

SAVA AND DRINA RIVERS CORRIDORS INTEGRATED  
DEVELOPMENT PROJECT

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LABOR MANAGEMENT PROCEDURE  
FOR MONTENEGRO

February 2020

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## Abbreviations

ESSs	Environmental and Social Standards of the World Bank
GBV	Gender-based violence
ILO	International Labor Organization
LMP	Labor Management Procedure ( <i>this Document</i> )
MNE	Montenegro
PIU	Project Implementation Unit
WB	World Bank

# 1 INTRODUCTION AND PURPOSE OF THE LABOR MANAGEMENT PROCEDURE

## 1.1 Introduction

The World Bank (WB) as a trusted partner aims to provide financing through a multiphase program approach to the Government of Montenegro (MNE)<sup>1</sup> for the implementation of the Montenegrin part of the first phase of the Sava and Drina rivers corridors integrated development program (hereinafter referred to as: The Project). The Development Objective of the Sava and Drina Rivers Corridors Integrated Development Project (Phase 1 of the Program) is to improve flood protection, and enable transboundary water cooperation in the Sava and Drina Rivers Corridors.

The project is designed as an Investment Project Financing (IPF) and as such needs to comply with the World Bank's Environmental and Social Framework (2016) (ESF) comprising, inter alia, the Environmental and Social Standards (ESS)<sup>2</sup>.

The Framework specifies the mandatory requirements in the form of 10 standards that borrowers must apply.

One of those 10 standards is the [Environmental and Social Standard 2](#) ("ESS2") which addresses labor and conditions. This standard recognizes the importance of employment creation and income generation in the pursuit of reducing poverty and inclusive economic growth. By treating workers fairly and ensuring safe and healthy working conditions, borrowers can promote sound worker management relations and enhance the development benefits of a project.

Objectives of ESS 2 are the following:

- to promote safety and health at work.
- to promote the fair treatment, non-discrimination and equal opportunity of project workers.
- to protect 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.
- to prevent the use of all forms of forced labor and child labor.
- to support the principles of freedom of association and collective bargaining of project workers in a manner consistent with national law.
- to provide project workers with accessible means to raise workplace concerns.

Under ESS2, borrowers are required to develop and implement written labor management procedures ("LMP") applicable to the project. The purpose of the LMP is to facilitate planning for the project and help identify the resources necessary to address the labor issues associated with the project. The LMP help to (a) identify the different types of project workers that are likely to be involved in the project, and (b) set out the ways of meeting the requirements of ESS2 that apply to the different types of workers.

In response to the commitment of the Government to comply with the ESF, the Government has developed these Labor Management Procedure (LMP), laying out the Project's approach to meeting the objectives of World Bank ESS 2: Labor and Working Conditions (ESS2). It sets out the terms and conditions for employment or engagement of workers on the project, specifies the requirements and standards to be met and the policies and procedures to be

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<sup>1</sup> This is part of a multiphase programmatic approach with an overall financing envelope of EUR225.4 million US\$250.2 million equivalent)

<sup>2</sup> In August 2016, the World Bank's Board of Executive Directors approved the Environmental and Social Framework (ESF), which have come into effect in October 2018

followed, assesses risks and proposes the implementation of compliance measures and promotes fair treatment, nondiscrimination and equal opportunity of project workers. The LMP is developed to help avoid, mitigate and manage risks and impacts in relation to project workers and set out the way in which project workers will be managed, in accordance with the requirements of national law and the ESS2. The procedures address the way in which both standards will apply to different categories of project workers including direct workers, and the way in which third parties will manage their workers compliant to this document.

This procedure was developed on the basis of the Bank's requirements, as well as the current domestic legislation in Montenegro. The non-binding template of the World Bank was used for developing the procedure. The procedure will be updated as necessary in the course of Project preparation, development and implementation. Supplementing and updating of the procedure shall also be performed in case the domestic legislation changes in any aspect of importance for this Procedure.

## 1.2 Public consultation on this LMP

The set of documents that will guide the further E&S due diligence during sub-project implementation based on the 2018 WB E&S Framework including:

- this Labor Management Plan
- the Resettlement Framework
- the Environmental and Social Management Framework (ESMF)
- the Environmental and Social Commitment Plan (ESCP) and
- the Stakeholder Engagement Plan (SEP) and

was disclosed to the public on December 30, 2019 through the website of the Ministry of Agriculture and Rural Development (link: <http://www.minpolj.gov.me/vijesti/219348/Poziv-an-javnu-raspravu-o.html>).

On January 20, 2020, the Ministry announced that the public hearing took place on January 24, 2020 in Municipality of Bijelo Polje (link: [http://www.minpolj.gov.me/rubrike/Javne\\_rasprave/219714/Poziv-za-ucesce-na-javnu-raspravu.html](http://www.minpolj.gov.me/rubrike/Javne_rasprave/219714/Poziv-za-ucesce-na-javnu-raspravu.html)).

The minutes from the public hearing with an accompanying list of participants and photographs is included in Annex 4.

This RF has been updated to include the outcomes of the public consultation process.

## 2 OVERVIEW OF LABOR USE ON THE PROJECT

### 2.1 Categories of Workers according to World Bank Categorization

ESS 2 identifies the following categories of workers on a project:

#### Direct workers

People employed or engaged directly by the Borrower (including the project proponent and the project implementing agencies) to work specifically in relation to the project. Therefore, a “direct worker” is a worker with whom the Borrower has a directly contracted employment relationship and specific control over the work, working conditions, and treatment of the project worker. The worker is employed or engaged by the Borrower, paid directly by the Borrower, and subject to the Borrower’s day-to-day instruction and control. Examples of direct workers may include persons employed or engaged by the Borrower’s project implementation unit to carry out design and supervision, monitoring and evaluation, or community engagement in relation to the project.

#### Contracted workers

People employed or engaged through third parties to perform work related to core functions of the project, regardless of location are referred to as contracted workers. Therefore, a “contracted worker” is a worker employed or engaged by a third party to perform work or provide services related to the core functions of the project, where the third-party exercises control over the work, working conditions, and treatment of the project worker. In such circumstances, the employment relationship is between the third party and the project worker, even if the project worker is working on an ongoing basis on project activities.

#### Primary supply workers

People employed or engaged by the Borrower’s primary suppliers are referred to as primary supply workers. Therefore, a “primary supply worker” is a worker employed or engaged by a primary supplier, providing goods and materials to the project, over whom a primary supplier exercises control for the work, working conditions, and treatment of the person.

#### Community workers

People employed or engaged in providing community labor are referred to as community workers. The type of projects in which community workers are involved can vary considerably in terms of complexity, duration, and type of work; number of workers involved; types of project benefits, and the way in which ESS2 applies to the participation of community workers. Examples range from projects where the objective is to construct small-scale community infrastructure to regional or national projects designed to provide a social safety net to address unemployment or underemployment. The application of ESS2 to such projects is designed to address the relevant risks and impacts in a proportionate manner, tailored to the specific context, objectives, and design of the project.

## 2.2 Project Workers

Within the framework of this Project, in the category of **direct workers**, there are:

- staff from the Montenegro Ministry of Agriculture and Rural Development that are involved in the project (civil servants) and
- any external consultants that would be engaged for the Project.

For civil servants involved in Project operations, regardless of whether they work full time or part time, terms and conditions of their existing contracts or appointments in the public sector shall apply. When engaging external consultants, provisions of national legislation on work engagement shall apply, in parallel with compliance with requirements of this Labor Management Procedure.

The category of **contracted workers** includes the workers of contractors and service providers to be engaged in civil works for needs of subprojects. It is possible that the contractor will engage multiple subcontractors and in such cases the subcontractors' workers will be also considered as contracted workers.

The table below provides data on the basis of preliminary assessment at the time of preparing this LMP. Data in the table below shall be updated by the PIU subsequently, after more precise data on engaged direct workers and contracted workers become known.

Type of workers	Number of project workers	Type of tasks	Necessary skills	Location
Direct workers	5	Office and administrative tasks	Essential managerial skills	Podgorica
External consultants for PIUs	2	Office consulting tasks	Knowledge in the area of environmental and social issues relevant for the Project  Communication skills	Podgorica
Contracted workers	approx. 100	Office and field tasks	Advanced technical skills  Communication skills for project managers	From entire MNE

Given the nature of the Project and construction needs (supply of various materials such as crushed stone, geotextile, sand, gravel, etc.) it might happen that **primary suppliers are engaged**. Although these impacts are not subject to ESS2 it will be looked through ESS1 and ESS2, and relevant management plans (i.e. the Project level ESMF, sub-project ESMPs and any Contractors management plan as required by the ESMF). The extent in which primary supply workers will contribute in the projects pool of workers, including the assessment whether supply of goods and/or materials will be on an ongoing basis to the project essential to the core function of the project to qualify as primary suppliers is at this point at a best estimate considering the type of supply needs for construction/rehabilitation works. The labor management procedures set out the procedures how potential risks of child labor, forced labor and

serious safety issues which may arise in relation to primary suppliers will be identified including roles and responsibilities for monitoring primary suppliers.

According to World Bank definitions, there are **no other categories of workers** on this Project. Taking into consideration the nature of the sub-projects it is expected that the number of female workers will be in the region of 5-10 percent of the workers. Women workers will most likely be engaged as technical staff (engineers) and administration staff.

### 2.3 Timing of Labor Requirements

It is expected that the first Contract for construction works will be awarded by February 2020. Each sub-project will be subject to separate tendering procedure, separate contracts and formation of teams. Each contract will be managed separately in terms of labor and working conditions. The majority of skilled and unskilled workers are likely to come from local and wider communities, while managerial and technical staff might come from entire Montenegro and the contractor's home country. Tasks such as land clearing, foundation excavation and installation, land restoration, tree cutting, etc. will be done by unskilled and semiskilled workers, while skilled workers will be engaged as managers, engineers, equipment and driver operators, electrical workers.

### 3 ASSESSMENT OF KEY POTENTIAL LABOR RISKS

#### Project activities

The proposed sub-projects have an aim to improve watershed management in the Lim and Grncar River basins. This will also include flood protection, drainage and irrigation measures within the Lim River Basin (a tributary of the Drina River) to mitigate flood risks and promote sustainable use of natural resources. Typical activities of such sub-projects include the following:

- clearance of right of way;
- construction of access roads (wherever required);
- land-clearing and construction of foundation;
- major equipment installation;
- soil stabilization;
- laying of crushed stone over geotextile layer;
- embankment stabilization;
- dredging;
- cutting trees and high vegetation;
- demolition of buildings;
- working in/near and over water;
- reinstatement and revegetation of impacted areas.

#### Key Labor Risks

It is assessed that key labor risks would be associated with health and safety risks related to the construction activities of sub-projects such as exposure to physical hazards during construction activities: works on river banks with high speed currents, use of heavy equipment, trip and fall hazards, exposure to hazardous materials and electrical hazards from the use of tools and machinery. Since the construction activities will involve hazardous work, persons under the age of 18 will not be employed by the Project.

It is expected that **direct workers** (PIU and external consultants) within the framework of the Project would perform office operations primarily, in addition to occasional visits to sub-project locations on the part of the consultants, so that the risks upon the health and safety of those workers are minimal or negligible. The risks in relation to work in civil service and consultant business are, in general, very small in Montenegro (for example, irregular payment of compensation for work, informal labor or labor of minors are not practiced).

It is anticipated that the workers (**contracted workers**) will be exposed to occupational health and safety hazards, primarily including but not limited to:

- working at height;
- working in/near water;
- excavations hazards;
- Lifting of heavy materials;
- chain saws and treefall during timber cutting;
- exposure to dust and odor;
- working on steep and treacherous terrain;
- working near or on roads with live traffic;
- electrical works.

No other labor risks are considered to be significant. The Project is assessed as low on gender-based violence (GBV) risk. If other labor risks arise during sub-projects implementation, this procedure will be appropriately amended to prevent further impacts.

## 4 BRIEF OVERVIEW OF LABOR LEGISLATION AND ASSESSMENT OF THE NATIONAL FRAMEWORK IN MONTENEGRO

### 4.1 Conventions of the International Labor Organization

Montenegro has been a member of the International Labor Organization (ILO) since June 2006. Since then the country ratified 75 International Labor Standards (conventions), including all eight fundamental conventions. The eight fundamental conventions include the following:<sup>3</sup>

- Convention on Forced Labor, dating from 1930.
- Convention on Trade Union Freedoms and Protection of Trade Union Rights, dating from 1948.
- Convention on Application of Principle of Right to Organize and Collectively Negotiate, dating from 1949.
- Convention on Equal Awards to Male and Female Labor Force for Work of Equal Value, dating from 1951.
- Convention on Prohibition of Forced Labor, dating from 1957.
- Convention on Discrimination in Regard to Employment and Occupation, dating from 1958.
- Convention on Minimum Age for Entering into Labor Relations, dating from 1973.
- Convention on Worst Forms of Abuse of Child Labor, dating from 1999.

The priority conventions that Montenegro has also ratified are the following:

- Convention on Labor Inspection, dating from 1947.
- Convention on Employment Policy, dating from 1964.
- Convention on Labor Inspection (Agriculture), dating from 1969.
- Convention on Tripartite Consultations (International Labor Standards), dating from 1976.

The other ratified conventions are the following:

- Convention on Unemployment, dating from 1919.
- Convention on Right to Association (Agriculture), dating from 1921.
- Convention on Worker Indemnity (Agriculture), dating from 1921.
- Convention on Use of Poisonous Bleach (in Coloring), dating from 1921.
- Convention on Weekly Rest (Industry), dating from 1921.
- Convention on Worker Indemnity (in Case of Accidents), dating from 1925.
- Convention on Workers' Compensation for Occupational Diseases, dating from 1925.
- Convention on Equal Treatment (Indemnity in Case of Accident), dating from 1925.
- Convention on Insurance in Case of Illness (Agriculture), dating from 1927.
- Convention on Insurance in Case of Illness (Industry), dating from 1927.
- Convention on Marking of Weight (Packages Transported by Vessels), dating from 1929.

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<sup>3</sup> Source: [https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200\\_COUNTRY\\_ID:102734](https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102734) [accessed on October 1, 2019]

- Convention on Underground Work (Women), dating from 1935.
- Convention on Maintenance of Migrants' Pension Rights, dating from 1935.
- Convention on Employment Services, dating from 1948.
- Convention on Nighttime Work of Women, dating from 1948.
- Convention on Nighttime Work of Youth / Children (Industry), dating from 1948.
- Convention on Migration for Employment, dating from 1949.
- Convention on Social Insurance (Minimum Standards), dating from 1952.
- Convention on Weekend Rest (Commerce and Offices), dating from 1957.
- Convention on Medical Examination (Fishermen), dating from 1959.
- Convention on Employment Injury Benefits, dating 1964 and Schedule I amended in 1980.
- Convention on Determination of Minimum Salaries, dating from 1970.
- Convention on Paid Annual Holidays, dating from 1970.
- Convention on Workers' Representatives, dating from 1971.
- Convention on Occupational Cancerous Diseases, dating from 1974.
- Convention on Paid Educational Leave, dating from 1974.
- Convention on Human Resource Development, dating from 1975.
- Convention on Migrant Workers (Supplementary Provisions), dating from 1975.
- Convention on Working Environment (Air Pollution, Noise and Vibrations), dating from 1977.
- Convention on Occupational Safety and Health (Dock Work), dating from 1979.
- Convention on Termination of Employment, dating from 1982.
- Convention on Vocational Rehabilitation and Employment (Disabled Persons), dating from 1983.
- Convention on Occupational Health Services, dating from 1985.
- Convention on Night Work, dating from 1990.
- Convention on Protection of Motherhood, dating from 2000.
- Convention on Maritime Labor, dating from 2006.
- Convention on Promotional Framework for Occupational Safety and Health, dating from 2006.

## 4.2 Labor Legislation in Montenegro

The Labor Law in Montenegro<sup>4</sup> is the key law which governs the employer-employee relationship. The text below provides an overview of the Law, wherein key aspects of the domestic legislation on the treatment of different categories of workers are presented separately.

Key aspects of the Law	
Application of the Law	<p>The provisions of the Law apply to:</p> <ul style="list-style-type: none"> <li>▪ employees, whose employers operate in Montenegro;</li> <li>▪ employees in state authorities, state administration authorities, local self-government authorities and public services.</li> </ul>
Entering into a labor relation	<p>A labor relation shall be initiated by concluding a contract on employment and entry into employment. The contract shall be concluded in writing and before starting to work. Employees are entitled to the rights and obligations arising from employment on the day of entry into work.</p>
Rights of workers	<p>Workers shall have the right to:</p> <ul style="list-style-type: none"> <li>▪ a salary;</li> <li>▪ safety and protection of life and health at work;</li> <li>▪ professional training;</li> <li>▪ annual holidays;</li> <li>▪ sickness absence, maternity leave, parental leave, etc.</li> </ul>
Obligations of workers	<p>Workers are required to:</p> <ul style="list-style-type: none"> <li>▪ conscientiously and responsibly perform tasks;</li> <li>▪ comply with the organization's requirements and rules;</li> <li>▪ take care of, and act in a conscientious manner with the working assets and financial assets of the employer;</li> <li>▪ within 3 days from the day of a change of residence address notify the employer;</li> <li>▪ inform the employer of potential hazards to life and health and onset of tangible damages;</li> <li>▪ respect health and safety regulations at work and perform work carefully protecting their own and others' life and health.</li> </ul>

<sup>4</sup> Official Gazette of MNE, No. 074/19

Key aspects of the Law	
<p>Obligations of employer</p>	<p>Employers are required to:</p> <ul style="list-style-type: none"> <li>▪ have an act on internal organization and job classification if a company has more than ten employees;</li> <li>▪ ensure that the worker can perform the tasks stipulated under the employment contract;</li> <li>▪ to have an approval for performing activity in the business’ premises issued by the competent authority and a copy of the employment contract of the employee as well as registration for mandatory social insurance;</li> <li>▪ provide occupational and health safety measures by preventing, eliminating and controlling occupational hazards;</li> <li>▪ pay a salary to the worker for the work performed and during his absence from work (national and religious holidays, annual holidays, sick leave, etc.);</li> <li>▪ provide the worker with a copy of employment contract on the day of entry into work;</li> <li>▪ provide the worker with the calculation of salary;</li> <li>▪ inform the worker of obligations resulting from regulations on labor and regulations on safety and protection of life and health at work;</li> <li>▪ protect employees’ privacy and ensure the protection of his/her personal data;</li> <li>▪ keep records of employees (presence at work, organization of working hours and annual holidays);</li> <li>▪ keep records of employees who are engaged by the Agency for temporary assignment of employees;</li> <li>▪ to register workers for pension and disability insurance, health insurance and insurance in case of unemployment and this registration submit to the competent authority within eight days from the day of entry into work;</li> <li>▪ after registration for mandatory insurance, to serve the worker with a copy of the registration within 5 days from the day issued by the competent authority;</li> </ul>
<p>Prohibition of discrimination</p>	<p>Discrimination of persons seeking employment and the employed persons based on sex, sex change, birth, language, race, religion, skin color, age, pregnancy, health condition, disability, nationality, marital status, property status, sexual orientation, political or other affiliation, social origin, financial status, membership in political parties and trade unions, or any other personal characteristic shall be prohibited. Discrimination is also prohibited with regard to</p> <ul style="list-style-type: none"> <li>▪ employment requirements and selection of candidates;</li> <li>▪ working conditions and all rights based on employment relationship;</li> <li>▪ education, capacity building and training;</li> <li>▪ promotion at work;</li> <li>▪ termination of the employment contract.</li> </ul> <p>Additionally, any form of workplace harassment (bullying) and sexual harassment at work is prohibited.</p>

Key aspects of the Law	
Employment of women	<p>Provisions of this Law for women prescribe the following:</p> <ul style="list-style-type: none"> <li>▪ women are entitled to special protection;</li> <li>▪ employers are prohibited not to employ a woman because of her pregnancy or because of pregnancy, birth and breastfeeding offer her the employment contract with unfavorable conditions;</li> <li>▪ an employer cannot terminate the employment contract to the employed women during pregnancy, childbirth and maternity leave;</li> <li>▪ in case the employment contract includes nightwork, the employer is obliged to assign a woman to perform work outside the nighttime work that corresponds to her level of education and working ability;</li> <li>▪ the employed women whose employment contract expires during pregnancy and maternity leave is extended until the use of these rights has expired;</li> <li>▪ based on findings and recommendations of medical examination women may be temporarily assigned to other tasks during pregnancy and breastfeeding;</li> <li>▪ pregnant employee and woman who has a child under the age of 3 cannot work overtime or during night.</li> </ul>
Employment of persons of age 15 to 18	<p>Employees younger than 18 years of age are entitled to special protection. The employment contract can be concluded with a person who is at least 15 years of age and has general health status.</p> <p>An employment contract can be concluded with a person who is younger than 18 years of age, pending consent of the legal representative and a health certificate that proves that the person is health-wise capable of work and the tasks are not harmful to his health, development and education.</p> <p>This category of workers cannot work for longer than 8 hours per day, work overtime, in nighttime and on especially hard manual tasks, work underground or under water. Employees younger than 18 years of age cannot work outside the place of their residence.</p> <p>The termination of the employment contract may be submitted by the parent or guardian of the employee younger than 18 years of age.</p> <p>The employees younger than 18 years of age are entitled to annual holidays of at least 24 working days.</p>
Working hours	<p>Full working hours amount to 40 hours per week.</p>
Overtime work	<p>Overtime work is allowed in case of a sudden increase in the scope of work and in cases of force majeure.</p> <p>The decision about overtime work shall contain the reason for introduction of overtime work, the list of employees who will work overtime and the start time of overtime work.</p> <p>Overtime may only last to remedy the reasons for which it was introduced with the exception that working hours in the period of four months may not be longer than 48 hours per week. The maximum duration of weekly working hours cannot be longer than 50 hours.</p>

Key aspects of the Law	
	In case of overtime an employer is obliged to inform the labor inspection within 3 days from the day of introducing overtime.
Nighttime work	<p>Working during the hours between 22 in the evening and 6 in the morning of the next day shall be deemed nighttime work.</p> <p>The employer who arranges nighttime work is obliged to notify the labor inspection.</p> <p>An employee who works at night for at least three hours of his daily working time, is entitled to special protection in accordance with regulations on safety and health at work.</p>
Rest during working hours	<p>For working full-time employees are entitled to rest in the duration of at least 30 minutes.</p> <p>For working longer than 4 hours a day and less than 6 hours a day is entitled to at least 15 minutes of rest. In case of working overtime and at least 10 hours a day, an employee is entitled to 45 minutes of rest.</p> <p>Rest during work time cannot be used at the beginning and end of working hours.</p> <p>Rest during work time is included in working hours.</p>
Daily rest	A worker shall be entitled to rest between two consecutive working days (daily rest) in the duration of at least 12 hours, uninterrupted.
Weekly rest	<p>A worker shall be entitled to weekly rest in the duration of at least 24 hours without interruptions.</p> <p>Weekly rest is used on Sundays.</p>
Annual holidays	<p>For each calendar year, an employee shall be entitled to paid annual holidays in the duration of 20 working days at least. In determining the length of annual holidays working week is counted as a 5 working days.</p> <p>Annual holidays can be used in two parts, wherein the first part shall last at least 10 working days, and the second part needs to be used by June 30<sup>th</sup> of next year.</p> <p>The annual holiday entitlement cannot be replaced by monetary compensation, except in the case of the termination of employment.</p>
Workers' grievance mechanism	An employee who is of the opinion that his employer has violated his right from labor relation can submit a written request to the employer to ensure realization of that right. The employer shall be under obligation to decide on the worker's request or provide written notice within the deadline of 15 days from the day of submitting the request. Before submitting a lawsuit, the worker is obliged to submit a proposal for a peaceful settlement of the dispute to the Agency for Peaceful Settlement of Labor Disputes or Alternative Dispute Resolution Centre. If the labor disputes with help of both institutions are not settled, employee may submit a lawsuit.
Freedom of association	Employees may freely form, become members in or leave a trade union without prior approval.
Safety and health at work	Workers shall abide by the regulations on occupational and safety at work. Employers shall provide occupational and safety measures by preventing, eliminating and controlling occupational hazards.

### 4.3 Legislation on Protection and Safety at Work in Montenegro

The Law on Safety and Health at Work in Montenegro<sup>5</sup> is the key law which defines the rules on occupational health and safety. The text below provides an overview of the Law.

Key aspects of the laws	Law on Safety and Health at Work
Obligations of employers	<p>Employers are required to:</p> <ul style="list-style-type: none"> <li>▪ take protective measures by preventing, controlling and eliminating risks at work, informing and training employees, as well as providing the necessary organization and means;</li> <li>▪ taking into account the changes in the working environment, implement protective measures and select those working and production methods which will improve the existing situation or provide a higher level of safety and health at work;</li> <li>▪ during planning and introduction of new technologies the employer shall consult employees or their representatives in charge of safety and health at work about the choice of work equipment, the working conditions and environment and their implications for the safety and health at work;</li> <li>▪ when assigning employee to a workplace with special conditions of work or increased risk, the employer shall take into consideration the employee's capabilities;</li> <li>▪ develop a comprehensive policy for the safety and health at work which includes technology, organization of work, working conditions, interpersonal relations and working environment factors;</li> <li>▪ give advantage to collective protective measures over individual protective measures;</li> <li>▪ Issue a risk assessment act for all workplaces in order to determine the methods and measures to eliminate risk and ensure their implementation;</li> <li>▪ ensure that only employees who are trained for safe operation and who have received adequate instructions for work at such a place, may have access to workplace in a work area threatened by a risk of serious danger of injury or damage to health, and who are equipped with the right tools and personal safety equipment;</li> <li>▪ warn any person who finds himself/herself at workplace about places of danger or health hazards and instruct him/her on the safe range areas;</li> <li>▪ put labels and warnings in the official language and languages in official use and signs of safety and health at work;</li> <li>▪ provide medical examination (at least once every three years) of employees who are assigned to jobs with special conditions of work or at increased risk and in case of reengagement of employee who was absent from work for over a year;</li> <li>▪ provide training to the employees when concluding employment, assigning him/her to another position, introducing new technology, introducing new or replacement of work equipment, changes in work processes and re-assigning him/her to work after absence that lasted more than a year;</li> <li>▪ the training (in theory and practice) shall be conducted during working hours and the training costs shall be borne by the employer;</li> </ul>

<sup>5</sup> Official Gazette of MNE, No. 34/14 and 44/18

Key aspects of the laws	Law on Safety and Health at Work
	<ul style="list-style-type: none"> <li>▪ perform testing of theoretical and practical capability for safe operation in the workplace;</li> <li>▪ inform employees or employees’ representative in writing about risks related to the safety and health at work, protective measures;</li> <li>▪ procure and provide to the employee for use the work equipment and personal protective equipment required for his job, only if the employer possess the appropriate documentation in the official language and languages in official use;</li> <li>▪ provide compulsory insurance to employees against industrial accidents, occupational and work-related diseases;</li> <li>▪ in order to organize safety and health at work the employer shall designate a qualified person or organize professional service or hire a legal person or entrepreneur who is authorized to perform professional activities;</li> </ul>
Measures for protection of workers at work	<p>Measures of protection of workers during the execution of work on the construction site include the following:</p> <ul style="list-style-type: none"> <li>▪ maintenance of order and satisfactory level of cleanliness of the construction site;</li> <li>▪ selection of the workplaces and ensuring that those places are accessible for determination of traffic areas, passages, crossings etc.;</li> <li>▪ maintenance of means of work and carrying out preliminary and periodic inspections and examinations of means of work;</li> <li>▪ planning and determining location and storage area of various materials, especially hazardous materials;</li> <li>▪ harmonization of the time required for the introduction of certain types and phases of works;</li> <li>▪ mutual agreement of all employers at the construction site and</li> <li>▪ industrial activities in or near the construction site.</li> </ul>
Obligations of workers	<p>Workers are required to:</p> <ul style="list-style-type: none"> <li>▪ get acquainted with the protective measures prior to commencing his/her work and to be trained for implementation of measures;</li> <li>▪ give suggestions, comments and information on issues of safety and health at work to his/her employer;</li> <li>▪ perform health checks appropriate to the risk to safety and health in the workplace, to which is instructed by an employer;</li> <li>▪ notify the employer if s/he considers that s/he is not capable of doing job with special conditions or carry out a health check that employer instructed him/her to do;</li> <li>▪ apply protective measures while working, take care of his/her and safety and health at work of other employees who are affected by his/her work, use work equipment in purposeful manner, as well as dangerous materials, personal protective equipment and security devices;</li> <li>▪ in case of irregularities, defects, hazards, dangers or other occurrence at the workplace, immediately notify the employer in writing or oral;</li> <li>▪ if the employer fails to eliminate irregularities, hazards or other occurrences within 3 days (after the notification), or if the employee believes that adequate measures of protection are not implemented, s/he may notify the Labor Inspection;</li> <li>▪ the employee may not commence and carry out work under the influence of psychoactive substances (alcohol, drugs, etc.);</li> <li>▪ if the employee is not previously familiarized with dangers or hazards and risks at work, or if the employer did not provide the prescribed medical examination or the protective measures have not been provided on the work equipment, the employee has the right to refuse to work.</li> </ul>

Key aspects of the laws	Law on Safety and Health at Work
Participation of trade unions	The employer, employee, representative of employees and trade union shall cooperate in determining their rights, obligations and responsibilities with regard to safety and health at work.
Records on protection at work	<p>Employers are required to keep records of the following:</p> <ul style="list-style-type: none"> <li>▪ jobs with special conditions or increased risk;</li> <li>▪ employees assigned to jobs with special conditions of work or increased risk;</li> <li>▪ injuries, occupational and work-related diseases;</li> <li>▪ employees trained for safe operation;</li> <li>▪ dangerous substances used at work;</li> <li>▪ performed tests of working environment;</li> <li>▪ examination and testing of work equipment and personal protective equipment;</li> <li>▪ previous and periodical medical examinations;</li> <li>▪ technical documentation (major projects);</li> <li>▪ documentation of safety and health at work;</li> <li>▪ make a report on safety and health at work of employees at least once a year;</li> <li>▪ immediately and not later than 24 hours from onset, report in writing to the Labor Inspection on every death, collective, serious and other injury at work resulting in employee’s absence from work for more than 3 days;</li> </ul>
Protection of vulnerable categories	<p>Special protection is prescribed for:</p> <ul style="list-style-type: none"> <li>▪ protection and health of women at work during pregnancy;</li> <li>▪ persons under 18 years of age and</li> <li>▪ persons with disabilities.</li> </ul>

The Labor Law is enforced through various decrees, by-laws and rulebooks passed by the Ministry of Labor and Social Welfare, which address effective labor, working conditions and OHS inspections across the country. The main focus area of the inspections is to decrease the informal work rate and increase workplace health and safety. Remedial measures for identified non-conformities range from monetary fines to criminal prosecution which, in most severe cases, can result in operation and business ban, subject to a court’s ruling. The institutional capacity to address the labor and working condition risks attributable to the project is assessed as adequate. These type of projects, supported by the WB, have already been implemented in the recent past with a positive track record of social performance. There is a clear delegation of responsibilities within and among the respective institutions which places assurance that the mechanism to enforce the laws are in place.

## 5 RESPONSIBLE STAFF

The PIU in the Montenegro Ministry of Agriculture and Rural Development shall be responsible for overall supervision and coordination for Project implementation, as well as for monitoring and reporting on the Project, and especially for implementation of this Labor Management Procedure. Additionally, the PIU shall be responsible for the implementation of the assigned national project activities, carrying out procurement and supervision/monitoring of contracts.

In connection with this Labor Management Procedure, the PIU shall be responsible for the following:

- monitoring the implementation of this Procedure;
- updating this Procedure when necessary in the course of preparation, development and implementation of the Project, as well as in case the national legislation changes in any aspects of importance for this Procedure;
- engaging and managing ministry employees and any external consultants (as direct workers);
- monitoring the implementation of requirements of this Procedure by contractors whose workers are considered to be contracted workers;
- establishment and maintenance of grievance resolution mechanisms in compliance with requirements of this LMP.

In term of labor and safety performance each sub-project will be overseen by the Supervision Consultant (external consultant), who will be engaged by the PIU and at least on monthly basis report to the PIU on contractors' performance.

The contractors shall be responsible for:

- ensuring compliance of their policies and procedures with national legislation on labor and OHS;
- ensuring compliance with this Procedure, including establishment and maintenance of mechanisms for grievance management in compliance with the requirements of this LMP;
- communicating job description and employment conditions to contracted workers;
- delivering regular induction and health and safety training to employees;
- supervising their subcontractors' implementation labor management procedures and occupational health and safety plans.

Contracts concluded with contractors shall contain a provision on the obligation to comply with the current legislation on labor and protection at work, as well as an obligation to establish mechanisms for workers' grievances.

## 6 POLICIES AND PROCEDURES

The policies adopted for this Project shall enable achievement of objectives of ESS2 and full compliance with MNE labor law. Such policies include the following:

- that all workers should have contracts on labor in writing that contain a description of conditions of employment and that all workers must be registered for pension and disability insurance, health insurance and insurance in case of unemployment;
- that workers are entitled to a regular salary, as well as to compensation of salary for periods of absence from work or specific conditions of work (nighttime work, overtime work, etc.);
- that workers are entitled to rest during working hours, daily rest, weekly rest and annual holidays as prescribed under the law;
- that the principle of equal opportunities and fair conditions must be ensured;
- that discrimination must not be present in any aspects of the labor law relationship (employment, compensation, conditions of work and rights resulting from labor relation, education, training and development, promotion at work, notice on termination of labor contract) on the basis of sex, sexual orientation, marital condition, age, disability, pregnancy, language, religion etc.
- compliance with working hours of 40 hours per week, and in case of necessity of overtime work (10 hours per week at the maximum) increase of worker's salary;
- before entering into a labor relation, workers shall be acquainted with the description of tasks and required skills;
- contracts shall contain all the mandatory provisions of the labor law;
- ensuring mechanism for grievances in the manner described in Chapter 9 of this Procedure;
- implementation of measures of protection at work and safety for jobs with increased risk of injury and damage to health, as well as organization of training for workers in such jobs;
- keeping records of workers who are working on tasks with increased risk of injury and harm to health;
- minimum age for employment is 18 years, and in case of employment of a person younger than 18, compliance with legislated obligations (i.e. that consent must be acquired of the legal representative, and a medical certificate for such an employee, that those employees cannot work overtime and overnight, on especially demanding tasks);
- in no way contracted workers will be prevented from joining a trade union or any other worker organization;
- compliance with legislated deadlines and conditions for notices (i.e. that a notice is given in writing along with an explanation, that a notice cannot be given because of unjustified reasons, such as lodging a complaint on the part of the worker, that the notice period cannot be shorter than 30 days if the employer is cancelling the contract).

## 7 AGE OF EMPLOYMENT

The Montenegrin Labor Law allows employment of persons younger than 18 years of age, pending fulfillment of the following conditions:

- consent of the legal representative,
- medical certificate proving that the person has general health-related capacity to work, and
- the tasks must not jeopardize his health, moral and education.

Since the nominated sub-projects involve hazardous work, employees under 18 years will not be employed. In case this category of employees is hired, their engagement is anticipated in office work.

Employers of contracted workers shall be under obligation to keep a register of workers under 18 years of age. In the recruitment process, documentation shall be sought from the candidates, with which the age of the candidates shall be verified:

- a document confirming the age of the person (a birth certificate and/or health insurance card),
- written statement on age,
- personal identification card or passport,
- school certificate.

The necessary conditions and the minimum age for each labor position shall be specified in the recruitment process with special emphasis on the fact that persons younger than 18 shall not be engaged on tasks that could be dangerous for psychological or physical health of a person.

If it is determined that a minor is engaged on project activities, the PIU shall inform the competent labor inspectorate.

## 8 TERMS AND CONDITIONS

The employers of both direct workers and contracted workers shall be under the obligation to prepare information and necessary documentation that is clear and understandable for workers in regard to their conditions in employment. Prepared information and documentation shall be in compliance with the Montenegro legislation.

The terms and conditions of employment or engagement of the project worker must meet the inter alia the following standards:

- The project worker should in advance be clear about the job he/she is going to do and the wage/salary/fee he/she is going to receive.
- The project worker will be paid on a regular basis, at least once a month, or, if so agreed, upon the completion of specific activities, in accordance with the employment contract or engagement agreement.
- The project worker will work 8 or fewer hours a day, with payment of overtime.
- Any work longer than 8 hours is considered overtime work and the project worker should receive extra payment for the hours of overtime work. In any case, the project worker cannot work more than 12 hours a day.
- The project worker is entitled to a daily rest of at least 11 hours within 24 hours.
- The project worker is entitled to a weekly rest of at least 24 consecutive hours.
- Average weekly hours of work in a six-month period cannot exceed 40 hours.
- The project worker is entitled to annual, sick, maternity and family leave, as required by the national legislation. Where the national legislation does not stipulate entitlement to leaves on any ground (i.e. temporary or seasonal work), the contracted party will provide the project worker, at his/her request, with a reasonable period of leave taking into consideration all the circumstances.
- An employment contract or engagement agreement, except in case of permanent employment, ends on the date of its expiry, unless both parties have agreed otherwise. In case of an early termination, a written notice will be submitted at least 15 days in advance. The termination of employment contract and payment of any related entitlements will be done in compliance with the national legislation.
- The third party will assess the risk related to specific jobs. In conformity with the national legislation (LHSW), the third party will be responsible for taking preventive and protective measures to ensure a safe and healthy work environment and informing the project worker on all the relevant issues and conditions affecting his/her health and safety at work. The project worker will respect regulations relating to safety and protection of life and health at work in order not to put in danger his life and health or life and health of others.
- The third party will make effort to establish mechanisms that will prevent discrimination, harassment, sexual harassment and abuse at work and ensure equal treatment and equal opportunity for all. The service providers working in Montenegro should follow the procedure laid out by the national legislation regulating the area of discrimination, harassment and equal opportunity.
- Project workers have the right to form or join union or other organizations of their choosing and to bargain collectively, in accordance with the national legislation. The employer (third party) will not interfere with

the worker's right to choose the organization or opt for an alternative mechanism to protect their rights regarding working conditions and terms of employment.

The project worker will be able to raise his/her grievances using the grievance mechanism communicated to them.

## 9 GRIEVANCE MECHANISM

A Grievance Mechanism for **civil servants** in MNE is already established in the form of the Appeal Commission for workers' complaints. The Civil Service Appeal Commission is an independent and autonomous authority for performing activities stipulated under the Law on Civil Service of MNE. The Commission is competent for decision making on all appeals lodged against decisions with regard to the rights, obligations and responsibilities of civil servants. The deadline for responses to appeals cannot be later than 30 days from the day the appeal is received. The appeal shall be filed through the first instance body and may be submitted directly or by post to the Appeal Commission. The Law on Civil Service of MNE does not specify anything further about procedure of grievance mechanism, confidentiality, etc.<sup>6</sup>

For **direct workers** (such as external consultants) employed or engaged by PIU, a special grievance mechanism shall be conceived and housed by the PIUs. This grievance mechanism should address workplace concerns specifying procedures as to whom a direct worker should lodge the grievance, the time frame for receiving a response or feedback and steps to refer to a more senior level, while allowing for transparency, confidentiality and non-retribution practices. This category of workers should be informed on available grievance mechanism upon their employment or engagement.

Any third party engaging or employing **contracted workers**, shall be under the obligation to establish a mechanism for workplace and dispute resolution instrument in compliance with requirements of this LMP and ESS2<sup>7</sup> unless such a mechanism is already established in their organizations and will be required to establish such a mechanism before signing any contract with the PIU. Such requirement shall be made clear during the tendering procedure and by signing the contract any third party shall become bound by its confirmation that the mechanism has been established and that all the workers are informed of its existence.

The establishment of a grievance mechanism involves the setting-up of a grievance registry and informing all the workers on the existence of the mechanism (for example, during induction trainings, through notifications on notice boards or similar communication channels).

An effective mechanism should be independent and objective. The mechanism should include informing the workers on the steps that will be undertaken upon receiving the grievance and have clear deadlines. It is necessary to take into account the deadline prescribed under law on labor, in order to achieve compliance with national legislation.

The grievance mechanism for workers should therefore include the following elements:

- simplicity of procedure (possibility to provide comments, lodge complaints, proposals, informal grievances etc.),
- confidentiality and lack of bias (the process should be confidential and unbiased, so that workers are not afraid of sanctions),
- reasonable timeframes,
- anonymous grievances shall be treated equal to those that are not anonymous,
- right to accompaniment (by colleagues, trade union representative or workers' council),

<sup>6</sup> Official Gazette of MNE, No. 2/18 and 34/19

<sup>7</sup> The Law on Civil Servants enable workers to file written grievances to their employers within a specified timeframe (30 days). However, this mechanism is not entirely specified in the laws, and thus cannot be considered to be completely in line with WB requirements. Namely, it is not clearly defined that information on the grievance mechanism need to be accessible to all workers in a clear and understandable manner – the employers are not required to inform their workers of the existence of such a mechanism. Furthermore, there are no defined measures to protect workers against any type of retaliation (through, for example, allowing for the possibility of filing anonymous complaints). There is also no obligation to keep records on grievances.

- the management shall treat grievances seriously and undertake appropriate actions,
- possibility of submitting a second-instance grievance in case the worker is not satisfied with the solution offered<sup>8</sup>.

The grievance mechanism should not interfere with access to other judicial or administrative legal remedies that could be accessible in compliance with the law or through existing arbitration proceedings or replace grievance mechanisms that are envisaged under collective agreements.

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<sup>8</sup> Under Labor Law, second-instance resolution of labor disputes relates to peaceful resolution of disputes (mediation).

## 10 CONTRACTOR MANAGEMENT

The PIU will use the Bank's 2017 Standard Procurement Documents for solicitations and contracts, and these include labor and occupational, health and safety requirements and will make reference, or possibly include this LMP as an Appendix to Tender,

The PIU shall ensure that the contractors are legitimate and reliable entities, and that any written labor procedures the contractors have in place are in compliance with this Procedure. As part of the selection process the PIU may review the following information:

- Information in public records, for example, corporate registers and public documents relating to violations of applicable labor law, including reports from labor inspectorates and other enforcement bodies;
- Business licenses, registrations, permits, and approvals;
- Documents relating to a labor management system, including OHS issues, for example, labor management procedures;

while during implementation of the Contracts the following shall be reviewed:

- Identification of labor management, safety, and health personnel, their qualifications, and certifications;
- Workers' certifications/permits/training to perform required work;
- Records of safety and health violations, and responses;
- Accident and fatality records and notifications to authorities;
- Records of legally required worker benefits and proof of workers' enrollment in the related programs;
- Worker payroll records, including hours worked and pay received;
- Copies of previous contracts with contractors and suppliers, showing inclusion of provisions and terms reflecting ESS2.

Contracts concluded with contractors shall contain provisions on mandatory compliance with relevant legislation on labor and OHS, as well as the obligation to establish a grievance mechanism for workers (if such a mechanism is not already in place) in the manner defined in this LMP. Such provisions shall be deemed to apply to any sub-contractor. In the contractual agreements with contractors/subcontractors the PIU shall include appropriate non-compliance remedies, such as termination of the contract should the contractor fail, within the reasonable time given, to comply with any notice to correct related inter alia to compliance with the national labor laws, OHS laws and this LMP.

The PIU can, if it deems necessary, request contractors to submit additional documentation, including, without limitation, the following:

- written policies on labor (for example, the Rulebook on Labor);
- reports of labor inspection and other authorities;
- documentation in connection with the labor management system, including OHS procedures;
- workers' payroll records, including hours worked and pay received;
- copies of previous contracts with contractors and suppliers, showing inclusion of provisions and terms reflecting ESS 2;
- OHS records, including entries on accidents and fatalities, as well as information provided to competent authorities.

Contractors' labor management shall be monitored on the basis of Reports on Compliance of Conditions of Work with the ESS 2, which the contractors shall submit to the PIU on a semi-annual basis. The format of the report is

provided in [ANNEX 1](#) of this LMP. In case any irregularities are found on the basis of these reports or through the mechanism for grievance management, the PIU shall inform the competent labor inspectorate.

The Supervision Consultant will manage and monitor the performance of Contractors in relation to contracted workers, focusing on compliance by contractors with their contractual agreements (obligations, representations, and warranties). This may include periodic audits, inspections, and/or spot checks of project locations or work sites and/or of labor management records and reports compiled by contractors. Contractors' labor management records and reports may include: (a) a representative sample of employment contracts or arrangements between third parties and contracted workers; (b) records relating to grievances received and their resolution; (c) reports relating to safety inspections, including fatalities and incidents and implementation of corrective actions; (d) records relating to incidents of non-compliance with national law; and (e) records of training provided for contracted workers to explain labor and working conditions and OHS for the project.

## 11 PRIMARY SUPPLIERS

The primary suppliers shall be companies that supply various construction materials such as crushed stone, geotextile, sand, gravel, etc. For any supply chain adequate management systems and controls must be in place to ensure compliance with the National law and the requirements of ESS1, ESS2 (in the area of child labor, forced labor and serious safety issues which may arise in relation to primary suppliers).

When purchasing materials from primary suppliers, the contractor will require such suppliers to identify the risk of child labor, force labor and serious safety risks in producing the construction materials. If any of these risks are identified in relation to primary suppliers, the PIU and Supervision Consultant will require the primary supplier to take appropriate steps to remedy them. Such mitigation measures will be monitored periodically. In the case mitigation measures are found to be ineffective, the PIU and the Supervision Consultant will, within a reasonable period, shift the project's primary suppliers that can demonstrate that they are meeting the relevant requirements.

Third parties will be required through the provisions of the ESMF to ensure their Suppliers and subcontractors comply with the national law and to ensure that Employees of any Suppliers or subcontractors are adequately trained on the requirements covered in the law. The PIU reserves the rights to verify compliance with the requirements set by a combination of mechanisms including but not limited to self-assessments, surveys, site-visits or audits. Relevant Records must therefore maintain relevant records to demonstrate compliance and if necessary, allow access to their own and their Suppliers' and subcontractors' premises for authorized representatives of the PIU and/or the supervision consultant.

Once the Project advances the provisions of the LMP covering management of labor and working condition risk of Primary Suppliers shall be expanded and updated and based on the findings of the assessment detailed procedures established and included in the revised document.

## ANNEX 1

### FORMAT FOR REPORT ON COMPLIANCE WITH CONDITIONS OF WORK WITH ESS2 FOR THIRD PARTIES ENGAGING CONTRACTED WORKERS

Assignment name:
Contract ref. No:
Contract period: Start date (M/D/Y)    End date (M/D/Y)
Contractor/Service Supplier:
Reported period:
Date of report:
Signature of authorized person:

#### LABOR AND WORKING CONDITIONS COMPLIANCE REPORT

Company employees\* statistics:

Total number of employee's gender disaggregated: M \_\_\_\_\_ F \_\_\_\_\_

Number of employees with an employment contract out of total number of employees

Number of employees without an employment contract out of total number of employees

Number of employees with access to social security, pension and health insurance out of total number of employees

Number of employees who receives wages/salaries at least once a month out of total number of employees

Number of employees who left the company in the reported period out of total number of employees

Number of employees hired in the reported period

Number of hours worked per employee (monthly average)

Total overtime (monthly average per employee)

- Number of injuries at work (in reporting period and cumulative since contract start) out of total nr. of employees
- Number of fatalities at work (in reporting period and cumulative) out of total nr. of employees
- Number of reported violence out of total nr. of employees
- Number of reported harassment/ abuses out of total nr. of employees

Availability of an accessible and functioning employee grievance mechanism (Y/N)

Number of grievances raised with the GM (in reporting period and cumulative since contract start)

Number of grievances resolved by GM (in reporting period and cumulative since contract start)

Number of suits filed with regard to labor, employment and OHS issues

Number of disputes brought to peaceful settlement/ voluntary arbitration procedure

Number of visits by labor/ OHS inspection

\*The employee is any natural person employed or engaged to work or perform service for the employer

1 The number of employees refers to the actual number/headcount on the date of the report.

2 The numbers imply the total number of incidents in the reported period.

Project workers statistics:

- Total number of project workers\*\*:
- Number of project workers with an employment contract:
- Number of project workers without an employment contract:
- Number of project workers with access to social security, pension and health insurance verified by confirmation from registry:

Working and Labor Conditions Screening Check List

	Terms and conditions	Yes / No	Notes
1	All project workers have an employment contract or engagement agreement in writing.	Yes <input type="checkbox"/> No <input type="checkbox"/>	If "No" please specify and explain
2	All project workers are paid at least once a month	Yes <input type="checkbox"/> No <input type="checkbox"/>	If "No" please specify and explain
3	All project workers worked 8 hours a day, 40 hours a week	Yes <input type="checkbox"/> No <input type="checkbox"/>	If "No" please explain and specify the hours worked
4	All project workers had a regular daily and weekly rest	Yes <input type="checkbox"/> No <input type="checkbox"/>	If "No" please specify and explain
5	Number of project workers were terminated from employment with termination in line with national labor law and <b>ESS2</b>	Yes <input type="checkbox"/> No <input type="checkbox"/>	If "Yes" please specify number and explain conditions of termination
6	Number of project workers attended OHS related training programme	Yes <input type="checkbox"/>	If "Yes" please specify number and explain

	Terms and conditions	Yes / No	Notes
		No <input type="checkbox"/>	
7	Project workers were granted leaves they are entitled to	Yes <input type="checkbox"/> No <input type="checkbox"/>	If "Yes" Please specify the type and number of leaves
8	Project workers were involved in accidents at work resulting in injuries or fatalities	Yes <input type="checkbox"/> No <input type="checkbox"/>	If "Yes" please specify and explain
9	Project workers reported on cases of discrimination, harassment, sexual harassment or non-compliance with law	Yes <input type="checkbox"/> No <input type="checkbox"/>	If "Yes" please specify and explain
10	Project workers raised grievances or started voluntary arbitration / legal proceedings to settle a dispute	Yes <input type="checkbox"/> No <input type="checkbox"/>	If "Yes" please specify and explain
11	In the reported period there were some incidents on noncompliance with the LMP	Yes <input type="checkbox"/> No <input type="checkbox"/>	If "Yes" please specify and explain

## ANNEX 2

### THIRD PARTIES STATEMENT (POTENTIAL CONTRACTORS AND SERVICE PROVIDERS) ON COMPLIANCE WITH PROVISIONS OF LABOR LEGISLATION and THE PROJECT'S LMP

Date and place of issuance: \_\_\_\_\_

Name and address of the issuer (Bidder): \_\_\_\_\_

#### STATEMENT OF LEGAL AND REGULATORY COMPLIANCE

Hereby we declare that<sup>9</sup>

- We are aware of, and comply with, the standards laid down in the Labor Management Procedures;
- We conform to all national laws\* and applicable regulations concerning employment, labor and employee relations, and labor and working conditions;
- We are committed to providing a safe and healthy environment for our employees and to implementing all occupational health and safety requirements as stipulated by national legislation;
- We do not tolerate any form of child, forced or slavery work.
- We prohibit any form of harassment, sexual harassment, abuse, violence, including GBV at work and forbid direct or indirect discrimination against any employee or groups of employees on any ground and for whatever reason.
- We confirm that a worker GM is available
- We confirm that no worker GM is available but will be established by the time the contract is signed.

We hereby state that should we be awarded with the contract; we shall adopt the Labor Management Procedures applicable to the project and incorporate them in our practice.

We understand that the failure to respect any of the above stated commitments could lead to termination of the contract and exclusion from the project.

Signature:

Name:

Position:

\*National Laws refers to both the Laws of Montenegro and the domicile Law of the country in case the Bidder is foreign

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<sup>9</sup> The Bidder should mark the appropriate commitment

## ANNEX 3

### PRIMARY SUPPLIERS STATEMENT OF COMPLIANCE WITH PROVISIONS OF LABOR LEGISLATION and THE PROJECT'S LMP RELATED TO CHILD LABOR, FORCED LABOR AND OHS

Date and place of issuance: \_\_\_\_\_

Name and address of the Supplier: \_\_\_\_\_

#### STATEMENT OF LEGAL AND REGULATORY COMPLIANCE

Hereby we declare that

- We conform to all national laws\* and applicable regulations concerning employment, labor and employee relations, and labor and working conditions;
- We are committed to providing a safe and healthy environment for our employees and to implementing all occupational health and safety requirements as stipulated by national legislation;
- We do not tolerate any form of child, forced or slavery work.
- We prohibit any form of harassment (including sexual), abuse, violence and GBV at work and forbid direct or indirect discrimination against any employee or groups of employees on any ground and for whatever reason.
- We shall maintain records related to labor, occupational injuries, illness, near misses and incidents.

We hereby acknowledge our understanding that our company may be subjected to announced and unannounced visits, site checks and labor and working condition audits by the Contractor through which materials and good are supplied to the Project, PIU staff and independent third parties with the aim to verify compliance with the above statement.

We understand that the failure to respect any of the above stated commitments could lead to termination of the contract and exclusion from the project.

Signature:

Name:

Position:

\*National Laws refers to both the Laws of Montenegro and the domicile Law of the country in case the Suppliers are expatriates

## ANNEX 4

### Minutes from the Public Consultations

<b>Venue:</b>	Meeting hall of the Municipality of Bijelo Polje
<b>Date:</b>	24 January 2020
<b>Time:</b>	13:00 hr
<b>Organiser:</b>	Ministry of Agriculture and Rural Development, Directorate for Water Management, Project Implementation Unit (PIU)

The public consultation meeting for the set of documents that will guide the further E&S due diligence during sub-project implementation based on the 2018 World Bank E&S Framework was organized by the PIU from the Directorate for Water Management under the Ministry of Agriculture and Rural Development. The announcement for the review and comments on the set of documents was published at the website of the Ministry, providing relevant information to the public and all interested parties about the location of the document, in both English and local language, as well as the timeframe and the address for submitting official comments, and the time and venue of the public meeting.

The introductory note and welcome speech at the public meeting were given by the representative of the host agency Directorate for Water Management – [Mr Momčilo Blagojević](#). Mr Blagojević greeted the Municipality representatives, participants, representatives of the World Bank and the expert working on the mentioned documents. He provided basic information about the World Bank support and guidance in the preparation of the SDIP project, its aims and envisioned results. In addition, three components of the SDIP project and the preparatory work conducted by the expert team in the past period were presented, which resulted in the selection of sub-projects that will be implemented in Montenegro and development of all the key documents essential for the start of the SDIP project implementation. This information served as an introduction for the detailed presentation of the documents.

[Ms Irem Silajdžić](#), the E&S specialist engaged by the Ministry of Agriculture and Rural Development to work on the documents presented the main scope and results of her work. Ms Silajdžić provided relevant background information on the SDIP project and the selected sub-projects that will be implemented in Montenegro and relevant background information on the World Bank requirements. Following the introductory review, Ms Silajdžić presented each of the documents listed below:

- the Environmental and Social Management Framework (ESMF)
- the Environmental and Social Commitment Plan (ESCP)
- the Stakeholder Engagement Plan (SEP)
- the Resettlement Policy Framework (RPF)
- the Labor Management Plan (LMP)

The focus of her presentation was on the results of the E&S assessment of the known projects in Phase 1 of the SDIP and the framework procedures that will guide further implementation of each sub-project in the domains of E&S risk assessment, stakeholder engagement, resettlement and labour management. The special focus of her presentation was related to the obligations of the PIU and the role of municipalities in this process.

Following the presentation, the discussion was initiated by [Mr Almer Mekić](#), president of the non-governmental organization (NGO) Euromost from Bijelo Polje. He stated that the NGO Euromost is leading the NGO coalition for the protection of Lim River, gathering all NGOs in the river basin, from Municipality of Plav to Municipality of Rudo. Therefore, he underlined that he speaks on behalf of all NGOs from the Lim River Basin. From the NGOs' standpoint, the most important issue is to protect the river. He praised the project stating that the citizens are well aware of the benefits, especially knowing that the flood protection infrastructure will also include walking and bicycle paths along the river that will certainly increase the quality of life for the citizens in the basin. He

asked what will happen if the framework procedures are not respected during implementation of the project as well as what are the national obligations regarding environmental impact assessments for each sub-project. He also wanted to know what is the level of development of the project documentation. He said he would appreciate to receive answers so that his NGO can communicate about the project activities to the members of the coalition as well as to concerned citizens.

Mr Momčilo Blagojević from the Directorate for Water Management responded by saying that the PIU had held several meetings with all municipalities in the basin. The Ministry and the PIU are committed to implement all projects in line with the national regulations and the WB standards. The issue faced by the PIU was the low level of readiness of the spatial planning documentation. This problem interfered with the development of design documents; hence it was not possible to start the design prior to including all flood protection infrastructure in the municipal spatial planning documents. The current status of sub-projects in Bijelo Polje and Berane is that the Main Designs are finalized and the documentation is under revision. An Environmental Impact Assessment for these projects are to be carried out in line with the national regulations. The PIU will organize a public presentation of these projects. Mr Blagojević also stated that all the requests from local communities have been taken into account during preliminary design. He provided the example of Municipality of Plav and the request submitted by the Fisherman Association to preserve one section of the river important from the aspect of fish breeding, based on which the design was revised.

Mr Igor Palandžić from the World Bank responded regarding the question on the framework procedures. He said that all the documents presented at this meeting are legally binding for the Borrower and will be part of the contractual obligations. The World Bank has its own mechanisms to terminate the project in case of serious violation of the rules. However, he noted that the Montenegro government is committed to respecting the rules and procedures, and that no issues with implementation are expected.

Mr Almer Mekić said that the NGO coalition will monitor the implementation of the SDIP sub-projects and will report to the Contractors, Municipalities and the PIU in case they discover any problems related to environmental and/or social aspects. He emphasized the importance of cooperation and communication between all stakeholders.

Ms Bisera Alihodžić from the Urban Department of Municipality of Bijelo Polje asked about the timing of expropriation related activities which concerns her department and about the compensation framework for privately owned property.

Mr. Fahrudin Begović from the Municipality of Bijelo Polje stated that the Municipality is waiting for the main design to be delivered so that they can proceed with the development of the Geodesy Study which is the input for the Expropriation Study.

Mr Momčilo Blagojević from the Directorate for Water Management stated that the projects are located on public land (so called “public water assets”), and that expropriation will be avoided as much as possible. He added that everybody will be compensated in accordance with the law if any private property is identified.

Ms Irem Silajdžić explained the differences between national regulations and WB ESS5, mentioning all categories that are entitled to compensation. She added that it is advisable that a responsible person from the municipal department dealing with expropriation carefully reads the prepared RPF which defines the compensation framework, and incorporates these requirements during the development of the Expropriation Study according to the national regulations.

The meeting ended at 14:00.

Photographs



