

Somali Integrated Statistics and Economic Planning
Capacity Building
(P171160)

Labor Management Procedures (LMP)

For Disclosure

January,2020

INTRODUCTION

1. **Labor Management Procedures.** Under the World Bank Environmental and Social Standard 2 (ESS2: *Labor and Working Conditions*), the Borrower is required to develop labor management procedures (LMP). The purpose of the LMP is to identify the main labor requirements and risks associated with the project, and help the Borrower to determine the resources necessary to address project labor issues. The LMP will enable different project-related parties, for example, staff of the project implementing unit, consultants and project workers, to have a clear understanding of what is required on a specific labor issue. 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. **Project Description.** Somali Integrated Statistics and Economic Planning Capacity Building therefore aims to strengthen the governance and capacity of the National Planning, Statistical and M&E Systems to fill statistical data gaps; and regularly assess, analyze and improve their public policies and programs performance and results

3. **Project Components.** Somaliland will participate in component 2 of the project which is statistical system.

I. OVERVIEW OF LABOR USE ON THE PROJECT

4. ESS 2 categorizes the workers into: direct workers, contracted workers, community workers and primary supply workers. The labor category of direct workers will be government civil servants (belonging to the Ministry of Planning and National Development – MoPND), Somaliland Central Statistics Department and staff of the statistics units from other government ministries, departments and agencies (MDAs) benefitting from the project or those deployed as ‘technical consultants’ by the project. While the civil servants are governed by a set of civil services code, the consultants will be governed by a set of mutually agreed contracts. These consultants will be housed in a Project Implementation Unit (PIU) to be established under MOPND.

5. **Direct Workers.** The project will engage the following types of workers as “direct workers”:

- 1) **Project Implementation Unit (PIU):** A Implementation Unit (PIU) will be set up within MOPND to manage the project. The PIU will be staffed with a project coordinator as well

as specialists in financial management (FM), procurement, information and communication technology (ICT), human resources (HR), and monitoring and evaluation (M&E). This project component will provide funding for those functions and their implementation.

- 2) **Civil Servants:** civil servants (belonging to the Ministry of Planning & National Development - MoPND), Somaliland Central Statistics Department and staff of the statistics units from other will be involved in the project implementation on full time or on part time Consultants: The PIU could be supported by international consultants, if needed, with a focus on building capacity of the unit over the initial phase of the project **Field supervisors/Field staff/enumerators** will be hired for Somali Integrated Household Budget Survey (SIHBS) and the Somali Integrated Business Establishments Survey (SIBES) data collection exercises.

6. **Primary supply workers.** The project will require primary supplies to cater for the operational costs for the Council's office particularly office supplies and equipment (including computers, printers, utilities, internet & other communication costs, and related equipment). Where such materials are directly sourced from primary suppliers on an ongoing basis, the workers engaged by such primary suppliers are deemed "primary supply workers", as defined in ESS2. The need for primary suppliers will be determined at project implementation stage.

7. **Community workers.** The project will have no community workers as defined under ESS2. The community members to be engaged will be categorized and managed as "contracted workers".

8. **Other stakeholders working in connection with the project.** Stakeholders working in connection with the project other than the above project workers will include the following.

- 1) **Government civil servants:** Some state and municipal government civil servants will be working in connection to the project, which will include Ministries; and district police that provide security services. They will remain subject to the terms and conditions of their existing public sector employment, which are governed by the 1996 Somaliland Civil Service Law that covers permanent civil servants but does not apply to local government employees and to members of the armed forces or the police and corrections corps. There will be no legal transfer of their employment or engagement to the project. The Constitution and the Civil Service Code prohibit child labor and forced labor. The

government civil servants involved in the project are not expected to be exposed to Occupational Health Safety (OHS) risks under the project as they will not engage in project-related civil works.

Table: Overview of Indicative Labor Use

Type of project workers	Characteristics of project workers	Timing of labor requirements	Indicative number of workers
Direct workers <ul style="list-style-type: none"> PIU consultants Field supervisors/Field staff/enumerators 	<ul style="list-style-type: none"> PIU: National consultants consultants: international and national experts Field workers: National 	<ul style="list-style-type: none"> PIUs: from project preparation until project completion consultants: from project preparation until project completion fieldworkers: during project implementation - mainly during the surveys field data collection phases of SIHBS and SIBES. 	<ul style="list-style-type: none"> PIU: approx. 5 consultants PCS: approx. 5 consultants field staff:
Primary supply workers <ul style="list-style-type: none"> Workers engaged by primary suppliers 	<ul style="list-style-type: none"> They are most likely to be local workers. 	<ul style="list-style-type: none"> project implementation. 	<ul style="list-style-type: none"> The primary supply workers will be identified during the project implementation stage.
Community workers	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Not applicable

II. ASSESSMENT OF KEY POTENTIAL LABOR RISKS

9. **Project activities.** The project may finance the purchase of IT equipment, including printers, photo copiers, desktops, laptops, and tablets. As currently designed, the project has no intent to finance civil works, including repair or rehabilitation of offices. The project could have positive impacts (through collection of data to inform Government) on vulnerable groups and reduction in discrimination by helping to capture data and focus Government attention on vulnerable groups and indigenous peoples and address exclusion or discrimination. All potential E&S impacts will be assessed under ESS1, including risks of exclusion, GBV and labor management. Stakeholder Engagement Plan and Labor Management Procedures are the E&S instruments that will be prepared by the client before appraisal. To ensure full inclusion of vulnerable groups in the project area, project data collection, documentation and analysis should cater for coverage of disadvantaged and vulnerable households. To mitigate against fieldwork exclusion of some administrative areas due to partial or complete deterioration of security a flexible sample design that will

allow inclusion and exclusion of specific areas from the sample depending on a security assessment will be used by the implementing agency

10. **Key labor risks.** Potential risks are those related to labor and working conditions, such as work-related discrimination, GBV and OHS and security risks. The client will assess and address this by developing recruitment guidelines procedures and appropriate OHS measures and guidelines for fieldwork assignments. The client will prepare an LMP and relevant mitigation measures to address such risks will be incorporated into procurement documents. The LMP will include an estimate of the project workers (enumerators and others) expected to be involved in the project and a well-functioning and easily accessible grievance mechanism for project workers. The following are key labor risks expected during the implementation of the project:

1) **Occupational health and safety (OHS) risks:**

- a) With the hot and dry climate being experienced in Somaliland, heat-related injuries such as heat stroke and heat exhaustion also pose a risk to the field workers.

2) **Child labor:**

Somaliland is within top 10 countries of the world with highest child labor risks. Close to 40 per cent of all children under 15 of age are put to work in Somaliland, where they engage in the worst form of child labor, according to the UNHCR¹. Suppliers may tend to use children for economic reasons and convenience. The forced labor risks are less likely as the project will recruit skilled field staff with post-secondary school academic qualification for the data collection workers.

3) **Labor disputes over terms and conditions of employment**

Labor disputes are common in Somaliland. Likely causes for labor disputes include demand for limited employment opportunities; labor wages rates and delays of payment; disagreement over working conditions; and health and safety concerns in work environment. In turn, there is also a risk that employers may retaliate workers for demanding legitimate working conditions, or raising concerns regarding unsafe or unhealthy work situations, or any grievances raised, and such situations could lead to labor unrest.

4) **Discrimination and exclusion of vulnerable groups**

While unemployment and underemployment are widespread in Somaliland, if unmitigated, vulnerable groups of people may be subject to increased risk of exclusion from employment opportunities under the project. Such groups will include women, IDPs and persons with

¹ <https://www.businessinsider.com/countries-worst-child-labor-risks-2012-1?IR=T>

disabilities. Sexual harassment and other forms of abusive behavior by workers will also have the potential to compromise the safety and wellbeing of the vulnerable groups of workers and the local communities, while adversely affecting project performance.

5) **Security risks**

Considering the country context, security risk for the project workers is substantial.

III. BRIEF OVERVIEW OF LABOR LEGISLATION

11. **ILO fundamental conventions ratified by Somaliland.** Somaliland has been a member of the International Labour Organization (ILO) since 1960. The country has ratified 6 out of 8 fundamental conventions of ILO, including the following:

- *Forced Labor Convention* (No.29) (ratified in 1960)
- *Freedom of Association and Protection of the Right of Organize Convention* (No. 87) (ratified in 2014)
- *Right to Organize and Collective Bargaining Convention* (No.98) (ratified in 2014)
- *Abolition of Forced Labor Conventions* (No. 105) (ratified in 2014)
- *Discrimination (Employment and Occupation) Convention* (No. 111) (ratified in 1961)
- *Worst Forms of Child Labor Convention* (No. 182) (ratified in 2014)

12. **Overview of Somaliland's labor and national law.** For Private sector employees, the main Law covering private sector employment is the recently amended Private Sector Employees' Law which covers all non-public employees, other than casual "daily" workers. The law titled, in Somali, *Waxka Bedelka iyo Kaabista Xeerka Shaqaalaha Rayidka (Xeer Lam 31/2004 - Private Sector Employees Law – Law No. 31/2004 (As amended 2010))*. This version of the Law also includes the Presidential Decree No. 0431/032010 dated 02 March 2010 which brought the (amended) Law into force. The law reduces the previous Law passed by the House in 2004 from 79 articles to 57, but covers broadly the same grounds. The Law follows the model of the previous Somaliland employment laws, such as the Labour Code No. 65 of 18 October 1972. It does, however, introduce new provisions, such as the positive quota for recruitment of employees from the excluded communities. The main chapters of the Somaliland law are:

- Chapter 1: General provisions
- Chapter 2: Hours of work
- Chapter 3: Holidays and rest periods
- Chapter 4: Employees' pay and emoluments

- Chapter 5: Employment Contracts
- Chapter 6: Employees' recruitment procedures
- Chapter 7: The duties of employees and employers
- Chapter 8: Dismissal and resignation of employees
- Chapter 9: The employment of young persons
- Chapter 10: Employees' grievances
- Chapter 11: Health and safety in the work place
- Chapter 12: The structure of employees' associations
- Appendix: Pay as you earn Income Tax deductions & Rates (linked to Article 40 of the Law).

13. **Public Holidays.** Article 12 of the Law sets out the paid public holidays totaling 11, but another day has been added under Ministerial Regulations.

14. **The Civil Code.** Article 605 of the Civil Code (1973) defines contracts for labour as one involving agreement for labour or work in consideration for remuneration. The Code also covers the general principles that underlie contractual obligations, but Article 605 of the Code states that a special law shall govern employment contracts. That law in respect of private employees is the above law. The Civil Code also covers liability for "tort" acts committed by employees. Art. 171 of the code states that:

- An employer is liable for the damage caused by an employee who commits unlawful act in the course of, or in relation to, his employment.
- The relationship between employer and employee exists even when the employer has not been free to choose his employee, provided he has actual powers of supervision and control over his servant."

This employer's liability for unlawful tort acts was challenged in various cases relating to injury or death brought about by vehicle accidents where the employers of the drivers challenged this Article as being contrary to Islamic principles. The Somaliland Supreme Court rejected such arguments and on 1 February 2005, the Chairman of the Supreme Court issued a Direction in which he re-confirmed the applicability of Article 171 of the Civil Code in respect of the liability of employers for the road traffic accidents caused by their employees. The Direction also confirmed that the monetary value of a camel, for the purposes of compensation, was equivalent to 200,000 Shillings.

15. **Public Sector Employees.** Civil Servants - The main law governing the conditions of employment of civil servant is the 1996 Somaliland Civil Service Law No. 7/96. The 1996 Somaliland Civil Service Law covers permanent civil servants and does not apply to local government employees and to members of the armed forces or the police and corrections corps.

16. **Local Government Employees:** Article 59(4) of the Regions and Districts Law (Law No. 22/2002, as amended) states that local government (and water Agencies) employees shall have a separate law which shall be prepared by the Ministry of Interior and approved by the “Councils”. There is a bill currently being considered by a House Committee. The last pre 1991 Regulations which specifically addressed separately local government employees were the Local Government Regulations 1973 - Decree No. 4 of 15 July 1973, which were slightly amended by Decree No. 116 of 5 September 1974. The Somaliland 1997 Interim Constitution and the final 2000 Constitution both included a provision which allowed the continued use of pre 1993 Somali Republic laws which are not in conflict with the Somaliland Constitution, fundamental human rights and freedoms and Sharia until new laws are promulgated.

IV. RESPONSIBLE STAFF

19. **The Project Implementation Units (PIUs).** PIUs will be responsible for overall project management and coordination, including the compliance with safeguards requirements including on labor and working condition. The PIU will engage with consultant(s) with expertise in environmental, social, occupational health and safety issues. The PIUs will be responsible for the following tasks relevant to labor and working conditions:

- 1) Undertake the overall implementation of this LMP.
- 2) Engage and manage consultants in accordance with this LMP and the applicable Procurement Documents.
- 3) Monitor that field supervisors are meeting obligations towards enumerators as included in the LMP and the applicable Procurement Documents.
- 4) Monitor the potential risks of child labor, forced labor and serious safety issues in relation to primary suppliers.
- 5) Monitor training of relevant project workers.
- 6) Ensure that the grievance mechanism for project workers is established and implemented and that workers are informed of it.
- 7) Monitoring the implementation of the Worker Code of Conduct.
- 8) Report to the World Bank on labor and occupational health and safety performance.

20. **Consultant.** The PIUs assign a member to be responsible for monitoring the project and adherence to the safeguard instruments. They will oversee the performance on labor and working conditions on a daily basis on behalf of the PIU. The Consultant will employ qualified expert(s) for such oversight and report on performance to the PIU.

21. **The designated member** will be responsible for the following:

- 1) Supervise their workers' adherence to the LMP.
- 2) Maintain records of recruitment and employment of contracted workers (including subcontractors).
- 3) Provide induction and regular training to contracted workers on environmental, social and occupational health and safety issues.
- 4) Require the primary supplier to identify and address risks of child labor, forced labor and serious safety issues.
- 5) Develop and implement the grievance mechanism for contracted workers, including ensuring that grievances received from their contracted workers resolved promptly, and reporting the status of grievances and resolutions.
- 6) Ensure that all contractor and subcontractor workers understand and sign the Code of Conduct prior to the commencement of works and supervise compliance with the Code.
- 7) Report to PIU on labor and occupational health and safety performance.

Table: Summary of the project staff/entity responsible for various key responsibility areas

Responsibility area	Direct workers	Primary supply workers
Hiring and managing individual project workers	<ul style="list-style-type: none"> MoPND to engage/manage PIU consultants PIU to engage/manage Engineering and Supervision consultants 	n/a (outside the scope of ESS2)
OHS	n/a (direct workers will follow OHS measures when visiting construction sites)	<ul style="list-style-type: none"> primary supplier to adhere to child labor guidelines. PIU/ consultants to review
Child labor and forced labor	n/a (the contract for direct workers does not allow child labor and forced labor)	
Training	PIU/ consultants	n/a (outside the scope of ESS2)
Code of conduct	n/a (the contract for direct workers will address relevant risks.)	
Grievance mechanism	PIU/ consultants	
Monitoring and reporting	PIU/Engineering and Supervision consultants to monitor and report World Bank	<p>consultant to monitor and report to PIU</p> <ul style="list-style-type: none"> PIU/ consultant to monitor and report to World Bank.

V. POLICIES AND PROCEDURES

23. The project will apply the following policies and procedures to address the key labor risks identified under the section II. The summary of indicative procedures to implement the policies is presented in the following table.

- 1) **Occupational health and safety (OHS).** Pursuant to ESS2 (including WBG Environmental, Health and Safety Guidelines (EHSGs)), and WB standard procurement documents, MoPND will manage the project in such a way that the workers and the community are properly protected against possible OHS risks. Key elements of OHS measures should include (a) identification of potential hazards to workers; (b) provision of preventive and protective measures; (c) training of workers and maintenance of training records; (d) documentation and reporting of occupational accidents and incidents; (e) emergency preparedness; and (f) remedies for occupational injuries and fatalities.
- 2) **Child labor.** The minimum age of project workers for the project is set at 18. To prevent engagement of under-aged labor, all contracts shall have contractual provisions to comply with the minimum age requirements including penalties for non-compliance. MoPND is required to

maintain labor registry of all contracted workers with age verification. More details are provided in Section VII.

- 3) **Labor influx.** To minimize the labor influx, the project will contractually require the MoPND to preferentially recruit unskilled labor from the local communities and nearby areas. All contracted workers will be required to sign the code of conduct (see Annex 1 on the Guideline on Code of Conduct) prior to the commencement of work, which includes a provision to address the risk of Gender Based Violence (GBV).
 - 4) **Labor disputes over terms and conditions of employment.** To avoid labor disputes, fair terms and conditions will be applied for project workers (more details are provided in Section VIII). The project will also have grievance mechanisms for project workers (direct workers and contracted workers) in place to promptly address their workplace grievances (more details are provided in Section IX). Further, the project will respect the workers' right of labor unions and freedom of association, as set out in the national Labour Code.
 - 5) **Discrimination and exclusion of vulnerable groups.** The employment of project workers under project will be based on the principle of equal opportunity and fair treatment, and there will be no discrimination with respect to any aspects of the employment relationship, such as recruitment and hiring, terms of employment (including wages and benefits), termination and access to training. The project shall comply with the national Labour Code on gender equality in the work place, which will include provision of maternity leave and nursing breaks and sufficient and suitable toilet and washing facilities, separate from men and women workers.
 - 6) **Security risks.** Considering substantial security risks in some parts of the country, the project will take appropriate but proportionate security measures to minimize the potential risk to the workers. Key security measures will include security protection by security personnel (such as by district police); restrictions on work hours where security risks are higher (such as night time); and measures to maintain low profile of workers. More detailed measures should be arranged with close consultation with relevant security authorities.
24. **Monitoring and reporting.** The PIU shall report on the status of implementation of the above policies and procedures on a monthly basis. The PIU will closely monitor labor and occupational health

and safety performance of the project and report to the World Bank on a quarterly basis (see Section X for more details).

25. **Fatality and serious incidents.** In the event of an occupational fatality or serious injury, the PIU shall report to the Bank as soon as becoming aware of such incidents, and inform the government authorities (where available). Corrective actions shall be implemented in response to project-related incidents or accidents. The PIU or, where relevant the consultant, may conduct a root cause analysis for designing and implementing further corrective actions.

VI. AGE OF EMPLOYMENT

26. **Minimum age.** The minimum employment age will be 18. it is appropriate for the project to take a precautionary approach, considering the limited capacity for monitoring and risk management in the fragile operational environment and inadequate national labor inspection mechanism.

VII. TERMS AND CONDITIONS

27. **Direct workers.** The terms and conditions for direct workers in PIU, field staff, enumerators and the consultants will be governed by the Standard World Bank Consultancy contracts. Enumerators who are normally short-term will not have maternity or annual leave etc. Their terms and conditions will be based on a specific assignment to complete interview for a number of households within a certain period at a pay rate per day or household etc. These terms and conditions should be discussed at recruitment and before training commences.

28. **Contracted workers.** Labour Code of Somaliland presented in Section III (Overview of Labor Legislation) above is the guiding legislation on employment terms and conditions for contracted workers.

31. **Provision of written individual contract of employment.** A written individual contract of employment shall be provided to workers that specify the following: (a) name of workers; (b) address, occupation, age and sex of workers; (c) employer's name and address; (d) nature and duration of contract; (e) hours and place of work; (f) remuneration payable to the worker; (g) procedure for suspension or termination of contract. Depending on the origin of the employer and the employee, employment terms and conditions will be communicated in a language that is understandable to both parties. In addition to written documentation, an oral explanation of conditions and terms of employment will be provided to workers who may have difficulty understanding the documentation.

32. **Notice for termination of contract.** Either of the contracting parties may terminate a contract of employment by giving written notice as under: (a) not less than ten days in the case of manual workers; or (b) not less than 30 days in the case of non-manual workers. No notice needs to be given in case the duration of contract does not exceed one month. For enumerators who may be found in breach of confidentiality or falsifying information. Termination should be forthwith even if contractual period were more than one month

33. **Minimum Wages.** While the mechanism to set the official minimum wage by the presidential decree (Labour Code, Article 72) is not currently functioning, the market rate is available for each job type in different locality. The fair market rate will be identified and applied for project workers.

34. **Hours of Work.** The normal hour of work of a project worker shall not exceed 8 hours a day or 48 a week. Hours worked in excess of the normal hours of work shall not exceed 12 hours a week and shall entitle a worker to a proportionate increase in remuneration.

35. **Rest per week.** Every worker shall be entitled to one day's rest each week, which should normally fall on Friday. It shall consist of at least 24 consecutive hours each week. Workers shall also be entitled to a rest day on public holidays recognized as such by the State.

36. **Annual leave.** Workers shall be entitled to 15 days' leave with pay for every year of continuous service. An entitlement to leave with pay shall normally be acquired after a full year of continuous service.

37. **Maternity leave.** A female worker shall be entitled, on presentation of a medical certificate indicating the expected date of her confinement, to 14 weeks' maternity leave with half pay, of which at least six weeks shall be taken after her confinement, provided that she has been employed by the employer for at least six months without any interruption on her part except for properly certified illness.

38. **Nursing breaks.** A female worker who is nursing her own child shall be entitled, for a maximum of a year after the date of birth of the child, to two daily breaks of one hour each. The breaks shall be counted as working hours and remunerated accordingly.

39. **Deductions from remuneration.** No deductions other than those prescribed by the Code or regulations made hereunder or any other law or collective labour agreement shall be made from a worker's remuneration, except for repayment of advances received from the employer and evidenced in writing. The

employer shall not demand or accept from workers any cash payments or presents of any kind in return for admitting them to employment or for any other reasons connected with the terms and conditions of employment.

40. **Death benefit.** In case of death of a worker during his contract of employment, the employer shall pay to his heirs an amount not less than 15 days' remuneration as death benefit for funeral services.

41. **Medical treatment of injured and sick workers.** It shall be the duty of the employer to arrange at his own expense for the conveyance to the nearest hospital of any injured or sick worker who can be so conveyed and who cannot be treated on the spot with the means available.

42. **Collective Agreements.** A collective agreement is an agreement relating to terms and conditions of work concluded between the representatives of one or more trade unions, on the one hand, and the representatives of one or more employers, on the other hand. Where collective agreements exist between the employer and project workers, such agreements will be applied, where relevant.

VIII. GRIEVANCE MECHANISM

43. **General principles.** Typical work place grievances include demand for employment opportunities; labor wages rates and delays of payment; disagreement over working conditions; and health and safety concerns in work environment. Therefore, a separate grievance mechanism will be established for project workers (direct workers and contracted workers), as required in ESS2. Handling of grievances should be objective, prompt and responsive to the needs and concerns of the aggrieved workers. The mechanism will also allow for anonymous complaints to be raised and addressed. Individuals who submit their comments or grievances may request that their name be kept confidential.

44. **Direct workers.** The project will have a compact but effective grievance system for direct workers. Each unit engaging direct workers (PIU, field staff, enumerators and the consultants) will hold periodic team meetings to discuss any workplace concerns. The grievance raised by workers will be recorded with the actions taken by each unit. The summary of grievance cases will be reported to the World Bank as part of the regular report. Where the aggrieved direct worker wishes to escalate their issue or raise their concerns anonymously and/or to a person other than their immediate supervisor/hiring unit, the worker may raise the issue with the World Bank task team. Where the consultant has an existing grievance system, their direct workers should use such mechanism.

45. **National appeal process.** Any individual labour dispute can be submitted by any of the parties to the competent district labour inspector for conciliation, where such labour inspector is available. The inspector is mandated to attempt to settle the dispute within 14 days of its submission.

46. **Grievances related to Gender Based Violence (GBV).** To avoid the risk of stigmatization, exacerbation of the mental/psychological harm and potential reprisal, the grievance mechanism shall have a different and sensitive approach to GBV related cases. Where such a case is reported, it should immediately be referred to the appropriate service providers, such as law enforcement, medical and psychological support, emergency accommodation, and any other necessary services. Data on GBV cases should not be collected through the grievance mechanism unless operators have been trained on the empathetic, non-judgmental and confidential collection of these complaints. Only the nature of the complaint (what the complainant says in her/his own words) and additional demographic data, such as age and gender, can be collected as usual.

IX. PRIMARY SUPPLY WORKERS

47. **Selection of primary suppliers.** When sourcing for primary suppliers, the project will require such suppliers to identify the risk of child labor/forced labor and serious safety risks. The PIU and the consultants will review and approve the purchase of primary supplies from the suppliers following such risk identification/assessment. Where appropriate, the project will be required to include specific requirements on child labor/forced labor and work safety issues in all purchase orders and contracts with primary suppliers.

53. **Remedial process.** If child labor/forced labor and/or serious safety risks are identified, the PIU and the consultants will require the primary supplier to take appropriate steps to remedy them. Such mitigation measures will be monitored periodically to ascertain their effectiveness. Where the mitigation measures are found to be ineffective, the PIU and the consultants will, within reasonable period, shift the project's primary suppliers to suppliers that can demonstrate that they are meeting the relevant requirements.

ANNEX 1

Guideline on Code of Conduct

1. A satisfactory code of conduct will contain obligations on all project workers (including sub-contractors) that are suitable to address the following issues, as a minimum. Additional obligations may be added to respond to particular concerns of the municipality, the location and the project sector or to specific project requirements.
2. The Code of Conduct should be written in plain language and signed by each worker to indicate that they have:
 - received a copy of the code;
 - had the code explained to them;
 - acknowledged that adherence to this Code of Conduct is a condition of employment; and
 - understood that violations of the Code can result in serious consequences, up to and including dismissal, or referral to legal authorities.

