) between the project workers, between the project workers and the community.

The implementing entities will ensure that GBV risks are adequately prevented and mitigated. The prevention measures will include, but will not limited to: Code of Conduct for all employees, GBV-sensitized grievance mechanism, awareness raising of all employees and community members on GBV risks and mitigation measures.

However, if other labor risks arise during project implementation, the implementing entities will develop relevant procedures to prevent potential impacts.

5. 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 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:

- ***Wages 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 Government of Moldova sets the guaranteed minimum wage, established at MDL 2775 (approx. 155 USD) as of May 2019. 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.

- ***Working Hours***

The Moldovan Labor Code envisages a regular 40-hours work week (Art. 95 of the Moldovan Labor Code). The work is set at up to 25 hours per week for individuals aged up to 16 and 35 hours per week for those aged 16-18, as well as for individual working in hazardous sectors of the economy. The daily duration of the working time for the individuals with severe disabilities is established according to the medical certificate, within the limits of the normal daily working time (art. 100). However, this category of individuals is entitled to benefit of a working time reduced up to 30-hours per week (Art. 96).

- ***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 contract or entity internal regulations, shall not be included in the working time. The duration of the daily 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 2 consecutive days, usually Saturday and Sunday.

- ***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 be paid annual rest leave, with duration of minimum 28 calendar days. The leave does not include a period of temporary disability, and maternity leave. In addition, employees may request up to 120 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.

- ***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 the

work performed outside the 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.

- ***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 labor safety (Articles 288, 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.

6. BRIEF OVERVIEW OF LABOR LEGISLATION: OCCUPATIONAL HEALTH AND 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.

- ***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 the occupational risks. Article 11 mandates the employer to assign at least one trained individual within the organization responsible to ensure the compliance with 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 work place. 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).

- ***Employees' Rights and Obligations***

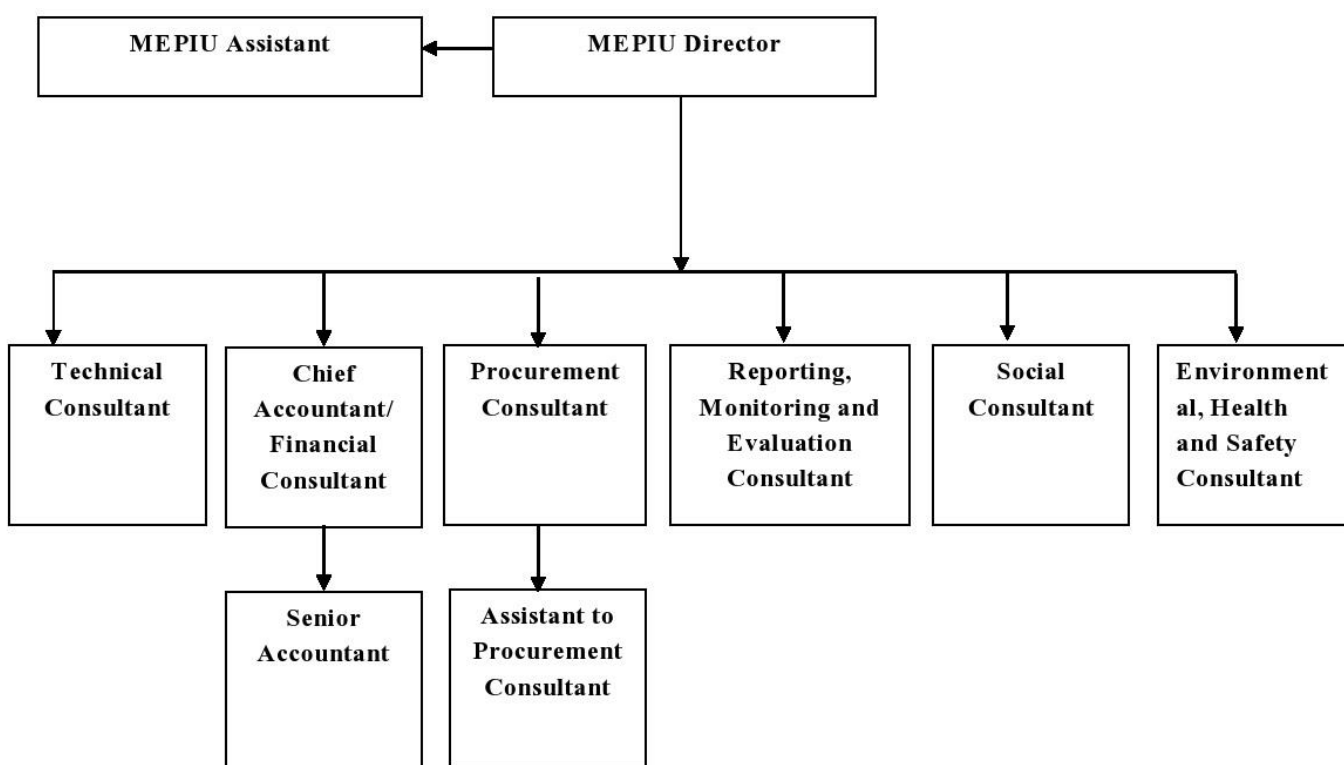
Employees have the right and obligation to inform the employer of any emerging hazard or malfunctioning equipment as well as make suggestions on how to improve the OHS rules at the workplace. Employees have the right to refuse to work if the working place does not meet the OHS requirements. They are entitled to be informed and trained about the occupational risks and be provided the required protective gear by the employer at the employer's expense.

7. RESPONSIBLE STAFF

MEPIU and TE will be directly supervised by the MoEI and/or will report to responsible staff within MoEI appointed by the minister. MEPIU will coordinate the project activities on a daily basis, including the relations with the direct employees, contractors and suppliers.

MEPIU is headed by the MEPIU director, who will act as Project Manager.

The organizational chart of the project implementation unit will be as follows:



In context of this LMP implementation, the staff assigned by TE and MEPIU's Social and Health and Safety Consultants will be responsible for the following:

- Implementing the LMP;
- Ensuring that the contractors comply with the LMP;
- Monitoring that the contractors meet the labor and OHS obligations toward the contracted and subcontracted workers, as required by the Moldovan legislation in force and ESS2;
- Monitoring contractors and sub-contractors' implementation of labor management procedures and ESMPs;
- Monitoring compliance with occupational health and safety norms at all workplaces in line with the national occupational health and safety legislation;
- Monitoring and implement training on LMP and OHS for project workers;
- Ensuring that the grievance redress mechanism for project workers is established and implemented and that workers are informed of its purpose and how to use it;

- Have in place a system for regular monitoring and reporting on labor and occupational safety and health performance.

The Contractors (Consultants) will be responsible for the following:

- To obey the 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 MEPIU.
- 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 Redress Mechanism (GRM) has been detailed within this LMP. The Contractors will be required to comply with the GRM provisions.
- The Contractors will be fully responsible to ensure that their workers know and are trained on their obligations with respect to GBV, safe disposal of wastes and reporting of communicable diseases, if they contract any.
- The contractor will develop and implement a Code of Conduct. The construction contractor should also submit a Code of Conduct for review and approval to MEPIU. 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 gender-based violence (GBV).
- The Contractors are required to ensure that the assigned workers are adequately trained and briefed with overall safety arrangement, use of equipment, GRM procedures, and the working conditions under the project.

When the contractor(s) are known, these labor management procedures can be updated, to include additional details about the companies, hired workforce and other, as necessary.

8. POLICIES AND PROCEDURES

This section sets out information on OHS, reporting and monitoring and other general project policies related to the management of - project-related labor pool.

All the contractors 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 contractors 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. The internal regulations of the contractors will cover the following aspects:

- *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.

- ***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.

- ***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.

- ***Occupational Safety and Health***

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.

- ***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 contractors 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 contractors can be found by following the link:

<http://editurastatistica.md/sites/default/files/2019/Regulament%20intern%20I.S.%20Editura%20de%20Imprimate%20STATISTICA.pdf>

9. AGE OF EMPLOYMENT

The minimum age for employment under the project is 18 years. Therefore, the Contractors will not hire individuals less than 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.

10. 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 contractors 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.

There is no project-wide collective labor agreement.

11. GRIEVANCE MECHANISM

MEPIU 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. MEPIU will be the main body for receiving, recording and tracking resolution of grievances.

Information about the existence of the grievance mechanism will be readily available to all project workers (direct and contracted) through notice boards and other means, as needed. Also, the GRM will be described in workers' induction trainings, which will be provided to all project workers.

The Contractors will be required to comply with the GRM provisions and to inform their workers, and sub-contractor(s), and display publicly on work-site the information about this GRM.

The GRM for the workers will include:

- A channel to receive grievances such as comment/complaint form, email, a telephone hotline that might also be anonymous;
- Stipulated timeframes to respond to grievances;
- A register to record and track the timely resolution of grievances;

- A responsible person/committee to receive, record and track resolution of grievances.

The mechanism will be based on the following principles:

- The process will be transparent and allow the workers to express their concerns and file grievances.
- There will be no discrimination against those who express grievances and all the grievances will be treated confidentially.

MEPIU will be the main body for receiving, recording and tracking resolution of grievances. The MEPIU Social and Environmental, Health and Safety Consultants will manage this GRM.

MEPIU will keep abreast of resolutions and reflect in quarterly reports to the World Bank.

This GRM will not prevent workers to use conciliation procedure provided in the Moldovan Labor Legislation.

In addition to the workers' grievance mechanism, there will be a separate mechanism for the project affected parties/people as per ESS10 requirements. Therefore, two separate grievance mechanisms will be implemented during the project.

The appointed persons on both GRMs may have overlapping functions. Reporting Channels for the GRMs may also be same.

World Bank Grievance Redress System

Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. 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/projectsoperations/products-and-services/grievanceredress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

12. CONTRACTOR MANAGEMENT

Whether the 2 DHEIP will use the Bank's 2019 Standard Procurement Document for Request for Bids (Plant) or National Procurement Rules and Procedures, 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 design and construction contractors, who will engage contracted workers, MEPIU 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 contractors and suppliers, showing the provisions and terms reflecting ESS2.

MEPIU and TE's assigned staff will monitor the performance of Contractor(s) in relation to the contracted workers. 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 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.

13. COMMUNITY WORKERS

No community workers will be involved under the project's works.

14. PRIMARY SUPPLY WORKERS

MEPIU/TE will not directly procure any primary supply contracts. The Contractor who subcontracts the supply of materials and equipment for the implementation of project works will be responsible to include the same conditions and specifications on ESHS aspects into its subcontracting agreements.