

**The State Institution “Drinking Water Supply
and Wastewater Disposal” under the Water Resources Service
under the Ministry of Water Resources, Agriculture and Processing Industry
of the Kyrgyz Republic**

Labor Management Procedures

“Water Supply and Sanitation Universal Access Program – Phase 1” Program

March, 2025

Content

1.	INTRODUCTION	4
1.1.	Project description	5
1.2.	Project components	6
1.3.	LMP Goal	9
2.	OVERVIEW OF LABOR USE UNDER THE PROJECT	9
2.1.	Categories of workers	9
2.2.	Characteristics, number of project workers. Timing of labor requirements	10
2.3.	Procedures for hiring key and support staff	11
2.3.1.	Personnel selection procedure.....	11
2.3.2.	Staffing and terms of reference.....	11
2.3.3.	Contracts and probationary period	11
2.4.	Labor discipline	12
2.5.	Working hours, holidays and vacations	12
2.5.1.	Working hours.....	12
2.5.2.	Weekends and holidays	13
2.5.3.	Labor and social vacations	13
2.6.	Construction periods.....	13
3.	ASSESSMENT OF KEY POTENTIAL LABOR RISKS	13
4.	BRIEF REVIEW OF NATIONAL LEGISLATION	15
4.1.	National Labor Laws: Terms and conditions.....	15
4.2.	Brief overview of legislation: occupational health and safety (OHS).....	17
5.	THE WORLD BANK ENVIRONMENTAL AND SOCIAL STANDARDS (ESS2).....	18
5.1.	Labor resources and working conditions	18
5.2.	Policy Gap.....	18
6.	RESPONSIBLE EMPLOYEES	20
7.	POLICIES AND PROCEDURES	21
8.	AGE OF EMPLOYMENT	21
9.	TERMS AND CONDITIONS	22
10.	GRIEVANCE REDRESS MECHANISM (GRM)	22
10.1.	GRM for direct workers	23
10.2.	GRM for contracted workers	23
10.3.	Handling sensitive complaints.....	23
10.4.	Grievance monitoring and reporting.....	24
10.5.	World Bank Grievance Redress System	25
11.	CONTRACT MANAGEMENT	25
	ANNEX 1. CODE OF CONDUCT SAMPLE.....	26

Table 1. Comparison of the WB key requirements in the field of labor protection with the requirements of the legislation of the KR 19

Figure 1 shows the implementation mechanism and institutional structure of the PIU SIDWSWD. Source: SIDWSWD **Ошибка! Закладка не определена.**

Abbreviations

ESMP	Environmental and Social Management Plan
IA	Implementation Agency
KR	Kyrgyz Republic
LMP	Labor Management Procedures
M&E	Monitoring and Evaluation
MWRAP	Ministry of Water Resources, Agriculture and Processing Industry
OHS	Occupational Health and Safety
PIU	Project Implementation Unit
POM	Project Operational Manual
ESS	Environmental and Social Standard
SEA/SH	Sexual exploitation and abuse/sexual harassment
SIDWSWD	State Institution “Drinking Water Supply and Wastewater Disposal”
WB	World Bank
WRS	Water Resources Service
WSS	Water supply and sanitation

1. INTRODUCTION

The Kyrgyz Republic closely cooperates with international financial institutions on a long-term basis for alleviation of poverty and facilitation of the sustainable development and economic growth in the Kyrgyz Republic.

Ensuring the population's access to safe drinking water and sanitation services is one of the priority areas of state policy of the Kyrgyz Republic.

The Cabinet of Ministers of the Kyrgyz Republic strives to ensure universal access to at least basic water supply and sanitation services by 2030 in accordance with the country's National Sustainable Development Strategy for the years 2018–2040. To achieve this goal, the Cabinet of Ministers of the Kyrgyz Republic receives investments from the World Bank according to the new Partnership Framework Program with the Kyrgyz Republic for fiscal years 2024–2028.

Achieving universal access to water supply and sanitation (hereinafter-WSS) will have transformational effects on the country, given that reliable and affordable access to safe water is an essential precondition for a healthy population and productive economy. These WSS investments will particularly benefit the country's rural population, which relies on unimproved water sources and is exposed to a high risk of contamination and recurrent water, sanitation, and hygiene (hereinafter - WASH) related diseases.

The proposed “Universal Access to Water Supply and Sanitation” Program is aimed at accelerating the achievement of universal access to improved water supply and sanitation services in seven oblasts of the country and is an integral part of the program structure that supports the vision of the Cabinet of Ministers of the Kyrgyz Republic as set out in the “Program for the Development of Drinking Water Supply and Sanitation until 2026 and its planned follow-up program.

The MPA program is structured as a 10-year engagement through three IPF operations/phases to achieve the PrDO. The PDO for each phase and PrDO target the same topics, and the phases are progressive; each phase maintains a similar structure and builds towards the achievement of the overall program development objective. The structure of the MPA is uninterrupted to ensure that the Program's activities continue without a gap in the rollout of the key activities. The total Program's estimated cost is US\$400 million, with a proposed IDA financing envelope of US\$200 million. This includes: (i) a four-year Phase 1 (2024-2028) of focused investment covering unserved rural settlements while consolidating the service delivery structure into district water management departments (DWMD) on a pilot basis and enhancing the institutional capacity of service providers using a performance-based approach, few and simpler sanitation interventions, complemented by extensive analysis and design of more complex sanitation solutions, including paving the way for potential private sector engagement; (ii) a three-year Phase 2 (2028-2031) to scale-up the investments, with a shift to water supply infrastructure upgrade and expansion, priority sewerage investments and scale-up the service delivery models, with a focus on operational and financial efficiency, and climate adaptation; and (iii) a three-year Phase 3 (2030-2033) to scale-up sanitation investments, consolidate the water supply improvements and place a strong emphasis on knowledge exchange and widespread appropriation of the policies, plans, and tools developed under the previous two phases.

The State Institution “Drinking Water Supply and Wastewater Disposal” of the Water Resources Service under the Ministry of Water Resources, Agriculture and Processing Industry of the Cabinet of Ministers of the Kyrgyz Republic (hereinafter-SIDWSWD) is a state executive body that implements the state policy in the sector of water supply and wastewater disposal.

SIDWSWD acts as the executing agency of the project, which has sufficient potential for its implementation. The implementation of the Program will be carried out by the Project Implementation Unit (hereinafter - PIU) under the SIDWSWD, which employs qualified, experienced specialists and experts. Water Resources Service of the Ministry of Water

Resources, Agriculture and Processing Industry of the Cabinet of Ministers of the Kyrgyz Republic will be supported through the Project Implementation Unit, which will be entrusted with fiduciary functions (disbursement, financial management, procurement, environmental and social standards, monitoring and evaluation). Also, during the implementation of the Program, the necessary additional qualified specialists and consultants will be involved to the PIU team at the central and regional levels.

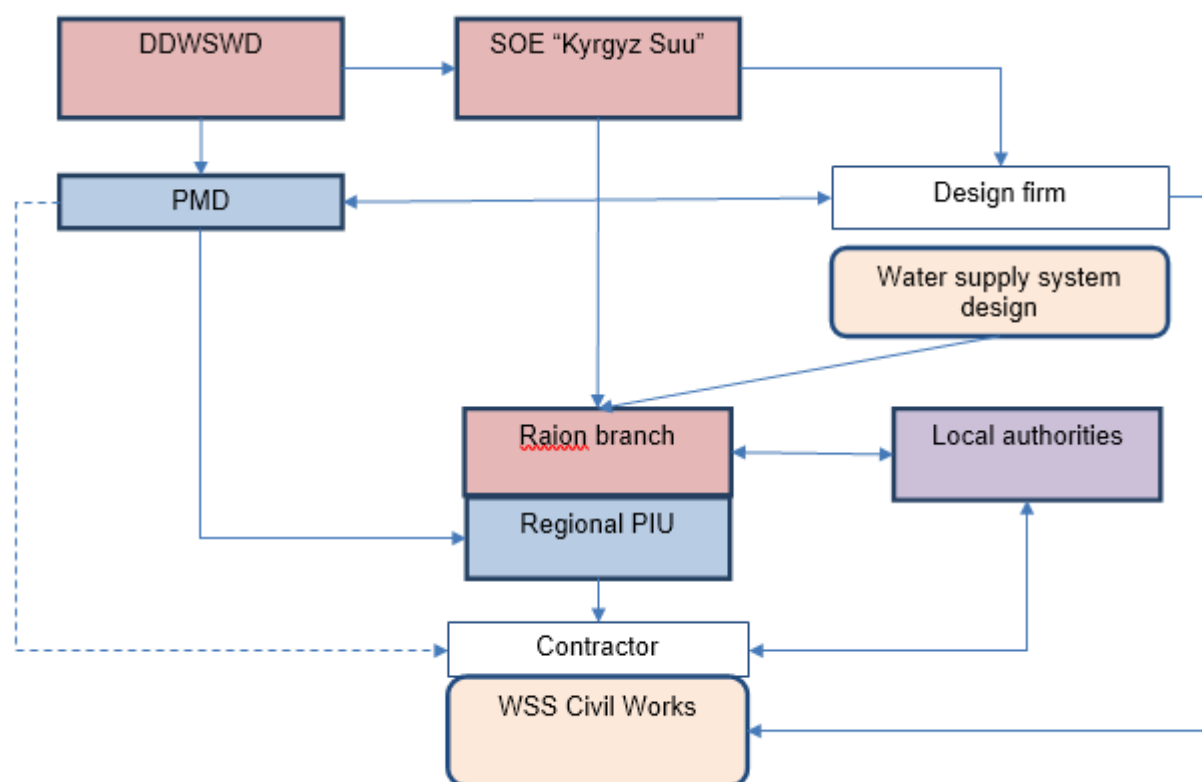


Figure 1 shows the implementation mechanism and institutional structure of the PIU SIDWSWD. Source: SIDWSWD

The implementation mechanism for each stage of this overall Program will be carried out in accordance with the requirements and environmental and social standards of the World Bank, which will be set out in the Financing Agreement.

1.1. Project description

Phase 1 will cover the first batch of the Program's WSS infrastructure investments in unserved and underserved settlements in the least served regions and districts within those regions without ongoing or planned investments. Phase 1 will finance the construction and upgrade of water supply systems, and priority household and social institutions' sanitation infrastructure (containment). The WSS interventions will build on experience and lessons learned under the ongoing World-Bank financed Sustainable Rural Water Supply and Sanitation Development Project (SRWSSDP, P154778) and Climate Resilient Water Services Project (CRWSP, P173734) by putting a stronger emphasis on incentivizing service improvements in parallel with infrastructure development to ensure the sustainability of these investments. Thus, Phase 1 will include a PBG-structured capacity-building program for eight service provider's (hereinafter – SP) to enable them to independently expand and enhance the quality of services within their district. The PBGs will

complement ongoing capacity-building programs that target national-level institutions. The Project will also finance improvements to existing fecal sludge management (FSM) services led by both private and municipal operators and the design of sanitation interventions to be implemented in the subsequent phases. Phase 1 envisages the establishment of a learning program to document lessons and inform the program implementation. Further, the Project will finance program structuring support, including outreach and mobilization, to help attract financing for the subsequent phases.

Phase 2 will scale up the PBG program to other SP, upgrade and expand existing water supply systems in rural and urban settlements. Under this phase, FSM and household sanitation will be scaled up and complemented by priority sewerage investments using the designs and knowledge developed in Phase 1. Private sector engagement for wastewater improvements will be pursued in partnership with the International Finance Corporation (IFC), targeting settlements around Issyk-Kul Lake, a vital region for the country's tourism industry currently threatened by untreated wastewater discharges. By the end of this phase, it is expected that all the settlements in the country will have access to (at least) basic water services. The PBGs will be expanded, learning from Phase 1, including adjustments to enhance its implementation efficiency. This phase is planned to begin four years after Phase 1 starts, to allow sufficient time to incorporate lessons from Phase 1 and attract additional financiers. However, the program is flexible to an earlier Phase 2 start, subject to the readiness of designs and availability of financing .

Phase 3 will prioritize scaling up sanitation improvements across the country and developing a large-scale investment package to promote safely managed sanitation, targeting the full-service chain and potential waste-to-resource opportunities. Under this Phase, the program will support additional last-mile water supply infrastructure with targeted upgrades and expansion. In addition, this Phase will include consolidating the service delivery model, with a greater focus on investment management capacity for the SP, innovation, further efficiency improvement, and private sector engagement in water supply. Further, under this Phase, priority will be given to knowledge exchange within regional and SP to ensure widespread appropriation of the policies, plans, and tools developed under the WASUAP. Phase 3 is expected to start implementation in 2031

The proposed Project for Phase 1 of the MPA consists of the following four components. The expected total number of beneficiaries is estimated at around 425 000 people living in 126 villages of Chui, Issyk-Kul, and Osh oblasts. In addition, the Project will indirectly benefit existing customers from utility management activities. Below is a brief description of the activities that will be funded under each component.

1.2. Project components

Component 1 – Water Supply Investments will finance the construction and upgrade of water supply systems in 126 rural villages and small towns in Chui, Issyk-Kul, and Osh regions, benefitting around 425,000 people. The Project will prioritize the use of gravity systems, energy-efficient pumping equipment, and solar energy for the new water supply schemes (which is around 38 percent of the systems) to minimize GHG emissions. Water source development will target groundwater exploitation to provide a more drought-resilient supply, and network construction will utilize climate-resilient infrastructure design such as materials resistant to high-temperature variations and withstand ground movements in landslide-prone areas in the Osh region. All water intakes will include source protection and reforestation interventions to prevent contamination and enable water conservation and aquifer recharge, further enhancing drought resilience while sequestering carbon. The system design will adopt the World Bank Resilient Water Infrastructure Design Brief (WB-RWIDB) to minimize the risk of water supply disruption due to landslides and other climate-related events. The design will also follow a participatory approach, with consultations involving disabled people, building on local knowledge and historical data. Engineering designs for this component will be funded through the US\$ 3.5 million AIIB grant.

Additional water supply system upgrades to ensure universality will be covered through ADB financing in Naryn region (US\$32.00 million serving 36,000 people) and IsDB financing in Jalalabad region. Specifically, the Project will finance:

Subcomponent 1.1. – Water Supply Access to the Unserved will finance the design and construction of climate-resilient water supply systems in 48 currently unserved settlements (around **128,000** beneficiaries). Specifically, the Project will finance resilient water source development and storage, thereby reducing drought vulnerability, water treatment infrastructure to ensure high drinking water quality hence boosting positive health outcomes, robust transmission and distribution networks capable of withstanding high temperatures and other climate shocks, reservoirs to increase water availability and thus provide drought resilience and metered household connections to ensure sustainable water use.

Subcomponent 1.2. – Water Supply Upgrades will finance the design, rehabilitation, and upgrade of water supply systems in 78 villages and district centers in Aksu, Alai, Aravan, Kara-Kulja, Kara Suu, Panfilov, Sokuluk, and Uzgen districts (around **322,000** beneficiaries). The upgrades will prioritize investments with demonstrated impacts on drought resilience while also improving service reliability and financial viability. These are specific investments focused on source and storage increase to reduce climate-exacerbated water shortages, network hydraulic improvements to reduce water losses, and expansion to secure water supply in the face of climate variability, ensure efficient water demand management, and reduce vulnerability to the impacts of drought

Component 2 – Sanitation Development will finance priority on-site sanitation investments, including household and public sanitation infrastructure, FSM services improvements, and technical assistance (TA) to design more complex sewerage improvements. Specifically, the Project will finance:

- (i) The construction, rehabilitation/retrofitting of decentralized sanitation systems, including toilet upgrades for vulnerable households and selected public institutions (schools, kindergartens, hospitals, and health centers), which will ensure accessibility to persons with disabilities in all 126 target settlements, to make them flood resilient. These sanitation improvements are expected to enhance the community's resilience to climate-related health risks and contribute to climate change mitigation by promoting more efficient water use and reducing energy consumption associated with centralized sanitation systems.
- (ii) TA (including business development support to small private operators), equipment, and works for FSM services improvement, including fecal sludge collection, transport, treatment, and re-use, which contributes to climate adaptation by enhancing the resilience of sanitation infrastructure to climate impacts and reducing the risk of contamination during floods and to climate mitigation by preventing the release of methane from untreated waste.
- (iii) The implementation of a sanitation marketing and behavioral change strategy to incentivize the adoption and use of improved WASH and behaviors that are essential for flood and drought resilience and mitigating the pressures on water resources; and
- (iv) TA for the design of sewerage systems in priority settlements, aiming to reduce environmental pollution and enhance the resilience of sewerage infrastructure to the impacts of climate change, such as increased flooding, and extreme weather events. The Project will prioritize the design of sewerage pipelines capable of withstanding harsh weather conditions and wastewater and fecal sludge reuse solutions that enable methane capture for settlements with multi-story buildings, whose sanitation systems are currently a source of soil and groundwater contamination

Component 3 - Performance-based Service Improvement Program will (i) provide PBGs for SP to finance WSS service improvements (including NRW reductions) and enhance the sustainability and drought resilience of WSS services, and (ii) finance the professional and vocational development program (PVDP). The PBG allocation per district was estimated using the WSS district aggregation financial model, which considered planned infrastructure improvements, enhanced service levels, and operational efficiency.

Sub-component 3.1. – Service Delivery Improvements will finance PBGs for eight SP (out of the ten planned for Phase 1) and will cover the start-up activities and operational and structural investments that are critical to enabling the operational and financial efficiency of the SP, and the resilience of water supply systems against climate variability. Funding for the PBGs will cover activities from the SP institutional and service development plans and will focus on increasing service management capacity, innovative solutions for service expansion and climate resilience, asset management and operations, digital solutions for customer services and feedback, tariff-setting procedures, financial management, and service monitoring and reporting.

The PBG will be structured in two parts: (i) a fixed part linked to the achievement of institutional prerequisites (the legal establishment of the SP, adoption of a service improvement plan, a gender empowerment plan, and an approved tariff review framework and an auditable financial management system) to encourage the adoption of sustainable and equitable water management practices that support climate adaptation and climate mitigation by promoting energy-efficient operations and reducing water-related emissions. The fixed grant will only be available during the first 18 months after Project effectiveness. (ii) A variable part linked to service delivery performance, including coverage, hours of supply, customer satisfaction, cost recovery, and NRW reduction, aiming to improve water use efficiency, thus supporting climate mitigation efforts by optimizing resource use and contributing to climate adaptation by ensuring reliable water supply during climate-induced disruptions. The exact set of performance indicators will be defined in the performance agreement between the SIDWSWD and the SP.

Sub-Component 3.2 – Professional and Vocational Development Program. The Project will finance the establishment of a national water training center hosted at the SIDWSWD, with a dedicated certificate-oriented, long-term capacity development program in response to the need to create a pipeline of water sector professionals with the skills to plan and manage efficient and sustainable water services. Training packages will be co-developed and implemented with support from the SDC, including adaptive WSS infrastructure and services design and implementation. By equipping professionals in the water sector with the knowledge and skills to implement energy-efficient technologies and practices that reduce GHG emissions, the program will also support climate change mitigation. The PVDP will also carry out extensive outreach and facilitate the enrollment of female participants in training programs designed to attract the youth and women to the water sector and enhance their technical and leadership skills. Training services to support the center will be selected on a competitive basis, considering the technical robustness of the proposed training program, demonstrated training methods, and effectiveness of the monitoring and evaluation (M&E) systems that demonstrate the training impact.

Component 4 – MPA Program Structuring and Management will finance TA and institutional capacity building for the establishment of a program management framework and WSS infrastructure development capacity, including:

- (v) TA and training for the development of the program management tools, including standard E&S instruments, implementation manuals, and protocols, to enhance coordination and program implementation efficiency, and the M&E systems for program results tracking, sector coordination, and annual reviews.

- (vi) TA for the preparation of investment packages, engineering design, and E&S instruments for future interventions planned for the subsequent phases of the MPA, using WB-RWIDB, including technical assessments, investment screening, and transaction advisory support in collaboration with the IFC to attract private sector engagement in water supply and wastewater solutions along the Issyk-Kul Lake and address vulnerabilities in existing sewerage systems exacerbated by climate change.
- (vii) Incremental operating costs, TA, and equipment for program management.
- (viii) TA, equipment, and services to support a knowledge development program and communications strategy for the MPA aiming to build awareness and understanding among stakeholders about the importance of accelerated WSS access, service delivery sustainability, and climate resilience.
- (ix) TA for the preparation of service contract agreements between the operator and asset owner and the PBG independent verification; and
- (x) TA for targeted policy regulations, particularly focused on the implementation of the new service aggregation model and tariff framework

Component 5 Contingent Emergency Response. This component will provide preparedness and rapid response measures to address disaster, emergency, and/or catastrophic events in accordance with the applicable CERC Manual. Following an eligible crisis or emergency event, the Borrower may request the World Bank to reallocate un-disbursed Project funds to support emergency response. This component would draw from the un-disbursed financing resources under the Project from other Project components to cover eligible crises or emergencies, as needed.

1.3. LMP Goal

The Project is being prepared under the World Bank's Environment and Social Framework (ESF) which came into effect on October 1, 2018. 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. To manage labor related risks the Labor management procedures (LMP) has been prepared in accordance with the World Bank's ESS2 "Labor and Working Conditions". The LMP describes the type of workers, key elements of the national labor policy and ESS2 requirements, as well as labor management tools to be adopted during the project implementation. The LMP enables identify main labor requirements and risks associated with it and help to determine the resources necessary to address labor issues. The LMP is a living document, which is initiated early in project preparation, and is reviewed and updated throughout development and implementation of the project.

2. OVERVIEW OF LABOR USE UNDER THE PROJECT

2.1. Categories of workers

ESS 2 classifies workers as: direct workers, contracted workers, primary supply workers, and community workers. It is expected that PIU will cover the following categories of workers: direct workers and contracted workers. In addition, it has been found that there is little likelihood that the Project will continually source any key materials critical to the project on an ongoing basis from the selected suppliers, and therefore it is not expected to engage the primary supplier's workers. It is also not expected to involve community workers. Moreover, it was also found that it is unlikely that the Project would continuously receive any project-critical material on an ongoing basis from selected suppliers. Thus, the primary supply workers are not related to the Project.

Direct workers (PIU staff)

The project will be implemented by the PIU. It is expected that key staff of PIU will be based in Bishkek, while PIU will establish regional offices in the districts, headed by responsible specialists from these offices (reporting to the PIU Director), including technical specialists and specialists in social and environmental standards. According to the Law of the Kyrgyz Republic "On Civil Service", PIU employees are not civil servants, as they are hired on a contract basis to implement a wide range of development projects.

Contracted workers

Two broad categories of workers will be involved: (i) contracted workers who will perform civil engineering works under components 1 and 2, and (ii) private organizations (subcontractors), who will work on strengthening central and local staff capacity, including implementation support services to PIU.

The construction season usually lasts from April to October but can be slightly longer or shorter depending on weather conditions. Therefore, the contractor must mobilize the labor force according to the type of work and season. The length of the working day should not exceed 8 hours a day, with at least 1 hour for rest.

The terms and duration of employment of the hired workers will be known at a later stage, however, they will be engaged only for the duration of the construction work on the relevant subprojects, which will last no more than 18 months.

2.2. Characteristics, number of project workers. Timing of labor requirements.

Direct workers

To implement this Project, the PIU will create a project team as expected, involving at least the following specialists:

- procurement specialist;
- disbursement specialist;
- water infrastructure engineer;
- monitoring and evaluation specialist;
- other specialists, consultants and experts necessary for the implementation of individual components of the project;
- project field staff in subprojects (technical supervision, institutional development and sanitation and hygiene development engineers).

Currently SIDWSWD PIU consists of the following staff:

- Director of the PIU;
- Financial Manager;
- Disbursement specialist;
- Senior procurement specialist;
- Procurement Assistant;
- Senior engineer for water infrastructure;
- Water infrastructure engineer;
- Water infrastructure engineer;
-
- Institutional Development specialist;
- Social Development Specialist;
- Environmental Specialist;
- Monitoring and Evaluation Specialist;
- Information support specialist\translator;
- Information support specialist\translator ;;
- Office Manager.

Direct employees of the PIU, as a rule, will be employed on a full-time basis until the completion of the project on a contract basis and in accordance with the requirements of the Labor Code of the Kyrgyz Republic.

Contracted workers

The preliminary number of contractors with whom contracts will be concluded under component 1 “Investment in water supply infrastructure” and component 2 “Sanitation Development” is tentatively expected to be around 100 units. Each contractor will employ approximately 25 workers to carry out construction work in each sub-project. The total number of workers hired for construction works will be about 2,500 persons, who will work from the start of construction work until its completion. In addition, professional capacity building companies may be contracted to conduct surveys, training and other assessments as part of the Project.

The contracting organization will be responsible for mobilizing labor power according to the type of work and season. Working hours should not exceed 8 hours per day with at least 1 hour of rest.

Given the nature of the project workforce (mainly low-skilled construction workers) and the characteristics of the labor market in the Kyrgyz Republic, it is likely that the labor force, especially low-skilled workers, will be predominantly men. It is expected that the PIU and project advisory services will employ women workers who are not engaged in construction work of the Project components.

It is possible most of the labor force will be hired locally, with the exception of skilled workers. Arrangements will be made to train and recruit as many local people as possible.

The timing and duration of contract workers will be known at a later stage, but they will only be employed for the duration of the relevant sub-components.

2.3. Procedures for hiring key and support staff

2.3.1. Personnel selection procedure

The key staff of SIDWSWD PIU, as well as consultants, will be selected in accordance with the World Bank Guidelines for the Selection and Employment of Consultants by World Bank Borrowers. The hiring of workers is carried out based on contracts signed by the director of the PIU.

2.3.2. Staffing and terms of reference

The staffing schedule, the number of key employees and their terms of reference are agreed upon with the World Bank. The staffing table and salaries of employees of the PIU are approved annually by the Ministry of Finance of the Kyrgyz Republic. Terms of reference will be included in the contract for each relevant employee and consultant of the PIU.

2.3.3. Contracts and probationary period

Terms of references (TORs):

PIU prepares relevant TORs for key personnel and send to WB for review and no-objection.

Contracts:

Contracts are signed with PIU personnel on the standard WB form after receiving no-objection for the TORs and selection of PIU personnel.

Probation period:

When concluding a contract, by agreement of the parties, a preliminary probationary period may be provided, during which the employer checks the business qualities of the employees, and the employee becomes familiar with the working conditions. During the probationary period, the

employee performs his/her work in accordance with the Labor Code and the terms of the contract concluded with the SIDWSWD PIU.

The probationary period for PIU personnel can be assigned up to 6 months and must be specified in the contract.

The employment contract may be terminated during the probationary period or at any other time with written notice of at least 14 calendar days prior to termination.

Termination of labor relations with employees

Carried out at the employee's own request or at the initiative of the Customer, if the Project Management, at its discretion and for any reason, decides to terminate the contract. Written notice of termination of the contract is sent to the employee 14 calendar days before termination.

At the end of the contract with the employees of the PIU.

2.4. Labor discipline

All employees are required to obey management and its representatives, comply with their orders regarding work activities, as well as orders and instructions communicated through official regulations or announcements.

For violation of labor discipline, that is, non-fulfillment or improper fulfillment by an employee of his/her assigned labor duties, the director of the PIU has the right to apply the following disciplinary sanctions:

- Warning;
- Reprimand;
- Dismissal.

Before applying a disciplinary sanction, a written explanation must be requested from the employee. The employer's order to impose a disciplinary sanction, indicating the reasons, is read out to the employee against signature.

If within a year from the date of application of the disciplinary sanction the employee is not subjected to a new disciplinary sanction, then he is considered not to have been subjected to disciplinary sanction. A disciplinary sanction may be appealed in the manner established for consider individual labor disputes.

2.5. Working hours, holidays and vacations

2.5.1. Working hours

Working time is the time during which an employee must be subordinate to the employer to perform her/his job duties.

Based on the labor legislation of the Kyrgyz Republic:

- the working hours of PIU employees on weekdays are set from 9:00 to 18:00;
- a break during the working day is set from 12:30 to 13:30;
- a five-day work week was established;
- in case of production necessity, the involvement of employees is carried out in accordance with the requirements of the Labor Code of the Kyrgyz Republic.

Overtime work is paid at a rate of at least one and a half times the regular hourly wage for the first 2 hours of work, and at least double the regular hourly wage for the subsequent hours. The specific rates of overtime pay may be determined by the collective agreement or the employment contract. At the employee's request, overtime work may be compensated with additional rest time instead of higher pay, but this additional rest time must be no less than the time worked overtime.

- on the eve of holidays, employees' work hours are reduced by one hour.

2.5.2. Weekends and holidays

- Days off: There are two days off for a five-day working week. (Weekend: Saturday and Sunday);
- Holidays: If a weekend and a holiday coincide, the day off is transferred to the working day following the holiday. (Holidays: Art. 113 of the Labor Code of the Kyrgyz Republic).

2.5.3. Labor and social vacations

- Employees are provided with the following types of vacations:
 - labor vacations only for those specialists who have this item in the contract;
 - unpaid leave: for valid personal and family reasons up to one month at the discretion of the project management;
- The vacation/leave approval process is as follows: The vacation of the director of the PIU is approved by the director of the SIDWSWD. Vacations of employees are approved by the director of the PIU;
- The duration of the paid annual labor leave for personnel is 28 calendar days within one working year, without the right to transfer unused days to the following years and without the right to receive compensation for unused vacation days and without the right to receive all kinds of material assistance for vacation;
- When granting annual labor vacation/leave, vacation pay is provided in accordance with the Legislation of the Kyrgyz Republic;
- Sick leave for 10 working days, during the term of the contract without the right to transfer to another calendar year upon presentation of a sick leave.

2.6. Construction periods

Contract workers will be required to carry out construction work as required. The construction season usually lasts from April to October, but can be slightly longer or shorter depending on weather conditions. Thus, the contractor will have to mobilize labor, taking into account the type of work and the season. Working hours should not exceed 8 hours a day, and rest time should not be less than 1 hour. The timing and duration of contract workers will be known at a later stage, but they will only be hired for the duration of the implementation of the relevant sub-components, which will last no more than 18 months.

3. ASSESSMENT OF KEY POTENTIAL LABOR RISKS

Key labor risks

Within the framework of Component 1 “Water Supply Investment” and Component 2 “Development of sanitation”, it is proposed to carry out construction work/rehabilitation of drinking water supply and sanitation systems, and modernization and/or construction of sanitation facilities in social institutions. In view of, that the primary activity of the project is the construction of new and rehabilitation of existing water supply and wastewater facilities, there will be occupational health and safety risks associated with construction activities within the project components. Workers are expected to be exposed to certain occupational hazards, which mainly include earthworks, work at heights, poorly managed construction site operations posing danger and risk to workers, improper handling of materials and from the (mis)use of equipment and tools by workers, workers may be exposed to the risk of infections and diseases when working near water and sewer systems, and failure to comply with health and safety requirements by workers.

Should other labor risks arise, this LMP will be amended accordingly to prevent further impact.

Labor risks associated with contracted workers at the subproject level.

Subprojects will be implemented by local contractors and most contract workers will likely be hired locally. All contractors will be required to enter into a written agreement with their workers that is substantially consistent with the objectives of ESS2 and the LMP, in particular the prohibition of child and forced labor in employment, as required by the Bank's Standard Procurement Document.

Labor influx and associated gender-based violence

Gender-based violence (GBV) / Sexual Exploitation and Violence/Sexual Harassment (SEA/SH), considered moderate, During the project implementation phase, measures will be taken to prevent SEA/SH risks in accordance with the requirements of the World Bank's environmental and social standards.

All contracts with project employees will also include a standard Code of Conduct (Annex 1), including measures to prevent GBV/SEA/SH. The GRM for project employees will be introduced to direct and contracted workers.

Occupational Health and Safety Risks

All contractors will be required to develop and implement written labor management plans, including procedures for establishing and maintaining a safe working environment in accordance with the requirements of ESS2 and national legislation. Under the Environmental and Social Management Plan (ESMP), all contractors will be required to ensure that workers use essential protective equipment, undergo basic occupational health and safety (OHS) training and implement other preventative measures as set out in the Environmental and Social Management Framework (ESMF).

Discrimination and exclusion of women and other vulnerable groups

Development of GRM which is accessible, and confidentiality of personal information is ensured. It is necessary to implement a deliberate policy for gender equality. Need to develop deliberate mechanisms to monitor participation of vulnerable groups in all project activities. Provide systems to ensure equal opportunity for all regardless of gender, ethnic and social status.

Risks associated with employment

The staff will be hired by the PIU either directly as project staff or as consultants or contracted service providers. Practice shows that subcontractors hired to carry out construction work practice employment contracts with a lump sum payment for a certain type of service or volume of work, according to which the duration of employment will be limited to several months.

Risks associated with overtime work

There is a risk of the established practice of not recording working hours and lack of compensation for overtime work. According to the Labor Code of the Kyrgyz Republic (2025), by agreement with the employer, project employees are provided with additional hours of rest but no less than the overtime worked (Article 108) on another day as compensation for overtime work. The PIU will aim to address risk by informing project staff of their rights and establishing grievance mechanisms for them.

Work outside the normal working hours can be carried out both at the initiative of the employee (part-time work) and at the initiative of the employer - overtime work.

Overtime work is paid for the first 2 hours of work at least one and a half times the rate, for subsequent hours - at least twice the rate. Specific amounts of payment for overtime work may be determined by a collective agreement or employment contract. At the request of the employee, overtime work, instead of increased pay, can be compensated by providing additional rest time, but not less than the time worked overtime. Work outside the normal working hours, performed part-time, is paid depending on the time worked or output (Article 108).

Forced labor and the risk of child labor

Exploitation of child labor is work that poses a threat to the health, safety, morale of the child, as well as work that does not allow the child to receive an education. This also includes employing children under a certain age. The minimum age of children for employment according to the Labor Code of the Kyrgyz Republic is 16 years. However, in exceptional cases, in agreement with the representative body of the organization's employees or the authorized state body in the field of labor, persons over 15 years of age (Article 14) may be hired to perform light labor in their free time that does not cause harm to health and does not disrupt the process training.

Taking into account the specifics of the Project, to carry out construction work, all hired workers must be 18 years of age or older. This requirement will be specified in contracts between the PIU and contractors for civil works.

The use of child labor in its worst forms is prohibited (Article 3).

4. BRIEF REVIEW OF NATIONAL LEGISLATION

4.1. National Labor Laws: Terms and conditions

The legislation of the Kyrgyz Republic on labor protection is based on the Constitution of the Kyrgyz Republic and consists of the Labor Code, the Law on labor protection and other regulatory legal acts of the Kyrgyz Republic.

The Constitution of the Kyrgyz Republic on working conditions and labor protection provides everyone with the right to:

- safe work. The use of forced and child labor is prohibited (Article 28);
- right to rest. Everyone has the right to rest. The establishment of maximum working hours, weekly days off, paid annual leave and other conditions provided for by law ensures this right. (Article 42);
- health protection. Everyone has the right to health care. (Article 43);
- social Security. Everyone is guaranteed social security in old age, in the event of illness, disability and loss of ability to work, or loss of a guardian in cases and in the manner prescribed by law. (Article 44).

The Labor Code of the Kyrgyz Republic dated January 23, 2025 No. 23 is the main legislative act aimed at regulating all labor issues arising in the Kyrgyz Republic. This Code regulates labor relations and other relations directly related to them, aimed at protecting the rights and freedoms of participants in labor relations, establishing minimum guarantees of rights and freedoms in the sphere of labor. Article 9 of the Code prohibits discrimination and guarantees equal rights to work for all citizens; discrimination in labor relations is prohibited. Any distinction, exclusion or preference, refusal to hire, regardless of nationality, race, gender, language, religion, political opinion, social status, education, property status, leading to a violation of equal opportunity in the world of work is prohibited.

Salary and deductions

Contracts and collective agreements establish the form and amount of remuneration for work performed. The monthly salary of an employee who has worked standard working hours during this period and fulfilled labor standards (labor duties) cannot be lower than the minimum wage established by law. The minimum wage does not include allowances, bonuses and other incentive payments, as well as payments for work in conditions different from normal, for work in special climatic conditions and in areas prone to radioactive contamination, other compensation and social payments. (Article 92).

The employer may pay employees for their work at least once a month (Article 94). Employers must also pay for work-related injury or property damage, and families are paid compensation in the event of death. Deductions are allowed for certain reasons, but cannot exceed 50 percent of the amount due to the employee. (Article 204)

Working hours

The standard working week is 40 hours (Article 51), and those under 18 are allowed to work less. The number of hours per day and days per week is established in the agreement/contract between the employer and employee.

Employers are required to provide women with children under 18 months of age an additional 30-minute breastfeeding period every 3 hours per day, and mothers with two or more children an additional 1-hour break per day. At the request of the employee, additional days off are summed up with a break for lunch and rest or are summed up and used at the beginning or end of the working day (shift) in accordance with the shortened working day (Article 150). Details of time off are established in agreements/contracts.

According to Article 142, the involvement of pregnant women in overtime work, work on weekends, and business trips is allowed if such work is not prohibited by medical indications. As for women with children under the age of three, it is allowed only with their written consent and provided that it is not prohibited by medical conclusions

Rest and breaks

Types of rest time are (Article 63):

- breaks during the working day (shift);
- daily (between shifts) rest;
- days off (weekly uninterrupted rest);
- non-working holidays;
- vacation.

The employees must be provided with rest and lunch breaks during the working day lasting no less than 30 minutes and no more than 1 hour. The timing of the break and its duration are determined by the internal labor regulations of the organization or by agreement between the employee and the employer (Article 64).

Vacation

In addition to national holidays, employees must receive at least 28 calendar days of paid leave per year, and employees under the age of 18 and people with disabilities must receive 30 days (Article 68).

Leave without pay can also be taken by certain groups of people and can also be included in contracts. Upon termination, employees are paid for unused vacation time, or they can use vacation time as their last days of work.

Women are provided maternity leave based on application. The employee is granted additional leave without pay to care for a child until the child reaches the age of three years. By agreement of the parties, parental leave until the child reaches the age of three can be granted at any time and for any period. Parental leave can be used in whole or in part also by the father, grandmother, grandfather, other relative or guardian of the child who actually takes care of the child.

Overtime work

According to Article 1, overtime work is work performed by the employee at the employer's initiative beyond the normal working hours for the employee.

Remuneration for overtime work is paid for the first 2 hours of work at least one and a half times, for subsequent hours - at least twice. The specific amount of payment for overtime work may be determined by a collective agreement or employment contract. At the request of the employee, overtime work, instead of increasing wages, can be compensated by providing additional rest time, but not less than overtime work. Work outside the normal working day, part-time, is paid depending on the time worked or production (Article 108). This provision also applies equally to temporarily hired workers.

Labor disputes

Labor disputes are defined as 'unresolved discrepancies between the employer and the employee regarding the establishment of new or changes to existing working conditions, as well as the application of legislative and other regulatory actions in the field of labor in the Kyrgyz Republic' (Article 240).

Individual labor disputes are considered by labor dispute commissions, the authorized state body in the field of supervision and control over compliance with labor legislation, and the courts. An employee, at his choice, may apply for resolution of a labor dispute to the labor dispute commission or the authorized state body in the field of supervision and enforcement of labor legislation, or directly to the court. In cases where the organization has not created a labor dispute commission, the labor dispute is subject to consideration directly by the authorized state body in the field of supervision and control over compliance with labor legislation or in court (Article 241).

Grievances

The Law on the procedure for considering the citizens' appeals (No. 67 of May 4, 2007) contains legal provisions that establish information channels for citizens to submit their complaints, requests and grievances. Article 8 of the Law establishes the time frame for consideration of complaints, which are 14 working days from the date of receipt, which do not require additional study and research, and 30 calendar days for appeals, which require additional study.

4.2. Brief overview of legislation: occupational health and safety (OHS)

The occupational safety issues are addressed in the Constitution of the Kyrgyz Republic. In accordance with Article 42 "Citizens of the Kyrgyz Republic have the right to free work, to use their labor opportunities, to choose a profession and field of activity, the right to safe working conditions that meet safety and hygiene requirements, and the right to remuneration for work and social security not lower than living wage established by law."

The Labor Code of the Kyrgyz Republic, which entered into force on January 23, 2025, No. 23, has a section devoted to labor protection and safety. The Labor Code of the Kyrgyz Republic establishes the employer's obligation to ensure labor protection, state regulation of labor protection and the employee's responsibility for labor protection and safety. The employee is guaranteed labor protection, training and instruction, sanitation, social and medical services. The Code addresses issues of the creation and operation of labor protection services, investigation and recording of industrial accidents and occupational diseases, payment of benefits and compensation depending on working conditions.

The Law of the Kyrgyz Republic on occupational safety, which entered into force on August 1, 2003, No. 167, establishes the legal framework for relations between employers and employees and is aimed at creating working conditions that meet the requirements of preserving the life and health of workers at work. The law establishes the main directions of state policy in the field of labor protection and the principles of state management of labor protection.

Appeal to government bodies responsible for labor protection and social security, as well as to representatives of public monitoring to check working conditions and labor safety measures in organizations and to investigate industrial accidents and occupational diseases.

On the other hand, employees are required to undergo initial and periodic medical examinations, attend training and periodic safety instructions, and undertake medical and health activities that are prescribed by the medical institution if they are paid for by the employer.

5. THE WORLD BANK ENVIRONMENTAL AND SOCIAL STANDARDS (ESS2)

5.1. Labor resources and working conditions

The World Bank's stipulations related to labor are outlined in its ESS2. Implementing agency promotes sound worker-management relationships and provides safe and healthy working conditions. Key objectives of the ESS 2 are to:

- Promote safety and health at work;
- Promote the fair treatment, nondiscrimination and equal opportunity of project workers;
- Secure protection of project workers, including vulnerable workers such as women, persons with disabilities, children (of working age, in accordance with this ESS) and migrant workers, contracted workers, community workers and primary supply workers, as appropriate;
- Prevent the use of all forms of forced labor and child labor;
- Support the principles of freedom of association and collective bargaining of project workers in a manner consistent with national law; and
- Provide project workers with accessible means to raise workplace concerns.

ESS2 applies to project workers including full-time, part-time, temporary, seasonal and migrant workers. Where government civil servants are working in connection with the project, whether fulltime or part-time, they will remain subject to the terms and conditions of their existing public sector employment agreement or arrangement, unless there has been an effective legal transfer of their employment or engagement to the project. ESS2 will not apply to government civil servants.

Working conditions and management of worker relationships. The Implementing Agencies will develop and implement internal labor management procedures applicable to the project. These procedures will set out the way in which project workers will be managed, in accordance with the requirements of national law and this ESS. The procedures will address the way in which this ESS will apply to different categories of project workers including direct workers, and contract workers.

Project workers will be provided with information and documentation that is clear and understandable regarding their terms and conditions of employment. The information and documentation will set out their rights under national labor law and ESS requirements (which will include collective agreements), including their rights related to hours of work, wages, overtime, compensation and benefits. This information will be provided at the beginning of the working relationship and when material changes occur.

For more details on the WB Environmental and Social Standards, please follow the below links:

www.worldbank.org/en/projects-operations/environmental-and-socialframework/brief/environmental-and-social-standards and <http://projects-beta.vsemirnyibank.org/ru/projects-operations/environmental-and-social-framework/brief/environmental-and-social-standards>.

5.2. Policy Gap

Comparison of the World Bank's key requirements in labor protection with the requirements of the legislation of the Kyrgyz Republic.

Table 1. Comparison of the WB key requirements in the field of labor protection with the requirements of the legislation of the KR

ESS & topic	WB ESS2 key requirements	Key requirements in the KR legal framework
Working conditions and labor management	<ul style="list-style-type: none"> • Written labor management procedures; • Terms of employment; • Non-discrimination and equal opportunities. • Development of labor management plans incl. Contractor's ESMP. 	<ul style="list-style-type: none"> • Written employment contract required, including procedures and employment conditions. • Non-discrimination and equal opportunity requirements exist. • No provision for Labor Management Plans.
Labor force protection	<ul style="list-style-type: none"> • Child labor prohibition; • Forced labor prohibition. 	<ul style="list-style-type: none"> • Child labor prohibited. • No forced labor is allowed.
GRM	<ul style="list-style-type: none"> • GRM should be in place for direct and contracted workers. 	<ul style="list-style-type: none"> • No specific GRM process for employees working with individual employment contracts. • Grievance registration and follow-up procedures are available through the Law on Appeals of Citizens.
OHS	<ul style="list-style-type: none"> • Detailed procedure for each project. • There are requirements for labor protection, training of specialists, documentation of incidents, preparation for overcoming situations, and solving problems. • Monitoring performance, health and safety. 	<ul style="list-style-type: none"> • No detailed procedure for the project. • There is a requirement for labor protection, training, and documentation of incidents.
Categories of workers.	<ul style="list-style-type: none"> • Categories of workers defined. 	<ul style="list-style-type: none"> • No such classification.
Minimum age of workers.	<ul style="list-style-type: none"> • An employee can be a person over 16 years of age. In exceptional cases, in agreement with the representative body of the organization's employees or the authorized state body in the field of labor, persons over 15 years of age may be hired. • Students who have reached the age of 14 can enter into an employment contract with the written consent of one of the parents (guardian, custodian) or guardianship authority to perform light labor in their free time from school that does not cause 	<ul style="list-style-type: none"> • Employment permissible for 14 plus age, but with guardian permission. • Persons aged 18 years are not permitted to work under difficult and unsafe working condition.

	<p>harm to health and does not disrupt the learning process.</p> <ul style="list-style-type: none"> • The consent of the parents (guardian, trustee) is given in writing (application), and the parents (guardian, trustee) along with the minor sign an employment contract. 	
--	--	--

6. RESPONSIBLE EMPLOYEES

The PIU Director will supervise and direct the work of all employees associated with the Project.

Specialists of the PIU on environmental and social standards will be responsible for the following activities:

- Implementation of Labor management procedures;
- Ensuring that construction contractors comply with labor management procedures and prepare health and safety plans before commencing construction work;
- Ensure that contracts with contractors are prepared in accordance with the provisions of this LMP and the project's ESMF and as detailed in the Project Operations Manual;
- Monitoring the fulfillment by contractors of labor obligations and labor protection obligations in relation to contract and subcontract workers in accordance with the requirements of the legislation of the Kyrgyz Republic and relevant agreements between the PIU and contractors.

When preparing standard contracts with contractors, the PIU will include requirements regarding OHS (occupational safety and health). In accordance with the requirements of the LMP and OHS, contractors are required to:

- Comply with labor management procedures and occupational safety and health requirements. If the number of workers (main + contract) exceeds 50, then contractors must develop their own LMP and OHS plans;
- Monitor contractors' compliance with LMP and OHS requirements;
- Maintain records of contract workers and compliance with the conditions of their employment;
- Disseminate (in an accessible form) job responsibilities and terms of employment to all employees;
- Ensure that every employee employed by the contractor/subcontractor knows the telephone number, email address and website where he can lodge a complaint to the PIU;
- Familiarize workers with the requirements relating to labor protection; conduct regular trainings on the right to safe working conditions (which is guaranteed by the legislation of the Kyrgyz Republic), the risks associated with their work, and measures to reduce these risks to an acceptable level;
- Conduct training on labor management and occupational safety procedures to ensure the efficient work of subcontractors;
- Ensure that all contractor and subcontractor employees understand and sign the Code of Conduct before commencing work. Ensure compliance with this Code;
- Monitoring the implementation of labor resource management procedures by contractors and subcontractors;
- Monitoring compliance with labor protection and safety standards at all workplaces in accordance with the legislation of the Kyrgyz Republic in the field of labor protection and safety;
- Monitoring and conducting training on industrial safety management and occupational safety and health for project workers;

- Ensuring the development and implementation of a grievance mechanism for project workers, as well as ensuring that workers are informed of its purposes and how to use it;
- Availability of a system of regular monitoring and reporting on occupational health and safety;
- Monitoring the implementation of the Employee Code of Conduct.

7. POLICIES AND PROCEDURES

According to the Labor Code, the hiring of project staff will be based on the principles of non-discrimination and equal opportunity. There is no discrimination in any aspect of the employment relationship, including hiring, compensation, working conditions and conditions of employment, access to training, promotion or termination. The following measures will be followed by contractors and monitored by PIU staff to ensure fair treatment of all employees:

- Recruitment procedures will be transparent, public and non-discriminatory and respectful of ethnicity, religion, sexual orientation, disability or gender;
- Applications for employment will only be considered if they are submitted in accordance with the formal application procedures established by the contractors;
- Clear job descriptions will be provided prior to employment, explaining the skills required for each position;
- All employees will have written contracts outlining their working conditions and their contents will be explained to them. Employees will sign an employment contract;
- Unskilled labor will preferably be recruited from nearby settlements, at a rate of at least 50%;
- Employees will be informed of the upcoming dismissal at least two weeks before the expected date of dismissal;
- The contracted worker will not be required to pay any recruitment fees. If any recruitment fees are incurred, they will be reimbursed by the employer;
- Depending on the origin of the employer and employee, the terms of employment will be communicated in two languages, in the state language and in a language understood by both parties;
- In addition to written documentation, employees who may have difficulty understanding the documentation will be provided with a verbal explanation of the terms and conditions of employment;
- Foreign workers will require work permits to carry out their activities in the Kyrgyz Republic;
- For construction work, all workers hired must be 18 years of age or older. This requirement will be specified in the contracts between the PIU and the civil works contractors;
- Normal working hours should not exceed 40 hours per week. With a five-day working week, the duration of daily work is determined by the internal labor regulations, approved by the employer after preliminary agreement with employee representatives, in compliance with the established working week duration.

Contractors will need to:

- Comply with the requirements of national legislation and this Labor Management Procedure;
- Keep records of the recruitment and subsequent work of contract workers;
- In an accessible form, explain to employees under the contract the duties and conditions of employment;
- Implement a system that ensures regular monitoring and reporting on labor relations and OHS.

8. AGE OF EMPLOYMENT

The legislation of the Kyrgyz Republic prohibits persons under 18 from performing “harmful or heavy” work, and there are special requirements for leave, working hours, and other conditions of

employment. The employer guarantees that construction workers under 18 years of age will not be hired. Workers under the age of 18 are allowed to work in industries that do not pose a health hazard with the following reduced working hours: workers aged 14 to 16 years - no more than 24 hours a week, from 16 to 18 years - no more than 36 hours in Week.

Contractors will be required to verify and determine the age of all workers. This will require workers to provide official documentation, which may include a birth certificate, national ID card, passport, medical or school record. If a minor under the minimum working age is found to be working on a project, action will be taken to immediately terminate or engage the minor in a responsible manner that takes into account the best interests of the minor.

9. TERMS AND CONDITIONS

The terms and conditions of employment applicable to employees of the PIU will be set out in this document. These internal labor regulations will apply to all PIU employees assigned to work on the project (core employees). The working conditions of part-time workers are determined by their individual contracts.

As for the number of workers hired under the contract during the civil works, approximately 2500 people are expected.

Contractors' labor management procedures will determine the conditions for contract and subcontract workers. These terms and conditions will be consistent, at a minimum, with this (LMP), the Labor Code of the Kyrgyz Republic and are specified in the standard contracts that will be used by the PIU within the project, and are also presented in the Project Operational Manual, in accordance with the data of the LMP and the ESMF.

10. GRIEVANCE REDRESS MECHANISM (GRM)

In accordance with the requirements of the World Bank's Social and Environmental Standard (ESS) No.2, the PIU will apply its Grievance Mechanism (GRM) to relevant component activities during the operation of this Project. The GRM will streamline the process of receiving, considering and resolving complaints that may arise as a result of the implementation of the activities of this Project.

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

GRM will be provided to all direct and contracted workers to raise issues at the workplace. Such employees will be informed of the grievance redressal mechanism at the time of recruitment and the measures taken to protect them from any reprisal for using it.

The GRM will be accessible to all employees through various means (written, telephone, fax, social media, etc.). The complaint register will be kept in the office of the PIU.

Grievance procedures should be adapted to the needs of the project, culture and staff composition. Grievance procedures may be included in collective agreements. A provision in a collective bargaining agreement at the contractor level that establishes a mechanism for individual workers to file employment-related grievances, potentially through and/or with the assistance of a union, will be sufficient to satisfy ESS2.

A step-by-step GRM procedure, consistent with the ESS 2 standard, will be developed before the start of the project and included in the Project Operational Manual (POM). This will be a two-level mechanism. A separate GRM will be provided for other stakeholders who are impacted in one way or another by the project.

10.1. GRM for direct workers

To reduce the risks associated with employees, a GRM will be developed for them. Grievance redress mechanisms are established in several levels to achieve their objectives.

First level: any complaint or appeal from employees will be considered by the Director of the PIU, registered by the PIU specialist on social issues in the Complaints Journal, after which it will be considered within 14 working days, depending on the nature of the complaint.

Second level: If a complaint or request received from employees is not resolved at the first level, or if the response is not satisfactory, the person filing the complaint or request has the opportunity to contact the Director of the SIDWSWD directly to resolve the problem. Complaints must be reviewed and responses provided within 14 business days

Any complaint or appeal regarding unaccounted working hours and non-payment of overtime compensation, delays/non-payment of wages, depending on the nature of the issue raised, must be received, reviewed and resolved in a timely manner.

10.2. GRM for contracted workers

Contractor level. Contractors must develop their own GRM to resolve grievances of contracted workers and notify workers of the established grievance redress committee (GRC) along with the number of committee members that workers can approach in case they wish to lodge a grievance. If there are women workers, one of the committee members should be a woman to ensure that women workers have easy access to the GRM and do not face difficulties in filing a complaint. A Grievance Coordinator (GC) appointed by the contractor will document all complaints and concerns from contract workers and will be responsible for facilitating the resolution of complaints. If the complaint, depending on its nature, cannot be resolved at the level of the subproject level within 14 working days, then it will be transferred to the central level of the PIU

Central level. The Social Development Specialist of the PIU SIDDWSWD will act as the responsible specialist for the grievance procedures and PIU project assistant will register complaints and appeals received from project staff. He/she will be responsible for coordinating with relevant departments/organizations and persons to facilitate redressal of these complaints within 14 working days. Any unresolved complaint or appeal received from the central level of the PIU must be reviewed and resolved in a timely manner.

The following communication channels have been established in the PIU through which residents/beneficiaries of the subprojects can send appeals at different stages of Project implementation:

- by mail - Bishkek, Baytik Baatyr str. 34.
- by phone – 0312 54-45-75
- WhatsApp is an instant text messaging system for mobile devices with voice and video support - the GRM numbers are + 996 555 544 575 и +996 707 544 575;
- verbal or written communications received during on-site working meetings and by Project field specialists in the subprojects;
- incoming correspondence on purpose to the PIU reception desk;
- incoming e-mail correspondence office@tunuksuu.kg
- journals of registrations of citizens' appeals.

10.3. Handling sensitive complaints

Given the Standards for the Prevention of Sexual Exploitation and Abuse/Sexual Harassment (SEA/SA=SEA/SH), which the World Bank requires all World Bank-financed projects to adhere to, these standards and responsibilities are also to be adhered to, whereby measures are taken to raise awareness on prevention and mitigation of SEA/SH. At all stages of Project implementation,

all the PIU staff and contractors will be informed on understanding the principles of control and prevention of the SEA/SH risks. The GRM will ensure access and confidentiality of the grievance mechanism, and will ensure that the applicant does not fear likely retaliation. These complaints will be investigated without any delay and all those responsible, will be held accountable. The SEA/SH issues will require certain additional measures:

- Gender sensitivity will be taken into account in the hiring of social work specialists to work in the PIU.
- Safeguards specialists will be informed of the SEA/SH issues.
- In addition to sociocultural sensitivity and non-violent communication in employee training, the SEA/SH will be on the agenda as well. Training for employees will include the following information about the SEA/SH:
 - Definition of violence against women in national and international instruments;
 - Types of violence (physical, sexual, economic, emotional);
 - Legal Sanctions.
- The grievance mechanism will be accessible and will ensure the confidentiality of personal information.
- Awareness-raising activities will be conducted to inform women about the application of the mechanism. The following types of information will be provided in these activities:
 - women's rights;
 - self-defense in cases of violence and sexual assault. Emergency phone numbers;
 - contact information of institutions and organizations to which they can apply;
 - grievance mechanism and privacy policy.
- The principle of confidentiality of the grievance mechanism will be repeated in all information materials.

The Project will use additional mitigation measures proportional to the risk. The Contracting organization will be responsible for developing personnel management procedures, health and safety plans, and the SEA/SH protocols that will apply to its own employees and employees of (sub)contractors who are employed by the Project. These procedures and plans will be submitted to the PIU for review and approval before contractors are allowed to begin construction work. All contractors will be required by contract to commit against the use of child labor and forced labor, to take measures regarding the effects of the SEA/SH, and PIU personnel responsible for contractor oversight will monitor and report on the absence of forced labor and incidents of the SEA/SH. All personal data and complaints received by GRM will be treated confidentially unless the Applicant consents to the disclosure of their personal information. In particular, the confidentiality of sensitive issues and the SEA/SH complaints from communities will be respected.

10.4. Grievance monitoring and reporting

The PIU will be responsible for:

- analysis of qualitative and quantitative data, content and status of complaints and their inclusion in project databases created by the PIU;
- monitoring unresolved issues and proposing measures to resolve them;
- preparation of GRM reports as part of project progress reports for submission to the WB. Semi-annual reports submitted to the WB should include a section on the GRM, which provides updated information on the following:
 - ✓ status of GRM implementation (procedures, training, public awareness campaigns, budgeting, etc.);
 - ✓ qualitative data on the number of complaints received (applications, proposals, complaints, requests, positive responses) highlighting the number of resolved complaints;

- ✓ quantitative data on the types of complaints and responses provided, problems and requests that remain unresolved;
- ✓ level of satisfaction with the measures taken (response);
- ✓ any corrective actions taken.

10.5. World Bank Grievance Redress System

Project workers may submit complaints to existing project-level grievance mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to solve the project's labor related issues. Project workers 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/grievance-redressservice>.

For information on how to submit complaints to the World Bank Inspection Panel, please visit: .

11. CONTRACT MANAGEMENT

Construction and other contracts will include provisions relating to employment, occupational health and safety, ESMP, Code of Conduct, as provided in the World Bank's standard procurement documents and Kyrgyz legislation.

The PIU will manage and monitor the performance of contractors in relation to employees, paying particular attention to contractors' compliance with their contractual agreements (obligations, representations and warranties) and labor management procedures. This may include periodic audits, inspections and/or spot checks of project and work sites and labor management records and reports compiled by contractors.

Labor management contractor records and reports that may be reviewed include:

- representative samples of employment contracts or arrangements between third parties and employees;
- records relating to grievances received and how they were resolved;
- reports relating to safety audits, including accidents and incidents, and the implementation of corrective actions;
- records relating to incidents of non-compliance with national legislation and records of training provided to employees to explain workplace health and safety risks and preventive measures.

ANNEX 1. CODE OF CONDUCT SAMPLE

CODE OF CONDUCT TO BE COMPLIED BY CONTRACTORS

Code of Conduct for Contractor Personnel:

Form

We are, the Contractor, *[enter the name of the Contractor]*, have signed a contract with *[enter the name of the Employer]* for *[enter the description of the Work]*. These Works will be carried out at *[specify the Site and other locations where the Works will be carried out]*. Our contract requires us to take measures to arrange the environmental and social risks associated with the Works, including the risks of sexual exploitation, sexual violence and sexual harassment.

Note:

The minimum content of the Code of Conduct form as set out by the Employer shall not be substantially modified. However, the Contractor may add requirements as appropriate, including to take into account a Contract-specific issues/risks.

The present Code of Conduct form is part of our efforts to address environmental and social risks associated with our work. It applies to all personnel, workers and other persons employed on the construction site or other places where work is carried out. It also applies to the employees of each subcontractor and any other personnel assisting to implement Works. All such persons are referred to as “**Contractor Personnel**” and are required to comply with this Code of Conduct.

This Code of Conduct identifies the behavior that required from all Contractor’s Personnel.

The 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 BEHAVIOR

The Contractors personnel shall:

1. carry out his/her duties diligently and competently;
2. comply with this Code of Conduct and all applicable laws, regulations and other requirements, including requirements to protect the health, safety and welfare of other Contractor Personnel and any other person;
3. maintain a safe working environment, including by:
 - ensuring that workplaces, machinery, equipment and processes under each person's control are safe and without risk to health;
 - wearing the necessary personal protective equipment;
 - use of appropriate measures relating to chemical, physical and biological substances and reagents;
 - following applicable emergency operating procedures.
4. inform about the 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 sexual harassment, which means unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature with other Contractor's or Employer's Personnel;
7. not engage in sexual exploitation, which means any actual or attempted abuse of position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another;
8. not engage in sexual abuse, which means the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions;
9. not engage in any form of sexual activity with individuals under the age of 18, except in case of pre-existing marriage;
10. attend relevant training courses that will be provided related to the environmental and social aspects of the Contract, including on health and safety aspects, SEA and SH;
11. inform about the violations of this Code of Conduct;
12. not retaliate against any person who informs the violations of this Code of Conduct, whether to the Employer or who makes use of the grievance mechanism for Contractor's Personnel or the project's GRM.

RAISING CONCERNS

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

1. Contact *[insert the name of the PIU social safeguard specialist with relevant experience in handling cases of sexual exploitation, sexual violence and sexual harassment, or, if such a person is not required under the Contract, another person designated by the Employer to resolve these issues]* in writing at the following address [_____] or by phone [_____] , or in person at the address [_____].
2. Call [_____] to reach the Client's hotline (*if any*) and leave a message.

The person's identity will be kept confidential unless suspicion of involvement is warranted by the law of the country. Anonymous complaints or allegations may also be submitted and will be given due and proper attention. We take all reports of possible misconduct seriously and will investigate and take appropriate action. We will provide guidance and additional information to service providers who can help support the person experiencing the alleged incident, depending on the situation.

There will be no penalty against any person who, in good faith, reports any conduct prohibited by this Code of Conduct. Such punishment would be a violation of this Code of Conduct.

CONSEQUENCES OF VIOLATION OF THE CODE OF CONDUCT

Any violation of this Code of Conduct by Contractor Personnel may result in serious consequences, 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 Client's contact person(s) with relevant experience]* requesting an explanation.

Signature: _____

Date: (day month year): _____

Countersignature of authorized representative of the Contractor:

Signature: _____

Date: (day month year): _____

ATTACHMENT 1: Behaviors constituting Sexual Exploitation and Abuse (SEA) and behaviors and behaviors constituting Sexual Harassment (SH)

BEHAVIORS CONSTITUTING SEXUAL EXPLOITATION AND ABUSE (SEA) AND BEHAVIORS CONSTITUTING SEXUAL HARASSMENT (SH)

The following non-exhaustive list is intended to illustrate types of prohibited behaviors.

1. Examples of sexual exploitation and abuse include, but are not limited to:

- Contractor's Personnel tells a member of the community that he/she can get them jobs related to the work site (e.g. cooking and cleaning) in exchange for sex;
- Contractor's Personnel that connecting electricity input to households says that he can connect women headed households to the grid in exchange for sex;
- Contractor's Personnel rapes, or otherwise sexually assaults a member of the community;
- Contractor's Personnel denies a person access to the Site unless he/she performs a sexual favor;
- Contractor's Personnel tells a person applying for employment under the Contract that he/she will only hire him/her if he/she has sex with him/her.

2. Examples of sexual harassment in a work context:

- Contractor's Personnel comment on the appearance of another Contractor's Personnel (either positive or negative) and sexual desirability;
- When a Contractor's Personnel complains about comments made by another Contractor's Personnel on his/her appearance, the other Contractor's Personnel comment that he/she is "asking for it" because of how he/she dresses;
- Unwelcome touching of a Contractor's or Employer's Personnel by another Contractor's Personnel.

A Contractor's Personnel tells another Contractor's Personnel that he/she will get him/her a salary raise, or promotion if he/she sends him/her naked photographs of himself/herself.