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Guidance Note
UNDP Social and Environmental Standards

Standard 7: Labour and Working Conditions

UNDP Guidance Notes on the Social and Environmental Standards (SES)

This Guidance Note is part of a set of operational guidance materials related to the [UNDP Social and Environmental Standards \(SES\)](#). UNDP's SES seek to (i) strengthen quality of programming by ensuring a principled approach; (ii) maximize social and environmental opportunities and benefits; (iii) avoid adverse impacts to people and the environment; (iv) minimize, mitigate, and manage adverse impacts where avoidance is not possible; (v) strengthen UNDP partner capacities for managing social and environmental risks; and (vi) ensure full and effective stakeholder engagement, including through mechanisms to respond to complaints from project-affected people.

The SES guidance notes follow a similar structure to assist users in finding specific information or guidance (the Social and Environment Screening Procedure (SESP) Guidance Note has a slightly different structure that focuses on the steps of the screening process). The set of guidance notes will develop over time to include specific guidance on each of the SES Programming Principles, Project-level Standards, and elements of the Social and Environmental Management System (see Key Elements of the SES). The [SES Toolkit](#) is an on-line resource for the guidance notes and supporting materials.

How to Use This Guidance Note

The target users for the SES guidance notes are staff, consultants, stakeholders and partners who are involved in developing, assessing and implementing projects that invoke UNDP's SES. To facilitate use of the overall package of SES guidance, users should understand that the guidance notes:

- Are structured around the process of **screening, social and environmental assessment, and management** (including monitoring).
- Assist in determining the applicability of relevant SES requirements in the screening process for all projects.
- Provide additional guidance for projects that require assessment and development of management measures (i.e. projects with Moderate, Substantial or High Risks related to a certain Principle or Standard).
- Provide a practical resource for implementing SES requirements to address potential social and environmental impacts within the context of the project cycle. Users do not necessarily need to read them in full but rather may select information that is specific to their needs.
- Complement and elaborate on the SES, which must be read in conjunction with the guidance notes (SES language is generally not repeated in the notes).
- Will continue to be developed as lessons are derived from implementation. Feedback is always welcome and can be sent to info.ses@undp.org

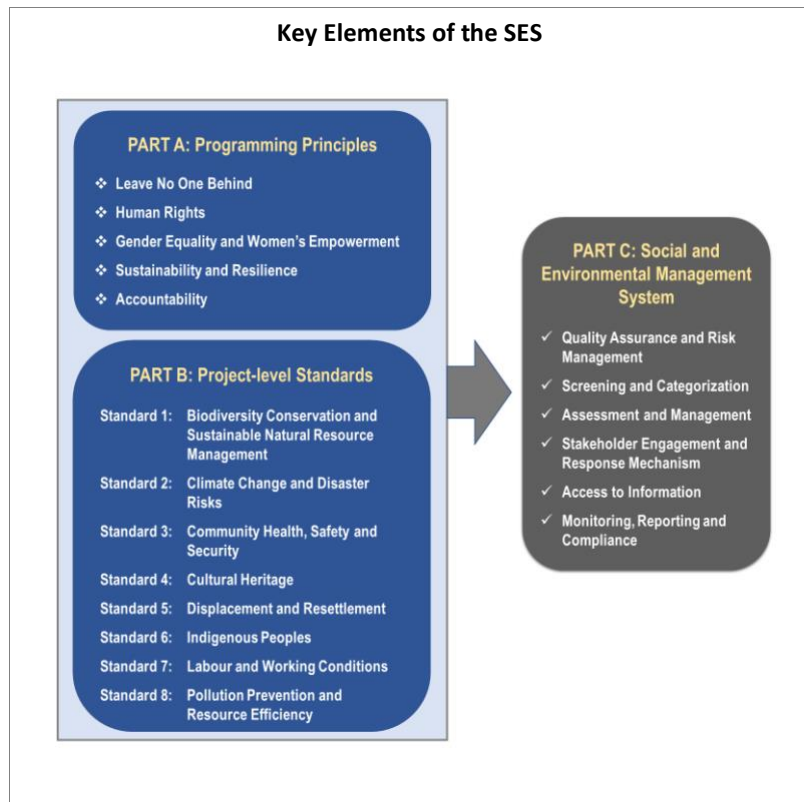


Figure 1. SES Implementation – Screening, Assessment and Management in the Programming Cycle

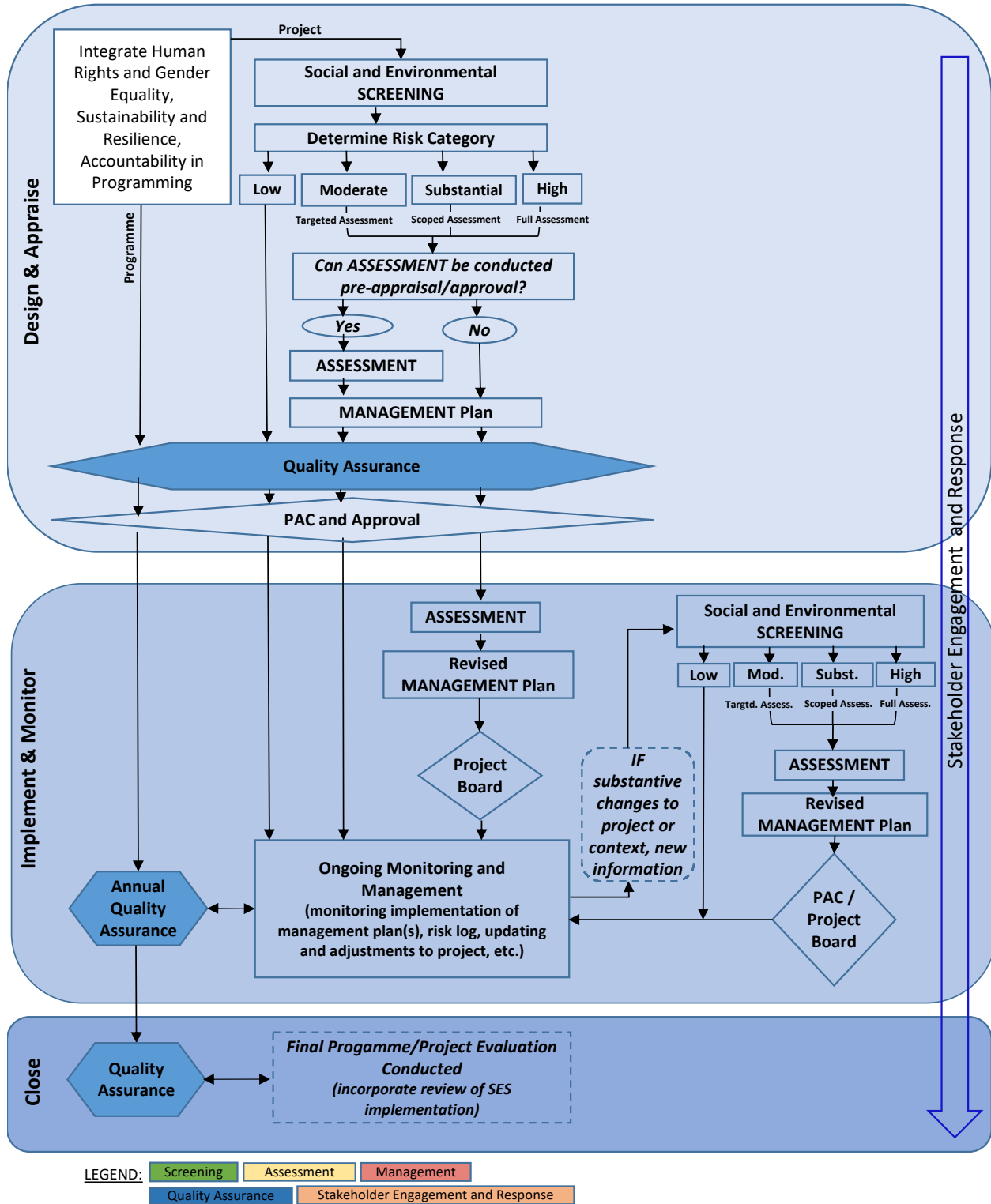


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1 Introduction

The pursuit of inclusive and sustainable economic growth, full and productive employment and decent work for all requires the protection of workers' fundamental rights, their fair treatment, and the provision of safe and healthy working conditions.

UNDP's SES Standard 7: Labour and Working Conditions (S7) aims to ensure that UNDP projects respect the fundamental rights of workers. This Guidance Note provides operational guidelines for addressing the requirements of S7 throughout the UNDP programming cycle. Section 2 provides key background information on the S7 objectives and includes necessary background information on the ILO Core Labour Standards as well as information on different categories of workers. Section 3 discusses the S7 risk screening questions of the Social Environmental Screening Procedure (SESP). Section 4 provides guidance on addressing the specific S7 requirements during the assessment and management process. The note concludes with a section on relevant S7 monitoring issues (Section 5). Annex 1 provides a template of the Labour Management Procedures (LMP).

Below is a short overview of the key steps in the process for addressing the S7 requirements in the screening, assessment and management process.

Quick overview of key steps for addressing S7 requirements

SCREEN POTENTIAL RISKS:

- Screen projects with the SESP to identify potential adverse risks and impacts regarding labour and working conditions in the project. Such risks and impacts may relate to, *inter alia*, unsafe working conditions, violations of labour rights, use of forced labour and child labour, and labour risks associated with the use of contractors and primary suppliers
- Rate potential labour-related risks and impacts and categorize project (Low/Moderate/Substantial/High Risk)
- Identify key stakeholders (e.g. types of or actual employers, workforce, unions, community where jobs will be created, migrant labour), develop stakeholder engagement plan and start early consultations to identify key issues and options to avoid potential adverse risks and impacts regarding labour and working conditions

ASSESS POTENTIAL RISKS AND IMPACTS:

- For complex Moderate Risk, Substantial and High Risk projects, ensure appropriately-scaled assessment is undertaken to assess risks and impacts regarding labour and working conditions (see Annex 1 for Labour Management Procedures)
- Include review of relevant national employment and labour laws and regulations and identification of areas that require further attention and gap filling to ensure implementation of S7 requirements
- Where significant labour risks are present (complex Moderate, Substantial, High Risk projects), utilize qualified experts with direct knowledge of local conditions and national labour and employment regulations

MITIGATE, MANAGE AND MONITOR RISKS AND IMPACTS:

- Ensure appropriately-scaled Labour Management Procedures (LMP) are in place to ensure labour management practices that meet the S7 requirements
- Include action plan in LMP that addresses identified risks and impacts associated with labour and working conditions
- Establish reporting and monitoring requirements appropriate for the level of risks and impacts (e.g. notifications to UNDP, periodic performance reports, third party audits)

2 Understanding the Basics of Standard 7

Respecting labour rights is a fundamental element of Agenda 2030. Among other goals and targets, Sustainable Development Goal 8 calls for the promotion of inclusive and sustainable economic growth, employment and decent work for all. It includes targets for protecting labour rights and promoting safe working environments (Target 8.8) and ending modern slavery, trafficking, and child labour (Target 8.7). Respecting labour rights is an important element of furthering the SDG overarching principle of leaving no one behind.

In addition to the SDGs, UNDP adheres to the UNSDG Statement of Common Understanding of the Human Rights-Based Approach to Development Cooperation (UN Common Understanding, HRBA) which outlines that development programming should further the realization of human rights, which of course includes fundamental principles and rights at work.¹ Numerous UN human rights instruments contain provisions on labour rights and working conditions, including but not limited to the Universal Declaration of Human Rights, the International Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights, the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families, the Convention on the Rights of the Child, the Convention on the Rights of Persons with Disabilities, Convention on the Elimination of All Forms of Discrimination Against Women, the International Convention on the Elimination of All Forms of Racial Discrimination.² Thus, labour rights are an integral part of the SES Programming Principle on human rights.

The International Labour Organization (ILO) has developed a broad array of conventions to protect workers' rights and to ensure safe and healthy working conditions (see Section 2.2). In addition, a range of good international industry practices have also been developed, such as the general and sector-specific Environmental Health and Safety Guidelines (EHS) of the World Bank Group and those of the International Standards Organization (ISO), including ISO 14001 on environmental management systems and ISO 45001 on occupational health and safety.³

2.1 Objectives of Standard 7

The S7 requirements aim to fulfill the following key objectives:

- To promote, respect and realize fundamental principles and rights at work⁴ through:
 - Supporting freedom of association and the effective recognition of the right to collective bargaining;
 - Preventing the use of child labour and forced labour;
 - Preventing discrimination and promoting equal opportunity of workers;
- To protect and promote the safety and health of workers;
- To ensure applicable parties comply with national employment and labour laws, applicable rules and regulations and international commitments; and
- To leave no one behind by protecting and supporting workers in disadvantaged and vulnerable situations, including a special focus, as appropriate, on women workers, young workers, migrant workers and workers with disabilities.

¹ See the [UN Common Understanding of the Human Rights-Based Approach to Development Cooperation](#) for more information.

² See [Chapter 3](#) of ILO, Giving Globalization a Human Face: General Survey on the fundamental Conventions concerning rights at work in light of the ILO Declaration on Social Justice for a Fair Globalization (2008),” International Labour Conference, 101st Session, 2012, ILC.101/III/1B.

³ See [World Bank Group Environmental Health and Safety Guidelines](#) and the [ISO Standards webpage](#).

⁴ [ILO Declaration on Fundamental Principles and Rights at Work](#) (1998).

The requirements contained in S7 seek to further these objectives and should be carefully reviewed in order to inform project development and implementation.

The S7 requirements are to be addressed by the party or parties responsible for implementing the project, including implementing partners, responsible parties, contractors and subcontractors (all referred to as “applicable parties” in SES S7 and this Guidance Note).

2.2 Key Concepts

ILO Core Labour Standards: The requirements of S7 have been guided by a number of international conventions and instruments, including those of the International Labour Organization (ILO) and the United Nations (UN). Eight ILO conventions are viewed as “fundamental,” covering four subjects that are considered as fundamental principles and rights at work (often referred to as Core Labour Standards, CLS). These are the most highly ratified ILO Conventions by the ILO’s 187 member States and are considered to have universal application (that is, they apply to all countries regardless of ratification status).⁵ They have become key benchmarks for national labour and employment law as well as for international financial institutions and other international governance mechanisms, including numerous trade agreements. As such they are the accepted baseline for fair treatment in the workplace and a minimum starting point for addressing labour in development programming (and are reflected in the requirements of Standard 7). They are listed below:

ILO Fundamental Principles and Rights at Work (Core Labour Standards)	ILO Fundamental Conventions
(a) freedom of association and the effective recognition of the right to collective bargaining	1. Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) (154 ratifications) 2. Right to Organise and Collective Bargaining Convention, 1949 (No. 98) (165 ratifications)
(b) the elimination of all forms of forced or compulsory labour	3. Forced Labour Convention, 1930 (No. 29) (178 ratifications), P029 - Protocol of 2014 to the Forced Labour Convention, 1930 4. Abolition of Forced Labour Convention, 1957 (No. 105) (175 ratifications)
(c) the effective abolition of child labour	5. Minimum Age Convention, 1973 (No. 138) (171 ratifications) 6. Worst Forms of Child Labour Convention, 1999 (No. 182) (181 ratifications)
(d) the elimination of discrimination in respect of employment and occupation	7. Equal Remuneration Convention, 1951 (No. 100) (173 ratifications) 8. Discrimination (Employment and Occupation) Convention, 1958 (No. 111) (175 ratifications)

Below are some key concepts covered by the CLS and Standard 7 (see Section 4 for fuller treatment of each):

Child labour is often defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that is mentally, physically, socially or morally dangerous and harmful to children; and/or interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school

⁵ As stated in the “ILO Declaration on Fundamental Principles and Rights at Work (1998),” at <http://www.ilo.org/declaration/lang--en/index.htm>. The Declaration commits Member States to respect and promote principles and rights related to the four core labour standards, regardless of having ratified the relevant Conventions.

attendance with excessively long and heavy work. The ILO standards identify age groups for which different forms of economic activity (work) are acceptable. The key age is 15, which is established as the prevailing norm worldwide for admission to employment. However, it is important to note that national legislation may set a higher threshold, which typically coincides with the end of compulsory schooling.

Forced labour is defined quite broadly and often used alongside or interchangeably with modern slavery. Forced labour is work exacted under the threat of penalty and for which the person has not offered himself or herself voluntarily. The threat of penalty can involve practices such as threats of dismissal or physical violence, the withholding of identity documents or wages, threats to denounce workers to immigration authorities where their status is illegal, or entangling workers in fraudulent debt.

Freedom of association. ILO Convention No. 87 sets forth the right for workers and employers to establish and join organizations of their own choosing without previous authorization. Workers' and employers' organizations shall organize freely and not be liable to be dissolved or suspended by administrative authority, and they shall have the right to establish and join federations and confederations, which may in turn affiliate with international organizations of workers and employers. A **workers' organization** is any organization of workers for the purpose of furthering and defending their interests, in particular with regard to working conditions and terms of employment. Workers' organizations can be called by different terms in different countries, for example, trade unions, labor unions, or workers' associations.

Collective bargaining consists of discussions and negotiations among employers, employers' organizations, and workers' organizations for the purpose of determining wages and other working conditions and terms of employment by joint agreement. It also includes instructions on the implementation and administration of any agreements that may result from collective bargaining and the resolution of issues and grievances that arise in the employment relationship with respect to workers represented by the workers' organization. Collective bargaining can take place in different ways, depending on the country and industry sector. Many countries have multilevel bargaining systems, which may include company, sectoral, and national levels.

Discrimination involves treating people differently on the basis of a personal characteristic that is unrelated to their ability to do the job. Prohibited grounds of discrimination typically include gender, race, nationality, political opinion, affiliation to a union, ethnic, social or indigenous origin, religion or belief, marital or family status, disability, age, sexual orientation or gender identity. **Equal opportunity** is the principle of basing all employment decisions, such as hiring and promotion, on the ability of a person to perform the work, without regard to personal characteristics that are unrelated to the inherent work requirements (understood as genuine occupational qualifications that are necessary to perform the work). Discrimination impairs or nullifies equality of opportunity or treatment in employment.

Informal employment. Employees are considered to have informal jobs if their employment relationship is, in law or in practice, not subject to national labor legislation, income taxation, social protection or entitlement to certain employment benefits (paid annual or sick leave, etc.) for reasons such as: non-declaration of the jobs or the employees; casual jobs or jobs of a limited short duration; jobs with hours of work or wages below a specified threshold (e.g. for social security contributions); employment by unincorporated enterprises or by persons in households; jobs where the employee's place of work is outside the premises of the employer's enterprise (e.g. outworkers without an employment contract); or jobs for which labor regulations are not applied, not enforced, or not complied with for any other reason. Operational criteria used by countries to define informal jobs of employees include: lack of coverage by social security system; lack of entitlement to paid annual or sick leave; lack of written employment contract.⁶

⁶ ILO, ILOSTAT [Indicator Description: Informality](#).

2.3 Categories of Workers

The S7 requirements apply to all ‘project workers’ who work on a project site or perform work related to what are considered ‘core functions’ of the project regardless of location. Core functions of a project constitute those production and/or service processes essential for a specific activity without which the project cannot continue.

The term ‘project workers’ encompasses different types of employment arrangements and the S7 requirements need to be applied in a relevant and proportionate manner to each category of worker. Project workers include full-time, part-time, temporary, seasonal and migrant workers, including those employed by third parties and the project’s primary suppliers.

Identifying the nature of the employment relationships with project workers is important for categorizing workers and deciding how the requirements of S7 may apply. An employment relationship exists when a person performs work or provides services under certain conditions in return for remuneration. Determining the existence of an employment relationship is guided primarily by the facts relating to performance and organization of the work and the type of workers’ remuneration (see below). It is important to avoid or condone the use of disguised employment relationships, such as contractual or other arrangements that hide the true legal status of the employment relationship or contractual arrangements, which would have the effect of depriving project workers protections they are due under national law and S7.

Types of project workers include the following:

- **Direct workers:** workers directly engaged by the applicable party to work on a project site or to perform work essential to the project, whether permanently or on a temporary/seasonal basis. The applicable party has a directly contracted employment relationship and specific control over the work, working conditions, and treatment of the project worker. This may include persons employed or engaged by the responsible party’s project implementation unit to carry out design and supervision, monitoring and evaluation, or community engagement in relation to the project. Where government and international civil servants (e.g. UNDP staff)⁷ are working directly in connection with the project, they will remain subject to the terms and conditions of their existing public sector employment arrangements where such arrangements exist. Assessments of project risks and impacts should examine the consistency of such arrangements with S7 requirements and, if material gaps are found, identify measures to align with S7.

Determining employment relationships

There are a number of considerations in determining whether and between which parties an employment relationship exists. These may include the following:

Performance of the work. Work:

- Is carried out according to the instructions and under the control of the applicable party
- Involves the integration of the worker in the organization of the entity involved in implementing the project
- Is performed solely or mainly for the benefit of the applicable party
- Must be carried out personally by the worker
- Is carried out within specific working hours or at a workplace specified or agreed to by the party requesting the work
- Is of a particular duration and has a certain continuity
- Requires the worker’s availability
- Involves the provision of tools, materials, and machinery by the party requesting the work

Remuneration and other benefits, which may include:

- Periodic payment of remuneration to the worker

⁷ For project workers who are employed or engaged by the United Nations and its specialized agencies, conditions of employment are governed by the respective entity’s internal rules, in accordance with the relevant provisions of the [Convention on the Privileges and Immunities of the United Nations, 1946](#).

- The fact that such remuneration constitutes the worker’s sole or principal source of income
- Provision of payment in kind, such as food, lodging, or transport
- Recognition of entitlements such as weekly rest and annual holidays
- Payment by the party requesting the work for travel undertaken by the worker to carry out the work
- Absence of financial risk for the worker

World Bank, Guidance Note ESS2: Labor and Working Conditions

- **Contracted/third party workers:** people employed or engaged through third parties (e.g. contractors, subcontractors, brokers, agents or intermediaries) to perform work or provide services essential to the project (i.e. core functions) regardless of location and where the third party exercises control over the work, working conditions, and treatment of the project worker. 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. S7 includes additional requirements regarding the selection and engagement of third parties/contractors (see S7 paras. 29-31).
- 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. Primary suppliers provide goods or materials directly to the project for its core functions on an ongoing basis. This means that second, third, and further levels of the supply chain (sometimes referred to as Tier 2 and Tier 3 suppliers) are not specifically covered by S7; however, risks in subsequent tiers of the supply chain may also need to be considered, particularly from a human rights perspective (see section 4. 5.9). S7 paras. 32-34 outline requirements regarding primary supply workers.
- **Community workers.** In addition to the above categories, projects may include the use of community workers in a number of different circumstances, including where labor is provided by the community as a contribution to the project (without direct remuneration), where projects are designed and conducted for the purpose of fostering community-driven development or provision of a safety net (e.g. food-for-work programs), or providing targeted assistance in fragile and conflict-affected situations. Although S7 does not specifically refer to community workers, some UNDP projects may include them.

It is not always straightforward identifying types of project workers. For example, a range of third parties may be involved in meeting the labor needs for a project. It is important to understand the nature of the relationship between the third party and the project worker to decide how the S7 requirements apply. In some circumstances, even where the worker is engaged on the project long term, the control of and legal responsibility for the worker remains with the third party. In such circumstances, the worker is a “contracted worker” for the purposes of S7. This is the case, for example, where a contractor brings its own workforce to work on a project. In other circumstances, the third party may source and recruit the worker on behalf of the entity involved in implementing the project. In these circumstances, such workers are “direct workers” for the purposes of S7. This is the case, for example, where a labor broker or agent acts as an intermediary for the placement and recruitment of workers in one country to be employed on a project in another country. Provision of labor through a broker, agent, or intermediary should not be used to disguise the true legal status of the employment relationship.

3 Screening

Project developers utilize the UNDP Social and Environmental Screening Procedure (SESP) to screen projects for potential social and environmental risks and impacts, including those associated with labour and working conditions. See the SESP Guidance Note in the [SES Toolkit](#) for general guidance on the SESP.

Given that most projects will involve project workers, the screening process focuses on **identifying which areas and issues within S7 (if any) may pose risks and impacts to project workers and categorizing these risks**. If Moderate, Substantial or High risks are identified during screening, they will need to be reviewed and/or assessed and

benchmarked against relevant S7 requirements in more detail as part of the overall impact assessment process, and appropriate management, mitigation and monitoring measures will need to be included in project design and implementation.

Below are the SESP questions directly related to S7 with quick references to relevant sections of S7 and the Guidance Note. *To be noted: the requirements of S7 are interrelated and multiple requirements may apply to any one of the UNDP screening questions. However, to facilitate addressing the screening questions, key relevant S7 concepts, definitions and requirements are cross-referenced in the table.*

Standard 7: Labour and Working Conditions: key issues <i>Note: Numbering reflects the numbering in the SESP Checklist.</i>		<i>Reference to key S7 requirements and sections of this guidance note</i>
Would the project potentially involve or lead to: (note: applies to project and contractor workers)		
7.1	working conditions that do not meet national labour laws and international commitments?	See all S7, all sections of Guidance Note
7.2	working conditions that may deny freedom of association and collective bargaining?	See S7 para. 13 and Sections 2.2, 4.6.3
7.3	use of child labour?	See S7 paras. 16-19 and Sections 2.2, 4.6.5
7.4	use of forced labour?	See S7 paras. 14-15 and Sections 2.2, 4.6.4
7.5	discriminatory working conditions and/or lack of equal opportunity?	See S7 paras. 9-12 and Sections 2.2, 4.6.2
7.6	occupational health and safety risks due to physical, chemical, biological and psychosocial hazards (including violence and harassment) throughout the project life-cycle?	See S7 paras. 20-25 and Section 4.6.6

When screening for labour risks and impacts, a first step is to establish key relevant parameters:

- do project-related activities involve employment/labour contracting? Often, the greatest risk for labour standard violations is at contractor/subcontractor level. It is therefore vital that project developers and screeners identify and flag (proposed) contracting arrangements as early as possible.
- who will be carrying out the project activities? (e.g. what kinds of project workers and who will be managing them?)
- where and what types of project activities will take place? (e.g. areas or sectors with known labour risks (child labour); inherently risky activities (heavy construction))

Project workers may be engaged in various ways, e.g. a capacity building component involving civil servants (either office-based or working in the field); construction of physical components, possibly with several layers of sub-contracting; or operation of one or multiple businesses. In addition, the primary supply chain of core materials essential for the project must be screened for certain labour risks.

The screening process helps to determine the significance of identified labour risks and impacts by scoring both impact and likelihood of the risk. The following table highlights general types of activities or situations that may present significant labour-related risks. Of course, the context and circumstances of each project would need to be carefully considered. For example, the status of the health sector, appropriate access to water and sanitation, history of conflict and discrimination, and other factors may have significant implications for worker health and safety. Issues identified in the screening for SES Standard 3 on Community Health, Safety and Security may have direct bearing.

Also, once potential project employers' are known, the project proponent should also review their capacity to manage labour issues as part of the risk assessment (see Section 4.4 below).

Examples of project-related activities that may involve labour risks:

Issue/Activity	Main labour issues
The host country's regulatory framework and/or practice is known for major gaps in protecting ILO core labour standards (e.g. no or severely restricted freedom of association; systemic discrimination of women or ethnic minorities; state-sponsored forced labour; high incidences of child labour)	<ul style="list-style-type: none"> • ILO core labour standards
Construction activities, in particular large-scale construction	<ul style="list-style-type: none"> • Contractor management capacity • OSH • Forced labour, particularly among non-employee workers provided by labour agencies • Child labour (.e.g. carrying materials) • Discrimination of migrant workers • Unsafe worker accommodations • Sexual harassment and gender-based violence
Projects involving hazardous work (e.g. hazardous substances/machinery/processes, explosion risks, major workplace emissions, poisoning, contamination)	<ul style="list-style-type: none"> • OSH • Emergency preparedness & response
Labour-intensive manual processes (e.g. ready-made garment (RMG) manufacturing), primary agriculture, or other sectors in a country with high incidences of child labour or forced labour	<ul style="list-style-type: none"> • Child labour • Forced labour • Excessive working hours • Wages/overtime • Possibly: discrimination of migrant workers; dormitories
The project involves labour-intensive processes and is located in a Free Trade Zone/Export Processing Zone	<ul style="list-style-type: none"> • As above, plus • Restriction of freedom of association/collective bargaining
Project involves major restructuring of a large employer including (the risk of) collective redundancies	<ul style="list-style-type: none"> • Retrenchment • Discrimination
Projects involving hiring temporary non-employee workers via labour agents, brokers, intermediaries	<ul style="list-style-type: none"> • Forced labour • Discrimination • Contractor management capacity
Project activities involve a high proportion of potentially vulnerable workers (e.g. over 50% migrant workers, seasonal workers, young workers)	<ul style="list-style-type: none"> • Discrimination • Child labour • Forced labour
The workforce is/will be highly gender segregated (e.g. over 75% workers women, while over 75% of managers male)	<ul style="list-style-type: none"> • Discrimination • Harassment and bullying
Projects involving worker accommodation/dormitories	<ul style="list-style-type: none"> • Issues of health, safety and security • Child labour and informal labour of family members • Sex trade and exploitation
Potential client's primary supply chain is tainted by child or forced labour (e.g. known allegations against particular suppliers, or	<ul style="list-style-type: none"> • Supply chain management (focusing on child labour, forced labour, and health & safety threats)

where goods are sourced from a country or sector with high prevalence of child labour/forced labour)	
The project involves the use of armed security personnel	<ul style="list-style-type: none"> • Safety and security • Forced labour • Harassment and bullying • Gender-based violence

It must also be noted that many UNDP projects may include proactive measures that reach beyond compliance with S7 to enhance positive labour impacts of the project. For example, employment promotion schemes, training programmes to enable local people to apply for jobs under the project; programmes to increase the number of female workers and/or to promote women’s careers (this could be anything from recruitment drives to mentoring to having childcare facilities at the workplace); supporting best practices within a key supplier, systematic approaches to help prevent child and forced labour, among other measures. Such measures would be outlined in the Project Document.

Note on other labour-related risks and impacts: Keep in mind that the SESP also seeks to identify other potential labour-related risks and impacts risks covered by other SES Project-level Standards. For example, SES Standard 3 on Community Health, Safety and Security addresses potential health and safety risks associated with the influx of project workers, that is, when all or part of a labour force for a project comes from outside the area of the project. In addition S3 addresses potential risks and impacts arising from the engagement of project security personnel. Please refer to the S3 and supporting materials for more on these potential risks and impacts which may include specific workforce management measures.

4 Addressing S7 Requirements in Assessment and Management Planning

Where screening indicates that there may be complex Moderate or Substantial or High risks associated with project labour and working conditions, an assessment of the relevant issues is required. S7 requires that “labour management procedures” be established to help identify key project-associated labour issues and risk areas and measures to address them.

This guidance note includes a template for the Labour Management Procedures (LMP, Annex 1) which can be utilized as an assessment and action plan document, either as part of the overall project environmental and social assessment and management plan (such as an ESMP) or as a stand-alone document.

Note: The process of identifying and addressing project-related labour issues and risk areas can be complex and therefore often requires the judgment of qualified and experienced social experts with direct knowledge of local conditions and national labour and employment regulations.

The LMP helps to identify key labour risk issues and facilitates project planning to ensure compliance with national law, collective agreements and the requirements of S7. It is important to note that the requirements that are the most protective of workers would apply unless the application of S7 requirements would violate national law.

4.1 Brief overview of key requirements and steps

Before discussing the specific requirements of S7, the following table provides a brief overview of key S7 issues regarding a project's labour and working conditions and steps in addressing them. These elements would be considered during the project's environmental and social assessment process.

<p>ASSESSMENT</p>	<ul style="list-style-type: none"> ✓ Where SESP screening identifies potential complex Moderate, Substantial or High project-related labour risks, assess these risks and impacts, as relevant. Key issues include violations of core labour standards, potential unsafe working conditions, labour risks associated with the use of contractors and primary suppliers, gender-based violence, etc. ✓ Benchmark key host country labour and employment regulations against S7 ✓ Assess the client's capacity and willingness to address and manage labour risk and impacts, and to achieve and maintain compliance with S7, by reviewing their relevant existing human resources policies and procedures, OSH management systems, supplier policies, etc. The review should focus on: <ul style="list-style-type: none"> ○ terms and conditions of employment ○ core labour standards ○ all identified labour risks ○ policies and procedures to mitigate risks relating to occupational safety and health ○ worker grievance procedure ○ responsibilities and training ○ contractor and primary supplier management ✓ Utilize the Labour Management Procedures (Annex 1) to facilitate labour risk assessment ✓ Seek to avoid sectoral restructuring projects that may lead to job losses, and where avoidance is not possible, ensure that good practices regarding retrenchment are followed
<p>MANAGEMENT MEASURES/ ACTION PLAN</p>	<ul style="list-style-type: none"> ✓ Based on the assessment, agree with the applicable party an action plan that outlines procedures needed to ensure that the project will be carried out in accordance with the requirements of national law, collective agreements and the S7 requirements. Document measures in the Labour Management Procedures (LMP) (stand-alone or part of ESMP) ✓ Ensure project workers are provided clear and understandable information on terms and conditions of their employment
<p>MONITORING</p>	<ul style="list-style-type: none"> ✓ Ensure availability of workplace grievance mechanisms to receive and address in a timely fashion specific concerns of workers about employment-related conditions and issues ✓ Establish reporting and monitoring requirements appropriate for the level of risks and impacts (e.g. notifications to UNDP, periodic performance reports, third party audits) ✓ Evaluate effectiveness of contractor/subcontractor management

4.2 Review of relevant host country labour legislation

Key aspects of national labour legislation regarding core labour standards, terms and conditions of work and occupational safety and health would need to be reviewed during the assessment, including how they apply to different categories of project workers. The ILO maintains relevant databases including [NORMLEX](#) on international labour standards and national labour laws and regulations and provides [country profiles](#). Additional sources include

the US Department of State Country Reports on Human Rights Practices⁸, which covers labour rights; the US Department of Labour International Child Labour and Forced Labour Reports⁹, and the ITUC Global Rights Index.¹⁰

The assessment will indicate the relevant laws and regulations applicable to the project. To the extent that provisions of national employment and labour law satisfy the requirements of S7, the applicable party will apply national law to the project. Where there are material gaps in national regulations compared to S7, the relevant S7 requirements will apply in addition to national law and an action plan to achieve and maintain compliance with S7 may have to be agreed with the partner, depending on the labour issues identified during the assessment.

4.3 Assessment of labour risks and impacts

The potential risks and impacts identified at screening will in most cases be based on the knowledge of inherent risks typically associated with the type of project activities under consideration (e.g. country, sector, contacting and supply chain etc.). For projects with defined activities and locations at appraisal, project developers will ascertain if and how these risks and impacts are present in the particular project and site-specific locations, and whether there are other impacts that were not apparent at screening. As noted above, the Labour Management Procedures template (LMP, Annex 1) is designed to help ensure compliance with national law, collective agreements and the requirements of S7. As noted earlier, qualified third party experts would be needed to conduct the assessment of labour-related risk areas.

For many UNDP projects, assessments and the development of management plans may need to take place during project implementation. This may be the case when project components and/or subprojects would be fully specified only during project implementation, and/or where resources from the project budget, once approved, are needed to complete the assessment and management plans for forthcoming project activities. Environmental and Social Management Frameworks (ESMFs) are frequently utilized in such circumstances. The ESMF establishes a framework that guides the screening and categorization, level of impact assessment, required institutional arrangements, and processes to be followed for components or subprojects that will be selected or further specified during project implementation. The ESMF ensures that appropriate management measures that comply with the SES are adopted prior to implementation of the relevant forthcoming activities. For more on ESMFs, see the SES Guidance Note on Social and Environmental Assessment and Management in the [SES Toolkit](#).

For projects that utilize an ESMF and anticipate potential labour-related risks and impacts (e.g. subprojects yet to be fully defined but would involve significant construction activities), the ESMF would need to specify procedures for undertaking the site-specific assessments and management planning, including assessment of relevant labour risks and impacts and development of the specific labour management procedures.

Additionally, where project workers under a single project may be engaged under significantly different circumstances (e.g. different regions of a country, different employment arrangements), it may be necessary to ensure that these differences are appropriately addressed in the LMP, or separate LMPs may need to be developed.

4.4 Partner labour management capacity and processes

S7 requires that written labour management procedures be established that set out the conditions under which project workers will be employed or engaged and managed. Annex 1 provides a template for these procedures together with a risk assessment and action plan. These procedures need to be appropriate to the size, locations and

⁸ <https://www.state.gov/reports-bureau-of-democracy-human-rights-and-labor/country-reports-on-human-rights-practices/>

⁹ <https://www.dol.gov/agencies/ilab/resources/reports/child-labor>

¹⁰ <https://survey.ituc-csi.org/ITUC-Global-Rights-Index.html?lang=en>

workforce of project activities. To the extent that provisions of national law and employer policies satisfy the requirements of S7, these would be applied and the applicable party would not need to duplicate such provisions in additional project-specific labor management procedures (e.g. an employer's human resources policies may address the terms and conditions elements of the LMP template). In other cases, particularly where national employment law is not as developed, project-specific labour management procedures serve as an important tool to managing the workforce in accordance with the S7.

The assessment should identify whether the applicable party (employer, contractor) has appropriate human resources policies and OSH management procedures to address and manage identified labour risks and impacts and to meet the S7 requirements. A management guidance for contractors and subcontractors (see Section 4.6.8) may be necessary.

Examples of "red flags" indicating a lack of management capacity (and thus higher risks of S7 noncompliance) include:

- The employer does not have any human resources policies or procedures
- The employer does not have management systems for recording workforce information such as head count, working hours, payments
- The employer has no OSH management system
- The employer employs significant numbers of workers and does not have a dedicated function responsible for human resources, and/or occupational safety and health (OSH) (particularly for projects involving construction)
- There is no log of workplace accidents/injuries/fatalities
- Accident/injury/fatality rates are significantly above industry average (may require focus on relevant country/regional data)
- The project will involve multiple contractors and subcontractors (e.g. for construction) but does not have systems in place to ensure that S7 requirements will be met by contractors
- The project will require a number of temporary worker accommodations
- There are a significant number of labour/employment-related court cases against the employer or labour infractions
- The employer has been the subject of a labour-related complaint to an IFI/DFI complaint or accountability mechanism (e.g. IFC CAO, FMO/DEG independent complaints mechanism)
- The employer has recently been the subject of industrial action (within 4 years)
- The employer has a history of not allowing trade unions or other form of worker representation at the workplace
- The employer does not have experience implementing worker grievance mechanisms of any sort (e.g. complaints box, formal grievance procedure, whistleblowing hotline)
- The employer cannot provide applicable government permits, has record for not paying government social contribution, insurance, taxes, etc.

Lack of adequate management capacity would likely increase the level of labour risks identified at during the screening process (see section 3 above). The more of the above indicators that are present, the greater the likelihood of significant risks and non-compliance with S7.

On the other hand, the applicable party may have effective management systems or other risk-mitigating factors to address potential labour risks and impacts. The following are examples of factors that may indicate such capacity. The more that are present, the stronger the applicable party's capacity to manage project-related labour issues:

- ✓ Relevant human resources policies and procedures and OSH management system are in place which respond to risk characteristics, with evidence of implementation

- ✓ Designated human resources and occupational health and safety staff, with evidence of training and appropriate competencies
- ✓ Management systems for recording payroll (including the correct calculation of overtime), working hours, worker age, or other aspects of the employment relationship
- ✓ Workers orientation/induction program carried out that explain human resources policies and OSH management
- ✓ There is a culture that supports health and safety and health and safety observations (positive and negative) are encouraged without retribution
- ✓ Workplace accidents/injuries/fatalities/near misses are logged. When they occur, a root cause analysis is undertaken and corrective actions are taken. Rates are below industry average and show a downward trend
- ✓ Evidence of good social dialogue: employer engagement with independent trade unions represented at its workplace(s); a Collective Bargaining Agreement covering all or a large majority of the workforce is in place
- ✓ Worker grievance mechanism in accordance with S7 is accessible to the direct workforce (and third-party workers where relevant), with a formally documented procedure, evidence that grievances are logged and addressed in a timely manner
- ✓ Workplace training and procedures address risks of gender-based violence (e.g. codes of conduct), including referral pathways for survivors
- ✓ Adequate contractor management system in place to ensure project contractors meet S7 requirements
- ✓ Security personnel have received training in the Voluntary Principles of Security and Human Rights,¹¹ is unarmed, has been vetted, and will be monitored. The use of force by security personnel is contractually restricted
- ✓ Supply chain management system, including mapping/periodical audits/monitoring is undertaken for key or high risk suppliers, with attention to child labour, forced labour and health and safety threats
- ✓ A recent independent labour and OSH audit has found the workplace to be substantially in compliance with national law and S7.

4.5 Note on sectoral restructuring and retrenchment

At times, UNDP may be requested by partners to assist with sectoral restructuring efforts to strengthen economic efficiency and improve sustainability. For example, UNDP may assist partners to transition away from reliance on fossil fuel-based industries in favour of renewable energy. Such restructuring efforts however could lead to job losses in certain industries/areas (e.g. oil and gas production and transport industries). While S7 does not directly address labour retrenchment, it is nevertheless critical to anticipate that such restructuring may lead to significant adverse social impacts (which could fall under the SES requirements to identify project-related social impacts) that would need to be carefully assessed before any actions that may lead to job losses are undertaken. The assessment should ensure that a number of good practices are adhered to and addressed in project design and/or management plans, including the following:

- analyze alternatives to avoid retrenchment. Where no viable alternatives are identified, develop a restructuring plan to reduce and mitigate adverse impacts of retrenchment on workers
- ensure that any collective dismissals are carried out in accordance with the provisions of national law and applicable collective agreements

¹¹ For more information, see [Voluntary Principles on Security and Human Rights](#).

- consult with trade unions or other workplace representatives over the proposed redundancies on measures to avoid or reduce redundancies, the method of selection and mitigating the effects, integrating outcomes into the final restructuring plan.
- ensure that the criteria for selection for redundancy are objective, fair and transparent and aim to be gender-neutral; and implement a procedure which provides individuals with the right to challenge their selection
- ensure that all outstanding back pay, social security benefits and pension contributions and benefits are paid to those affected by retrenchment in a timely manner
- provide support for knowledge- and skills-training for workers to transition to other employment.
- notify UNDP at least one month in advance of the implementation of all redundancies, and in the case of large-scale redundancies, also provide the UNDP with a copy of the restructuring plan in advance of any dismissals.

4.6 Addressing specific S7 requirements in assessments and management planning

The following paragraphs provide further guidance on addressing further specific S7 requirements. As noted earlier, the requirements are to be applied in a proportional manner based on the nature of the project, its specific activities, the project's categorization and associated social and environmental risks and impacts, and the type of contractual relationships with workers engaged in relation to the project. The S7 requirements are to be addressed in the assessment and management planning processes.

4.6.1 Terms and conditions of employment

S7 paras. 5-8 include a range of requirements regarding the terms and conditions of employment for project workers, including but not limited to the following (refer to the full S7 text):

- ✓ *Ensure written labour management procedures (e.g. human resources policies) are in place*
- ✓ *Provide project workers with clear and understandable information on terms and conditions of their employment*
- ✓ *Ensure project workers are paid on a regular basis in a timely manner*
- ✓ *Ensure written notice of termination and payment of all wages and benefits on termination*

Terms and conditions of employment set out the rights and obligations of workers pursuant to their employment relationship. At a minimum,¹² they include rights under national labour and employment law and any applicable collective agreements with respect to working conditions. For texts of national labour legislation, see [ILO's NATLEX database](#).

These terms and conditions are typically stipulated in an enterprise's human resources policies (including staff handbooks, payroll, and internal guidelines), employment contracts, and collective agreements with workers. Terms and conditions would be summarized in the Labour Management Procedures (LMP) and monitored through project implementation.

It is important to note that in addition to the LMP, S7 requires that project workers be provided clear and understandable information regarding their terms and conditions of employment, no matter the level of potential labour risks identified in the screening process.

¹² Employers are free to offer terms and conditions that go beyond the minimum required by law, and many do.

Project workers need to be informed of the terms and conditions of their employment. This documentation should be appropriate and relevant to the length and nature of the employment or engagement. For example, a public notice of the job to be done, the number of hours, pay, and other key terms and working conditions may be adequate provided copies of such information are available at the request of the project workers.

For longer-term employment, the material terms of the employment relationship are documented in more detail, and a copy of the documentation (for example, the signed contract) should be provided to the project worker. In many countries, individual contracts are a legal requirement and need to reflect national labour, employment and social protection laws.

Where written contracts are not a statutory requirement, S7 requires that applicable parties provide a minimum level of documented information to the employee on the terms and conditions of their employment. This information should cover the areas, where relevant, highlighted in Box 1, and the employer's human resources policies should clearly commit the employer to provide all workers with this information.

Employers should ensure that workers are familiar with and understand their terms and conditions of employment and any benefits. Any material changes to the terms and conditions of employment need to be consistent with national law.

Information on employment terms and conditions should be provided to project workers at the beginning of the working relationship and when any material changes to the terms or conditions of employment or engagement occur. The terms and conditions need to be clear and understandable and provided in the language(s) spoken by the workforce; this is particularly important in workplaces that have large numbers of migrant workers. Varying levels of literacy among the workforce need to be considered and oral (and if appropriate, pictorial) communication and explanation of working conditions and terms of employment are important where project workers do not read or have difficulties understanding the documentation.

Project workers should receive written notice of termination of employment and details of severance payments in a timely manner as required by national law or human resources policies. Terminations need to be carried out in a non-discriminatory manner and, when applicable, after consultation with workers or their trade union. All wages and earned benefits need to be paid on termination. Where national law mandates the transfer of certain payments to specific third parties for the benefit of the worker (for example, government agencies or institutions such as a pension fund administration or health funds), the worker is provided with written evidence of such payment.

Box 1. Content of Terms and Conditions

Information provided to workers at the start of employment is normally covered by relevant provisions of national law. Documents and contracts include information on the following, as appropriate:

- worker's name, title of the position and brief job description
- place of work
- start date of employment and, if not permanent duration of contract and date of project completion
- wages and remuneration (including the form and frequency of pay)
- benefits, pension and other welfare arrangements applicable to the worker
- employment injury benefits and remedies (e.g. insurance arrangements)
- working hours, rest breaks, leave entitlements, and other related matters
- provisions regarding housing, accommodation, food, transportation and payment required, if any
- overtime arrangements, including conditions for overtime and compensation
- leave entitlements (such as for illness, parental leave, family leave, or holiday)
- policies and guidelines on the respect of core labour standards
- HR procedures for termination of the employment contract, including notice requirements and severance
- applicable disciplinary procedures that include list of violations and category of penalties
- details of grievance procedures (including for harassment and bullying)
- collective bargaining arrangements that apply to the worker, and details of relevant trade union represented at the workplace.

4.6.2 Non-discrimination and equal opportunity

S7 paras. 9-12 set out requirements regarding the nondiscrimination and equal opportunity in employment of project workers, including but not limited to the following (refer to the full S7 text):

- ✓ *Ensure decisions regarding employment are not made on basis of personal characteristics unrelated to inherent job requirements*
- ✓ *Ensure no discrimination in respect to any aspects of the employment relationship*
- ✓ *Ensure women and men receive equal remuneration for work of equal value*
- ✓ *Set out measures to prevent and address violence, harassment, intimidation or exploitation, including any form of gender-based violence*
- ✓ *Adopt appropriate measures to protect and assist vulnerable project workers (e.g. women, persons with disabilities, migrant workers, young workers)*

Discrimination involves treating people differently on the basis of a personal characteristic that is unrelated to their ability to do the job. Prohibited grounds of discrimination typically include gender, race, nationality, political opinion, affiliation to a union, ethnic, social or indigenous origin, religion or belief, marital or family status, disability, age, sexual orientation or gender identity.

Non-discrimination measures need to apply to all workers. Applicable parties need to ensure that there is no discrimination with respect to any aspects of the employment relationship, such as recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, job assignment, promotion, termination of employment or retirement, or disciplinary practices. As noted, women and men shall receive equal remuneration for work of equal value.

Discrimination can occur in the workplace in various ways. For example, recruitment of project workers may impose requirements that are not necessary for a job but may result in excluding a specific group. It can relate to decisions on how much to pay a project worker, for example, a female or migrant project worker. Discrimination can also occur in training and development, where selection may be based on criteria that are discriminatory. It can relate to termination of employment, where a specific group may be disproportionately affected, for example, based on considerations relating to age or gender. Finally, it can arise with respect to inappropriate treatment or harassment of project workers related, for example, to gender, age, disability, ethnicity, or religion.

Equal opportunity is the principle of basing all employment decisions, such as hiring and promotion, on the ability of a person to perform the work, without regard to personal characteristics that are unrelated to the inherent work requirements (understood as genuine occupational qualifications that are necessary to perform the work). Discrimination impairs or nullifies equality of opportunity or treatment in employment.

The extent to which national law supports implementation of the principles of equal opportunity and fair treatment should be assessed by qualified labour experts and documented in the project's Labour Management Procedures. This assessment will identify measures that support equal opportunities for women and men, with emphasis on

Box 2. Some exceptions to nondiscrimination requirements

- Distinctions based on the inherent requirements of the particular job or task is permissible, although this exception should be applied narrowly. For instance, an employer may not be able to hire a worker with a disability if this would lead to a real risk to the health or safety of the worker (or others) and it is not reasonably possible for the employer to make an adjustment to the workplace to enable the worker to perform the job safely.
- Measures to address specific needs of certain workers may be permissible under international law (such as maternity protection for women) or under national laws designed to meet the needs of persons who are generally recognized to require special protection or assistance (such as preferential treatment of women in hiring in order to remedy the effects of past discrimination).
- In some countries there is legislation that prohibits women from doing certain types of work (such as heavy lifting, hazardous work or night work). However, employers should not use this as a reason to impose other 'protective' measures for women that limit their access to jobs and professional development.

equal criteria for selection, remuneration, and promotion, and equal application of these criteria. If migrant workers are engaged by the project, the responsible partner implements appropriate measures to prevent any discriminatory treatment of them.

Persons with disabilities. The assessment should consider, to the extent technically and financially feasible, reasonable measures to adapt the workplace in relation to project workers with disabilities. Measures that address working conditions, accessibility of the built environment, and communication of information for project workers with disabilities include, for example, the provision of wheelchair ramps or elevators, or alternative formats of communication, such as large print, Braille, accessible digital formats, or audio tape. Specific project measures would be included in the Labour Management Procedures. It is important to make information about these measures available to disabled workers.

People with defined disabilities may require reasonable accommodations.¹³ When considering changes to physical aspects of the workplace, the extent and cost of such changes are important factors in determining the suitability and reasonableness of proposed measures. Such modifications are made when they are necessary and appropriate to permit workers with disabilities to operate in the workplace. Appropriate expertise may help to identify measures that minimize cost or disruption while still meeting the objectives of access or protection.

Measures to address vulnerabilities and to prevent harassment, intimidation, and exploitation. Where allowed by national law, the applicable party may implement specific measures that provide for preferential treatment of individuals or groups of project workers who have certain vulnerabilities or have been the subject of prior discrimination or disadvantage (“affirmative action”). Such measures could include training, management schemes, targeted outreach for recruitment, or financial assistance for specific individuals or groups. These and other measures should not be deemed as discrimination. See Box 2. Such measures may be necessary only for specific periods of time, depending on the worker’s circumstances and the nature of the vulnerability.

Harassment should not be tolerated in the workplace. It is often based on prohibited grounds for discrimination and may include sexual harassment, bullying, intimidation or exploitation. Employers are responsible for providing a safe and healthy work environment. Examples of harassment include:

- telling insulting jokes about particular racial groups
- sending explicit or sexually suggestive emails or text messages
- displaying racially offensive or pornographic posters or material on computers
- making derogatory comments or taunts about someone’s race, nationality or origin.

Sexual harassment includes any unwelcome sexual advance, request for sexual favour or other verbal, non-verbal or physical conduct of a sexual nature that unreasonably interferes with work, alters or is made a condition of employment, or creates an intimidating, hostile or offensive work environment. It is an extremely serious issue that is often under-reported but should not be ignored or underestimated.

UNDP ensures that contracts with project-employers, contractors, and suppliers include clear provisions regarding non-discrimination and prevention of sexual harassment and sexual abuse.¹⁴ Employer policies and/or the labour management procedures should ensure that:

¹³ Article 2 of the [Convention on the Rights of Persons with Disabilities](#) defines reasonable accommodations as “[n]ecessary and appropriate modification and adjustments not imposing a disproportionate or undue burden, where needed in a particular case, to ensure to persons with disabilities the enjoyment or exercise on an equal basis with others of all human rights and fundamental freedoms.”

¹⁴ UNDP’s [General Terms and Conditions for Contracts](#) (Rev. Sept. 2017) requires all contractors to take all appropriate measures to prevent sexual exploitation or abuse of anyone by its employees or any other persons engaged and controlled by the Contractor to perform any services under the Contract (para. 35.2).

- non-discrimination and equal opportunity policies/provisions explicitly prevent harassment, intimidation and bullying in the workplace. These policies need to be clearly communicated and accessible to management, supervisors and workers, and managers and supervisors need to be trained on how to apply the policies consistently and to deal with such cases in case they occur and include a referral pathway for survivors. In order to clearly convey the message that harassment is unacceptable, employers should consider having a stand-alone anti-harassment policy. Workplace codes of conduct should also be considered.
- workplaces/sites are monitored to identify and quickly address any form of harassment.
- worker grievance mechanisms (see below section 4.6.7) are sufficiently discreet to allow employees to voice concerns confidentially, and adapted to effectively deal to receive complaints for cases of sexual harassment. It is also good practice to have both a male and female staff member available for receiving and processing grievances so that employees can choose whom they would be most comfortable speaking to.

4.6.3 Workers' organizations

S7 para. 13 requires respect for workers' organizations, including but not limited to the following (refer to the full S7 text):

- ✓ *Comply with national laws that recognize workers' rights to form and to join workers' organizations of their choosing and to bargain collectively without interference*
- ✓ *Where national law restricts workers' organizations, do not restrict project workers from developing alternative mechanisms to express grievances and to protect their rights*
- ✓ *Ensure there is no discrimination or retaliation against workers to participate in workers' organizations*

It is important to keep in mind that the rights of workers to form unions or other workers' organizations of their own choosing and to bargain collectively with their employers apply in all 187 member countries of the ILO, regardless of whether the country has ratified ILO Conventions 87 and 98.¹⁵ However, while many countries recognize and reflect these rights in their national legislations, others restrict them.¹⁶

A **workers' organization** is any organization of workers for the purpose of furthering and defending their interests, in particular with regard to working conditions and terms of employment. Workers' organizations can be called by different terms in different countries, for example, trade unions, labor unions, or workers' associations. They are usually formed and organized by workers, and should operate without outside control or interference. Workers' organizations should be representative of the workforce and operate pursuant to the principles of fair and reasonable representation of workers and their interests in the context of the project.

Collective bargaining consists of discussions and negotiations among employers, employers' organizations, and workers' organizations for the purpose of determining wages and other working conditions and terms of employment by joint agreement. It also includes instructions on the implementation and administration of any agreements that may result from collective bargaining and the resolution of issues and grievances that arise in the employment relationship with respect to workers represented by the workers' organization. Collective bargaining can take place in different ways, depending on the country and industry sector. Many countries have multilevel bargaining systems, which may include company, sectoral, and national levels.

¹⁵ See section 2.1 above.

¹⁶ For a listing of where labour rights are respected and/or restricted, see International Trade Union Confederation, [2020 ITUC Global Rights Index](#).

The assessment and Labour Management Procedures should identify issues regarding possible restrictions on worker's freedom of association and collective bargaining.

Where national law recognizes the worker's rights to form and to join workers' organizations of their choosing, project workers must not be discouraged from, or discriminated or retaliated against, for forming or joining (or attempting to form or join) such organizations. Examples of discrimination or retaliation against workers who participate, or seek to participate, in workers' organizations and collective bargaining or alternative mechanisms include an employer's refusal to hire project workers who have been members or leaders of workers' organizations at other firms (for reasons unrelated to qualifications or job performance), dismissing, demoting, or reassigning such project workers, or outsourcing or modifying the delivery of work, in response to worker organizational activities.

Where workers' freedom of association and/or collective bargaining are prohibited or restricted under national law, the applicable parties should engage with workers to address issues relating to their working conditions and terms of employment. Applicable parties must not restrict workers from developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment. These may include recognizing worker committees and allowing workers to choose their own representatives for dialogue and negotiation on terms and conditions of employment in a manner that does not contravene national law. Responsible parties should not seek to influence or control these alternative mechanisms and should not discriminate or retaliate against workers who participate, or seek to participate, in such workers' organizations and collective bargaining or alternative mechanisms.

4.6.4 *Forced labour*

Paras. 14-15 of S7 establishes that in connection with projects:

- ✓ *The use of forced labour is prohibited*
- ✓ *Employers must take immediate steps to correct and remedy any cases where forced labour is identified*

Where there are risks of forced labor or trafficking of persons, this is assessed as part of the environmental and social assessment, and measures to address such risks are to be included in the Labour Management Procedures.

Forced labour¹⁷ is defined quite broadly and often used alongside or interchangeably with modern slavery. Forced labour is work exacted under the threat of penalty and for which the person has not offered himself or herself voluntarily. The threat of penalty can involve practices such as threats of dismissal or physical violence, the withholding of identity documents or wages, threats to denounce workers to immigration authorities where their status is illegal, or entangling workers in fraudulent debt.

Work is on a voluntary basis when it is done with the free and informed consent of a worker. In particular, there can be no "voluntary offer" under threat or other circumstances of restriction or deceit. To assess the authenticity of a free and informed consent, it is necessary to ensure that no external constraint or indirect coercion has been carried out, either by an act of the authorities or by an employer's practice. Consent must exist throughout the employment relationship and the worker must have the possibility to revoke freely given consent – in other words, workers must be able to leave their job (subject to agreed notice periods for termination). The ability to leave may be physically impossible (locked up work compound with dormitories) or de facto impossible, e.g. if the worker is owed many months of back wages or if the employer keeps ID documents.

Human trafficking, or "trafficking in persons," can lead to forced labour. It is understood as the recruitment, transportation, transfer, harbouring or receipt of people by means of a threat or use of force or other forms of coercion, abduction, fraud, deception, abuse of power, or of a position of vulnerability, or the giving or receiving of

¹⁷ See the [Forced Labour Convention, 1930 \(No.29\)](#), as well as the [Protocol of 2014 to the Forced Labour Convention](#).

payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Women and children are particularly vulnerable to trafficking practices.

Modern slavery is an umbrella term that covers forced labour, human trafficking, slavery and servitude. It is estimated that over 40 million people, mostly women, are living in situations of modern slavery in the world today, of whom 24.9 million people are estimated to be in conditions of forced labour, including 16 million people in the private sector. Modern slavery disproportionately impacts women who are thought to make up 71% of all modern slavery victims.¹⁸

The risk of forced labor may be higher for certain types of projects and categories of project workers. This could be the case, for example, where projects are located in remote places or the status of migrant workers is uncertain.

A risk assessment is the first step in detecting and preventing forced labour in projects and the supply chain, with particular attention given to high-risk countries and sectors where forced labour is known to occur.¹⁹ **S7 requires that where cases of forced labour are identified, immediate steps must be taken by the applicable parties to correct and remedy them.**

As noted above, forced labour can take many different forms, including the following:

- *Coercion in employment* leading to forced labour can include: withholding, delay or non-payment of wages; the retention of passports or other identity documents; threats to denounce a worker to the authorities; threats of dismissal or other penalty to force workers to work overtime; locking-in of workers at the workplace or accommodation.
Migrant workers are vulnerable to exploitation, particularly if they have no valid work permit or employment contract, or are in breach of the terms of their visa. Often migrant workers are hired through a recruitment agent, who may use the coercive practices described above. If trafficked workers are charged recruitment fees this may result in debt bondage.
- *Debt bondage* can arise where a worker takes a loan or wage advance from an employer or labour broker so that they can pay excessive recruitment and processing fees. The size of the loan means that the worker is unable to pay off the loan and is effectively trapped. A similar debt trap can occur if workers are charged exorbitant fees for accommodation, work clothes/equipment, etc.
- *Prison labour* carried out by prisoners for the benefit of private companies is considered forced labour where voluntary consent is not provided and equivalent wages and conditions of employment to those enjoyed by non-prisoners carrying out similar work are not provided.

Box 3. Steps to avoid use of forced labour

- ✓ Ensure workers are paid their wages in full and on time
- ✓ Take steps to ensure that all work is carried out voluntarily
- ✓ Not charge workers fees for recruitment/travel/accommodation, and refrain from using recruitment agencies who charge such fees, avoiding significant debt that can only be repaid by continued employment with the same employer
- ✓ Use only legitimate and reputable recruitment and employment agencies and put due diligence procedures in place to check their practices and policies before doing business with them and on an ongoing basis.

¹⁸ CDC Group, IFC, EBRD, DIFD, Managing Risks Associated with Modern Slavery: A Good Practice Note for the Private Sector (2018), p. 15, at https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_gpn_modernslavery.

¹⁹ US Department of Labor, List of Good Produced by Child or Forced Labor, at <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>.

- ✓ Ensure that workers remain at all times in possession of their original passports, visas and other identification documents. Employers should provide workers with individual secure storage facilities for their documents if appropriate (e.g. for temporary migrant workers who may not live in securely lockable housing).
- ✓ Ensure that workers are free to leave the worksite and accommodation, subject only to appropriate security or logistical restrictions where necessary.
- ✓ Ensure that any non-cash benefits (such as accommodation) are valued appropriately and do not impose a substantial financial burden on workers.
- ✓ Do not use prison labour except in exceptional circumstances and only with guarantees that it is voluntary (for example, formal written consent from the prisoner) and such labourers are paid and treated the same as non-prison workers.
- ✓ Ensure that overtime is within the limits imposed by national legislation and is not imposed by using threats, including the threat of dismissal.

A range of measures should be taken to avoid the use of forced labour in UNDP-supported projects (see Box 3). Where cases of forced labour are identified, immediate steps must be taken to correct and remedy them. Employers must refer any cases of forced labour discovered in the project's workforce to relevant government authorities and support services, as appropriate, to be addressed in accordance with national law. If national law is inadequate to effectively regulate and implement prohibitions against forced labour, this risk should be flagged as part of the assessment and the Labour Management Procedures (see Annex 1) should set out measures to address incidents of forced labour and remedy the situation.

4.6.5 *Child labour*

S7 paras. 16-19 establish a range of requirements regarding child labour, including but not limited to the following (refer to the full S7 text):

- ✓ *Do not use child labour in connection with or arising from project activities*
- ✓ *Specify the minimum age for employment in connection with project activities*
- ✓ *Ensure no child under 18 performs work that is likely to harm the child's health, safety or morals*
- ✓ *Take immediate steps to correct and remedy any cases where child labour is identified*

The term **child labour** is often defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that:

- is mentally, physically, socially or morally dangerous and harmful to children; and/or
- interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work.

Where screening identifies potential risks relating to child labor, the social and environmental assessment should consider such risks within the geographic areas, the sector, or the industry in which the project is to be implemented. It is critical to consider the issues of child health and occupational safety and access to education when assessing the impact of labour on children. The Labour Management Procedures sets out the measures to avoid the use of child labour in connection with project activities.

International standards on the employment of minors are set out in two international conventions established by the International Labour Organization (ILO). These are Convention No. 138 (Minimum Age) and Convention No. 182 (Worst Forms of Child Labour). The ILO standards identify age groups for which different forms of economic activity (work) are acceptable (see Box 4). **The key age is 15, which is established as the prevailing norm worldwide for admission to employment.** However, it is important to note that national legislation may set a higher threshold, which typically coincides with the end of compulsory schooling. The most stringent standard should be applied.

Not all work done by children should be classified as child labour that is to be targeted for elimination. Children’s or adolescents’ participation in work that does not affect their health and personal development or interfere with their schooling is generally regarded as being something positive. This includes activities such as helping their parents around the home, assisting in a family business or earning money during school holidays. These kinds of activities contribute to children’s development and to the welfare of their families; they provide them with skills and experience, and help to prepare them to be productive members of society during their adult life.

Box 4. Minimum age for work according to ILO standard	
Age group	Forms of permissible economic activity (work)
0-12 years	None
13-14 years*	‘Light work’ only, ** not formal employment
15-17 years	All work except ‘hazardous work’
18 years and over	All work
* Check national legislation for higher thresholds	
** National laws may permit children aged 13 or 14 years to engage in ‘light work’ outside school hours or during school holidays, as long as it does not affect their development or schooling. A practical rule of thumb is that ‘light work’ is not more than two hours per day or twelve hours per week	

Light work. National legislation should determine which activities can be considered light work and prescribe the number of hours and conditions in which these light work activities may be undertaken. For many countries, work below the age of 15 is not allowed. ILO Convention No. 138 allows children to perform light work from 13 years (see Box 4), as long as the work does not fall under the scope of the worst forms of child labour (see below) and does not interfere with the child’s education and physical and mental development. In agriculture, for example, light work might be work near the children’s home, under the supervision of the parents and physically not demanding – for example, chicken-raising at household level.

Age-appropriate tasks. While child labour is by definition unacceptable, there are age-appropriate tasks that are not harmful to children and can even be beneficial. These tasks do not interfere with the child’s education, they are physically appropriate to the child’s development and allow sufficient time for recreation and leisure. For example, the weight of a load carried by a child must be suitable for the child’s stage of physical development. Especially in the context of family-based economic activities, some participation by children may be regarded as positive, since it contributes to the intergenerational transfer of skills and children’s food security. Age-appropriate tasks become “child labour” when children are (a) too young for the work they are undertaking; (b) work too many hours for their age; (c) undertake work of a hazardous nature or in hazardous conditions; (d) work under slave-like conditions; or (e) are obliged to undertake illicit activities.

Worst forms of child labour. ILO Convention 182 requires States to take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labour as a matter of urgency (Art. 1). The Convention states (Art. 3) that the term the “worst forms of child labour” comprises:

- a. all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict;
- b. the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
- c. the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;

- d. work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children (referred to as hazardous work, see below).

Hazardous work. Even when children are above the national minimum age of employment, their work can still be classified as “child labour” if it involves hazardous conditions. Hazardous child labour is the largest category of the worst forms of child labour with (as of 2016) an estimated 73 million children, aged 5-17, working in dangerous conditions in a wide range of sectors, including agriculture, mining, construction, manufacturing, as well as in hotels, bars, restaurants, markets, and domestic service.²⁰

ILO Convention 182 also calls on national governments to define hazardous work and to set out a list of jobs that are prohibited for children under 18. Guidance for governments on some hazardous work activities which should be prohibited is given by [Article 3 of ILO Recommendation No. 190](#) :

- work which exposes children to **physical, psychological or sexual abuse**;
- work **underground**, under water, at **dangerous heights** or in **confined spaces**;
- work with **dangerous machinery, equipment and tools**, or which involves the manual handling or transport of heavy loads;
- work in an unhealthy environment which may, for example, expose children to **hazardous substances**, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health;
- work under particularly difficult conditions such as **work for long hours or during the night** or work where the child is unreasonably confined to the premises of the employer.

It is important to check the national definition of hazardous work, the content of any list of hazardous work and any restrictions on the type of work that can be carried out by children under 18 (such as in relation to work at night, or overtime work).

There are a number of practical steps (see Box 5) that applicable parties can take to ensure that it has the appropriate policies and procedures in place to comply with UNDP’s requirements. These also apply to third-party contractors and labour providers, a particular risk in the context of construction activities.

Box 5. Steps to avoid use of child labour

- ✓ comply with minimum age requirements set out in International Labour Organization (ILO) Conventions or national legislation (whichever offers the greatest protection to young people under the age of 18) and keep records of the dates of birth of all employees verified by official documentation
- ✓ check the activities carried out by young workers and ensure that children under 18 are not employed in hazardous work, including in contractor workforces. Hazardous work will normally be defined in national legislation and will be likely to include most tasks in construction and several in agriculture.
- ✓ assess the safety risks relating to any work by children under 18 and carry out regular monitoring of their health, working conditions and hours of work
- ✓ ensure that any workers aged 13-15 are only doing light work outside school hours, in accordance with national legislation, or working in a government-approved training programme
- ✓ ensure that contractors have adequate systems in place to check workers’ ages, identify workers under the age of 18 and to ensure that they are not engaged in hazardous work, and that their work is subject to appropriate risk assessment and health monitoring
- ✓ assess the risk of child labour occurring in the primary supply chain and, where identified, take steps to remedy or mitigate the problem (see section 4.5.9)

²⁰ ILO, [Hazardous Child Labour](#).

The Labour Management Procedures should identify potential risks of child labour in the project context and, where indicated, outline appropriate measures (see above) that seek to avoid it. ***Where instances of child labour are uncovered in project activities, S7 (para. 19) requires that applicable parties take immediate steps to correct and remedy them, including rehabilitation and social integration of the child as necessary.***

Employers should refer any cases of child labour discovered in the project's workforce to relevant government authorities and support services, as appropriate, to be addressed in accordance with national law. If national law is inadequate to effectively regulate and implement prohibitions against child labor, the Labour Management Procedures (see Annex 1) needs to set out measures to address incidents of child labor and remedy the situation.

Response measures require specific knowledge of the circumstances and types of identified child labour. Simply dismissing any child workers (who may be allowed to perform light work) may not be the answer. Context-specific response measures should be developed and identified in the LMP. In any event, immediate intervention is required to protect any child workers found to be engaged in any of the worst forms of child labour, including hazardous work. Such child workers should be promptly removed from such working conditions and provided interim care and support, including, as noted earlier, rehabilitation and social integration of the child as necessary.

For the agriculture sector, FAO's [Handbook for monitoring and evaluation of child labour in agriculture](#) (2015) is an important resource for designing, assessing and monitoring projects that need to address the risks of child labour in agricultural production and pastoral activities.

4.6.6 Occupational safety and health (OSH)

S7 paras. 20-25 establish a range of requirements regarding occupational safety and health, including but not limited to the following (refer to the full S7 text):

- ✓ *Ensure necessary processes and measures are in place that address the safety and health of project workers, including hazard identification, hazard elimination and minimization and mitigation, safety and health training and provision of appropriate equipment and facilities, incident investigation and reporting, emergency prevention and preparedness, employment injury benefits and remedies*

Measures relating to OSH are aimed at protecting project workers from death, injury, illness, or impacts associated with exposure to hazards encountered in the workplace or while working. The way in which the OSH provisions apply in projects depends on where the project is located (jurisdiction); the type of project; the nature and severity of the exposure to hazards, risks, and impacts; and the types of workers involved. Most countries have laws regulating OSH and workplace conditions which applicable parties are required to follow together with the requirements of this standard.²¹

Applicable parties should apply the following principles related to OSH:

- take all reasonable precaution actions to protect the health and safety of workers
- ensure that workers are not exposed to unnecessary or unreasonable risks at the workplace, dormitories and transport systems
- implement an OSH management system consistent with international standards (e.g. ILO-OSH 2001²², ISO 45001²³)
- implement preventive and protective measures according to the order of priority:

²¹ Additional guidance on the management of OSH issues according to Good International Industry Practice is provided in the World Bank Group [Environmental, Health and Safety Guidelines](#) (EHS Guidelines), both general and by industry sector.

²² [ILO Guidelines on Occupational Safety and Health Management systems, 2001](#). See also [United Nations Common System Occupational Safety and Health Framework](#), Chief Executives Board, 31 March 2015

²³ ISO 45001 at <https://www.iso.org/iso-45001-occupational-health-and-safety.html>.

- eliminating the hazard
- controlling the hazard at its source
- minimizing the hazard
- providing appropriate personal protective equipment
- document, investigate and report all accidents and occupational diseases, their causes, and implement appropriate corrective actions
- support the submission of safety observations (positive and negative) without retribution
- develop incentive programs to promote safety culture at the project and implement disciplinary actions to violators.

OSH Management is typically a distinct function with dedicated specialist staff, policies and processes, separate from human resources management. In small businesses, responsibilities for OSH and environmental matters are sometimes combined.

OSH is an area where collaboration between workers and management is particularly beneficial, and in some countries even mandated by law. A number of methods can be used to collaborate and consult with project workers regarding OSH, and to facilitate an awareness and understanding of, and support for, OSH requirements. These include, for example, inviting project workers to appoint safety officers or representatives, or forming health and safety committees to support collaboration in achieving safety and effective communication of information, workers' listening tours, HSE (health, safety, environment) campaigns, etc. In designing and implementing these methods, it is important to consider the experience of the project workers, their level of knowledge, their familiarity with OSH requirements, and the languages in which they communicate.

Hazard identification. Hazards may arise from materials (for example, chemical, physical, and biological substances and agents), environmental or working conditions (for example, working at heights or in confined spaces, excessive hours of work, night work, mental or physical factors, oxygen-deficient environments, excessive temperatures, improper ventilation, poor lighting, faulty electrical systems or trenches), or work processes (for example, tools, machinery, and equipment).

The project's environmental and social assessment needs to identify potential OSH risks related to supported employment activities. Employers of project workers should undertake a comprehensive job safety or job hazard analysis to assess OSH risks and demonstrate that appropriate OSH measures are incorporated into the design and implementation of the project to prevent and protect workers from occupational injuries and illness. This would typically be encompassed and implemented through the applicable party's occupational safety and health management system. The relevant sector-specific Environmental Health and Safety Guidelines of the World Bank Group should be utilized.

Hazard avoidance and control. Avoiding or eliminating sources of hazards is the first priority rather than simply addressing the hazard through preventive and protective measures such as personal protective equipment. However, when this is not feasible, appropriate control and protective measures need to be included in the project's OSH measures, such as controlling the hazard at its source through the use of protective solutions (for example, exhaust ventilation systems, isolation rooms, machine guarding, acoustic insulation), and providing adequate personal protective equipment at no cost to the project worker.

Project sites need to provide adequate first aid facilities and relevant training. Protective measures would include hazard labeling in languages understandable to the project workers, and training and equipment to prevent occupational exposure to hazardous materials. Further details are set out in the WBG EHS Guidelines.

Some OSH risks may be specific to female workers. It is recommended to include a balanced representation of women on OSH committees to help design policies and practices responding to the needs of female project workers.

Training. All project workers (including those employed by contractors and subcontractors) should receive OSH training at the start of their employment or engagement, and thereafter on a regular basis and when changes are made in the workplace, with records of the training kept on file. Training should cover the relevant aspects of OSH associated with daily work, including the ability to stop work without retaliation in situations of imminent danger and emergency arrangements. Training should also include specifics as to health issues endemic to the area workers could be exposed to and where to access testing and treatment services. Training records should include a description of the training provided, the number of hours of training provided, training attendance records, and results of evaluations. Where project workers carry out potentially hazardous activities, more specific training may be appropriate. In industries where it is recognized that activities can be highly hazardous, for example, in the construction or chemicals industry, managers should be provided with specific training and, where appropriate, required to achieve accreditation. It is important for OSH briefings to be conducted for all visitors and other third parties accessing the project site.

Services and accommodations. Services provided to project workers (for example, canteen facilities, nursing facilities, or a camp store on a construction site), whether directly or through a contractor, will be provided in a nondiscriminatory manner, and comply with national law and these requirements, particularly in relation to quality, security, and safety. Where there are charges to project workers for such services, these should be reasonable with reference to local market prices and, unless the context of the project makes it necessary, project workers are not required to use the services.

Where employers provide accommodation for project workers, the accommodation shall be appropriate for its location and be clean, safe and, at a minimum, meet the basic health and safety needs of workers. The IFC/EBRD guidance note on workers' accommodations should be followed.²⁴

In particular, the provision of accommodation needs to meet national legislation and international good practice in relation, but not restricted, to the following: the provision of minimum amounts of space for each worker; provision of sanitary, laundry and cooking facilities and potable water; the location of accommodation in relation to the workplace; any health, fire safety or other hazards or disturbances and local facilities; the provision of first aid and medical facilities; and heating and ventilation. Workers' freedom of movement to and from the employer-provided accommodation shall not be unduly restricted. For projects involving multiple temporary accommodations an audit system should be implemented to ensure conformance to international OSH standards for worker accommodations.

Emergencies. Whereas off-site impacts of emergencies on surrounding communities are largely covered in Standard 3 on Community Health, Safety and Security, S7 addresses the OSH (on-site) aspects of emergencies. An effective

Box 6. Elements contained in workplace/site emergency and response plans

Emergency plans should address the following aspects of emergency preparedness and response:

- Identification of the emergency scenarios
- Specific emergency response procedures
- Emergency contacts and communication systems/protocols
- Procedures for interaction with government authorities (emergency, health, environmental authorities)
- Permanently stationed emergency equipment and facilities (e.g., first aid stations, firefighting equipment, spill response equipment, personal protection equipment for the emergency response teams)
- Protocols for the use of the emergency equipment and facilities
- Clear identification of evacuation routes and muster points
- Emergency drills and their periodicity based on assigned emergency levels or tiers
- Decontamination procedures and means to proceed with urgent remedial measures to contain, limit and reduce pollution within the physical boundaries of the project property and assets to the extent possible
- Establish protocols for emergency control of pandemics and other communicable illnesses

²⁴ See IFC/EBRD, [Workers' Accommodation: Process and Standards – A Guidance Note by IFC and EBRD](#) (2009).

emergency preparedness and response plan is essential to help the applicable party prepare for the best outcomes while assuming the worst possible scenarios.

As part of the preparation it is essential to understand the local area's emergency preparedness and response capacity. The plan should define clearly assigned responsibilities for the assessment of risks to life, property and environment, with procedures on who and with whom to communicate regarding different types of emergencies. The level of planning and communication should be commensurate with the potential impacts. The plan should define specific procedures designed based on the emergency level classification (emergency tiers). Procedures for shutting down equipment and production processes and for evacuations, including a designated meeting place (i.e. muster point) outside the project site, should be part of the emergency preparedness and response plans. See Box 6.

In emergency situations, it is important that both project workers and the community understand their roles and responsibilities. The responsible party should communicate with other parties who may be involved in prevention, preparedness, and response arrangements, for example, local authorities and services, so that they understand their roles and responsibilities and can identify and mobilize the resources that may be required. If resources are inadequate, the project, depending on the risk scenarios, may need to support this aspect. See also the emergency preparedness/response provisions of S3.

Documenting, reporting, investigating, remedy. A system for reviewing and responding to identified hazards and risks normally includes a procedure for documenting specific incidents such as project-related occupational injuries, illnesses, and lost-time accidents. The responsible party maintains such records, and requires all third parties and primary suppliers to maintain them. Such records form an input into the regular review of OSH performance and working conditions and other actions.

Workplace mechanisms need to be made available for workers to report work situations that they believe are not safe or healthy and to remove themselves from a work situation they have reasonable justification to believe presents an imminent and serious danger to their life or health. Workers who remove themselves from such situations should not be required to return to work until necessary remedial action to correct the situation has been taken. Retaliation against workers who raise health and safety concerns is prohibited.

- *In the event of an occupational fatality or serious injury, the applicable party (e.g. employer, contractor) reports to UNDP as soon as becoming aware of the fatality or serious injury, and informs government authorities in accordance with national reporting requirements. Similar reporting obligations need to apply to third parties and primary suppliers (reporting to the applicable party).*

In case of a project-related incident or accident, corrective actions must be identified and implemented, including where appropriate by third parties, including contractors. The relevant party may conduct and upon request, share with UNDP a root cause analysis, to be used as the basis for designing and implementing further corrective actions.

Employment injury benefits and/or remedies for adverse impacts such as occupational injuries, disability, ill health or disease and death must be provided (S7, para. 20f). This includes:

- having the necessary insurance arrangements that ensure access to health benefits and replacement of loss of earnings in case of a work-related injury, namely in case of death or an illness due to work. The right to protection against employment injury is enshrined in international human rights law²⁵, and most countries have legislation on employment injury benefits (typically as part of social security legislation) that either requires employers to contribute to a public compensation fund or to take out private employers liability insurance.

²⁵ Universal Declaration of Human Rights (UDHR), 1948; International Covenant on Economic, Social and Cultural Rights (ICESCR), 1966; ILO Conventions 102 (Social Security – Minimum Standards) and 121 (Employment Injury Benefits Convention).

- facilitating the compensation payment if an accident occurs. This may mean, e.g. immediately notifying the competent authority of the accident or filing an insurance claim.

In case of projects with a high risk of serious injuries or fatalities, UNDP staff should review relevant national legislation²⁶ and if compensation levels are found to be grossly inadequate, a supplementary compensation policy should be agreed with the applicable party.

4.6.7 Workplace grievance mechanism

S7 paras. 26-28 establish a range of requirements regarding workplace grievance mechanisms, including but not limited to the following (refer to the full S7 text):

- ✓ *Provide effective and accessible workplace grievance mechanism*
- ✓ *Ensure mechanism operates in independent and objective manner*
- ✓ *Ensure no reprisals or retribution for use of such mechanisms*

Workplace concerns are usually different from issues raised by project-affected parties and other stakeholders, and therefore call for a separate mechanism to address them. Workplace grievances may refer to problems and issues that employees experience over the course of their employment. Grievances can cover a broad range of concerns, from potentially illegal actions such as unethical recruitment, workplace discrimination, sexual harassment or victimization, to concerns about wages, how a poor relationship between two employees has been managed, a complaint about the quality of food in the canteen or a disagreement over holiday arrangements.

- *Note that any incidences of sexual harassment or sexual exploitation and abuse involving UNDP personnel, including direct contractors, are to be reported immediately to UNDP's Office of Audit and Investigation²⁷*

A grievance mechanism is a procedure that provides a **clear and transparent** framework for addressing grievances related to the recruitment process and in the workplace. This typically takes the form of an **internal procedure for complaints, followed by consideration and management response and feedback**. The procedure will include logging of all complaints, their progress and how they were resolved, and well as setting time frames in which the various steps of the process should be completed.

Grievance procedures should be tailored to meet the needs of each organization, according to the sector, country, culture and workforce composition. There is no prescribed form for grievance mechanisms. For example, grievance procedures may be included in collective agreements.

An effective and appropriate grievance mechanism **operates with independence and objectivity, informs workers of the steps being taken to address their concerns, and allows for feedback about the response, and an appeals process to which unsatisfied grievances may be referred**. The grievance procedure should include reasonable safeguards so that workers who submit grievances are not subjected to any form of retaliation. Such safeguards may include the need for confidentiality or the option to lodge a grievance anonymously.

Relevant **information on the grievance procedure** needs to be made available throughout project duration in a manner that is **clear, understandable, and accessible to workers**, for example, by including it in workers' handbooks, on notice boards, or through similar communication mechanisms.

²⁶ The ILO has developed an assessment tool that can be used when reviewing legislation : https://www.ilo.org/global/topics/geip/publications/WCMS_712248/lang--en/index.htm. More information on employment injury protection is available at <https://www.ilo.org/global/topics/geip/lang--en/index.htm>.

²⁷ UNDP, [Prevention and Response to Sexual Misconduct](#). UNDP OAI provides an [online referral form](#), [worldwide telephone numbers](#), an email address (reprotmisconduct@undp.org) and mail address to report sexual misconduct.

Workplace grievance mechanisms need to be **accessible to all** direct and contracted workers, taking into account their different characteristics, for example, female workers, migrant workers, or workers with disabilities. Where appropriate, consideration can be given to allowing concerns to be raised anonymously and/or to a person other than an immediate supervisor, and to allow complainants to be accompanied to meetings by a co-worker or trade union representative of their choice.

Workplace grievance mechanisms **do not replace or impede access to other judicial or administrative remedies** that might be available under the law or through existing arbitration procedures.

Grievance mechanism for sexual harassment. To protect workers from all forms of harassment, employers should (i) have a clear policy against harassment, including sexual harassment, and (ii) ensure that their workplace grievance mechanism is adequate for complaints against harassment. Confidentiality, discretion and non-retribution are particularly important for cases of sexual harassment, as well as the ability to lodge grievances anonymously. Victims of sexual harassment may feel too intimidated to lodge a grievance in person. Gender should be taken into consideration and it is good practice to have a male and female staff member available to receive and process grievances, so that employees can choose to whom they wish to speak.

It may be necessary to have a stand-alone policy and procedure (including a code of conduct) for sexual harassment.²⁸ An effective sexual harassment complaints procedure:

- conveys the message that the employer takes all cases of harassment seriously and is able to prevent harassment
- enables the complainant to report harassment to the most appropriate point of contact – preferably anonymously – from a choice of management liaison points and, wherever possible, enables the complainant to report harassment to a supervisor or manager of the same sex.
- ensures that complaints are dealt with consistently and within a specified period of time
- alerts an employer to patterns of unacceptable conduct
- highlights the need for prevention strategies in particular areas.

4.6.8 Contractor/Third-party workers

S7 paras. 29-31 set out requirements regarding contractors and third parties who engage project workers, including but not limited to the following (refer to the full S7 text):

- ✓ *Ascertain that contractors/third parties are legitimate and reliable entities with appropriate policies, processes and systems to operate in accordance with the S7 requirements*

²⁸ UNDP's [General Terms and Conditions for Contracts](#) (Rev. Sept. 2017) requires contractors to take all appropriate measures to prevent sexual exploitation or abuse of anyone by its employees or any other persons engaged and controlled by the Contractor to perform any services under the Contract (paras. 35.1-2)

- ✓ *Manage and monitor performance of contractors/third parties, including incorporation of S7 requirements into contracts (and in subcontracting arrangements)*
- ✓ *Provide contractor workers with access to grievance mechanism*

The applicable party needs to develop and implement contractor management procedures to manage and monitor performance of third parties who engage workers in association with the project. Most national laws address contract labor, though the terms vary widely among countries and types of contract labor. A management guidance matrix for contractors and subcontractors may be necessary.

Non-compliance by contractors with S7 requirements is a significant project risk, particularly in high-risk sectors and when there are multiple layers of sub-contracting. To minimize this risk, the following steps should be taken:

(a) The specific labor risks and impacts associated with the work being contracted out should be identified by UNDP staff at project screening or, if this is not possible, during assessment. If procurement of works is planned in a later phase of the project the applicable party will need to assess associated labour risks and impacts before drafting tender documents.

(b) If procurement of works is part of the project, the applicable party should incorporate in the terms of reference for tenderers/employer's requirements that contractors and all works carried out under the contract must meet S7 requirements.

(c) Applicable parties need to ascertain that contractors engaged in connection with the project are legitimate and reliable enterprises, and have appropriate policies, procedures and systems that allow them to operate in accordance with S7.

Box 7. Assessing third parties

Depending on the nature of the project and the potential risks and impacts, information provided by the third party or otherwise obtained may include:

- 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 OSH issues
- 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;
- Identification of safety committee members and records of meetings; and
- Copies of previous contracts with contractors and suppliers

Assessing the legitimacy and reliability of third parties requires reviewing their track record, including an examination of the past and current labour practices of the contractor/third party.

This should include assessing whether contractors have the willingness and capacity to comply with national labour and OSH laws and S7 requirements covering but not limited to minimum wage, hours of work, overtime payments, health and safety conditions, contributions to health insurance and pension schedules, and other legally mandated employment terms with regard to all workers engaged by third parties.

In the context of procurement, prospective contractors should be asked to demonstrate, in the tender, their ability to comply with national law and with S7.

UNDP's [General Terms and Conditions for Contracts](#) (Rev. Sept 2017) requires contractors to comply with the SES (of course including S7) as well as the [UN Supplier Code of Conduct](#) (Rev.06–December 2017) which also calls for adherence to the ILO core labour standards.

Box 7 lists potential ways for contractors to demonstrate compliance and for applicable parties to assess their track record.

(d) Applicable procedures and requirements, including those contained in this Standard, need to be incorporated into contractual agreements with such third parties, together with appropriate and effective noncompliance remedies. Third parties are also required to include equivalent requirements and remedies in their contractual agreements with subcontractors.

In projects involving construction or agriculture, the use of labour agents to provide temporary workers is common. In order to reduce the risk of forced labour or trafficking, all relevant parties should be required not to use labour agencies that charge workers recruitment or travel fees that are excessive and lead to a debt which it is difficult for the worker to repay.

(e) Applicable parties need to put a system in place to monitor contractor compliance with S7 during project implementation. 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 third parties.

(f) If a grievance mechanism is provided by the third party for contracted workers, the third party reports regularly on concerns raised by the contracted workers, and the way in which the grievances were resolved. If a third party is not able to provide a grievance mechanism, the project's grievance mechanism is made available to the contracted workers and the responsible party brings any concerns received through the project grievance mechanism to the attention of the third party for resolution.

In cases where third parties are small and medium enterprises or have limited resources and capacity, the applicable party will assess the type of support it can provide to improve such third party performance, which may include the use or extension of the applicable party's systems or services to supplement those of the third party, in relation to the requirements under this Standard. If third party performance cannot be improved over a reasonable timeframe, the applicable party will need to evaluate alternative sources to these services.

4.6.9 Primary supplier workers

S7 paras. 32-34 set out requirements regarding primary supplier workers, including but not limited to the following (refer to the full S7 text):

- ✓ *Establish roles and responsibilities for monitoring potential violations of primary supplier workers' fundamental rights and safety and health*
- ✓ *Require primary supplier to address breaches of fundamental rights, including cases of child labour or forced labour*
- ✓ *Require procedures to address serious safety and health risks among primary supplier workers*
- ✓ *Halt operations that present an imminent danger of serious injury, ill health or death to workers*
- ✓ *Where prevention and remedy are not possible, shift the project's primary suppliers*

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. Primary suppliers provide goods or materials directly to the project for its core functions on an ongoing basis.

The environmental and social assessment identifies, to the extent possible, the types of goods and materials to be obtained from primary suppliers (Tier 1 suppliers). The supply may be local in nature or come from other parts of the country or from outside the country. Where potential risks of violations of primary workers' fundamental rights – freedom of association and collective bargaining, nondiscrimination and equal opportunity, child labour, forced labour²⁹ – and serious safety risks are identified or are prevalent or known to exist in a specific sector, industry, or region in connection with the supply of such goods and materials, a mapping exercise should be conducted to identify possible suppliers and the extent to which they may present such risks.

Where it is not possible to assess specific primary suppliers, the risk assessment should review general industry labour issues and risks relating to the supply of such goods and materials, with particular attention given to high-risk countries and sectors. The US Department of Labor's list of goods produced by child or forced labour can help to identify products and countries that present a particular risk in this regard.³⁰

It is also useful to periodically update the assessment of potential risks that may arise in relation to primary suppliers of the project during project implementation. Tracking of suppliers' performance helps inform whether procedures and mitigation measures are being appropriately implemented and provide feedback on performance and any new areas of risk.

All purchasing orders and contracts with suppliers should include requirements on compliance with core labour standards and work safety issues.³¹ Other good practices are noted in Box 8.

Box 8. Addressing child and forced labour in supply chains

Examples of good practice in addressing the risk of child labour and forced labour in supply chains include:

- putting in place a clear and transparent company policy that sets out measures to prevent child labour and forced labour and trafficking in the supply chain
- providing training for human resources staff and procurement teams in identifying child labour and forced labour and seeking appropriate remedies
- mapping the company's supply chains and identify primary suppliers
- carrying out initial screenings of potential suppliers, including checking conditions and practices at their premises and their use of labour recruiters
- making new and existing suppliers aware that violations of core labour standards [the use of child labour and forced labour] will not be tolerated and providing clear information about what constitutes either
- including in supplier contracts requirements with regard to child labour and forced labour
- working with suppliers to improve conditions
- dropping suppliers that fail to make serious efforts to solve child labour and forced labour issues. However, this should be preceded by clear warnings that state the consequences of continued non-compliance.

Where there is imminent danger of serious injury, ill health or death to workers, the applicable party shall exercise its control or influence to stop the operation concerned until such time as the primary supplier can demonstrate that it can control the hazard in a manner consistent with the requirements in this Standard.

The ability of the applicable party to influence its primary suppliers depends on the terms and conditions of contracts with the primary supplier, that is, the applicable party's level of control or influence over its primary suppliers. Where the supplier depends on the applicable party for their business viability, both the risk from and the leverage over the supplier will be high. The leverage should enable the applicable party to engage with the supplier and work with them to correct core labor standard violations or safety threats found during the assessment. The applicable party should seek professional advice on the appropriate steps to take. Conversely, without leverage, the supplier might

²⁹ See [ILO Declaration on Fundamental Principles and Rights at Work](#) (1998).

³⁰ US Department of Labor, List of Good Produced by Child or Forced Labor, at <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>.

³¹ UNDP's [General Terms and Conditions for Contracts](#) (Rev. Sept 2017) requires contractors to comply with the SES as well as the [UN Supplier Code of Conduct](#) (Rev.06–December 2017) which calls for adherence to the ILO core labour standards.

ignore the applicable party's requirements in which case the only solution might be for the applicable party to sever its ties with this supplier.

Where violations of the fundamental rights of primary supply workers are discovered, the applicable party should seek professional advice on the appropriate steps to take to address this issue. Where prevention and remedy are not possible, the applicable party will shift (as stipulated in S7) over an agreed period of time to suppliers that can demonstrate that they are able to comply with the requirements of this Standard.

Further supply chain risks. While S7 only refers to primary suppliers, it is not uncommon that the highest risks of core labour standard violations are found not in the first tier, but in subsequent tiers, further down the supply chain. For example, in the cotton textile industry the worst instances of child or forced labour may be in cotton farming. Therefore, from a human rights perspective, it may be important to review the entire supply chain(s) for risks of grave CLS violations or safety threats. In situations where there is an integrated chain of suppliers that depend on the applicable party for their business viability, this leverage as well as risk from supplier nonperformance will be high. As the supply chain extends into commodity markets where the applicable party's operation has little significance, the supply chain review will simply reflect sectoral issues, rather than opportunities for project-specific mitigation. Where the applicable party has complex operations with multiple tiers of suppliers, its leverage will diminish toward the more distant tiers of suppliers. Where serious violations are discovered in the supply chain beyond the first tier, the applicable party should seek professional advice on the appropriate steps to take to address this issue, including shifting suppliers where prevention and remedy are not possible.

4.7 Additional considerations: community workers, informal employment

Where the project engages **community workers**, relevant provisions of the S7 requirements should be applied in a proportionate manner, tailored to the specific context, objectives, and design of the project, understanding that not all S7 requirements may be appropriate. For example, where the objective of the project is small-scale landscape restoration (e.g. planting of mangrove seedlings) for the benefit of an identified community, with labor being provided directly by members of that community, S7 requirements relating to OSH and child and forced labor may be of particular relevance. While the community may be contributing its labor, it would be important to check the safety of the working environment, the age of community workers, and the terms on which labor is being mobilized.

In all such circumstances, UNDP and the project partner would need to ascertain that such labor is provided on a voluntary basis as an outcome of individual or community agreement. Work is on a voluntary basis when it is done with the free and informed consent of a worker. To assess the authenticity of a free and informed consent, it is necessary to ensure that no external constraint or indirect coercion has been carried out, either by an act of the authorities or by an employer's practice. It is good practice to document the agreement that is reached with community workers, recording the terms on which such labor will be provided. This includes details of what has been agreed, the way in which such agreement was reached, and how the community workers are represented.

Note on informal employment. More than half of the world's workforce is estimated to be trapped in the informal economy, that is economic activities by workers and economic units that are, in law or in practice, not covered or insufficiently covered by formal arrangements. These arrangements are typically marked by the denial of rights at work, the absence of sufficient opportunities for quality employment, inadequate social protection, a lack of social dialogue and low productivity, all of which constitutes a significant obstacle to the development of sustainable enterprises.

UNDP's S7 aims to apply to all categories of workers as outlined above. Of course, there are challenges to applying the S7 requirements where there are a significant number of informal sector workers and the absence of formal labour arrangements. The application of S7 to informal workers who may be involved in supported projects effectively formalizes their status and thus supports national efforts to bring the "grey economy" out of the shadows, to leave no one behind and to prevent further informalization of formal sector jobs. This is the intention of [ILO No.](#)

[204 Transition from the Informal to the Formal Economy](#), which provides strategies and practical guidance on policies and measures that can facilitate the transition from the informal to the formal economy.

5 Action Plan/mitigation measures

The Labour Management Procedures (LMP, Annex 1) includes both an assessment component and an action plan component to address the key identified risk areas. The Action Plan (which may be integrated into the project ESMP or remain as a stand-alone document) outlines the key measures that need to be undertaken to ensure compliance with national requirements, collective agreements and the requirements of S7. The Action Plan will need to contain the following elements:

- Summary of required measures identified in assessment sections of the LMP.
- A schedule, institutional arrangements, responsibilities and mechanisms for carrying out the identified measures, indicating who will be responsible and when actions will be undertaken.
- A monitoring framework for the project and key indicators for measuring progress in implementing the identified measures (see following section).
- An appropriately costed plan, with itemized budget sufficient to satisfactorily undertake the identified measures.

6 Monitoring

UNDP requires that key documents be submitted to UNDP, including the project environmental and social assessment, Labour Management Procedures, and, where applicable, sector restructuring plans.

UNDP also requires prompt notification and sharing of information regarding the following project-related issues concerning labour and working conditions, including: (a) when child labour and/or forced labour is identified in project activities and/or value chains; (b) in the event of serious occupational safety and health issues, including serious injury and/or death; (c) incidences of sexual harassment or sexual exploitation and abuse involving UNDP personnel, including direct contractors. Applicable partners will undertake immediate corrective actions and remedial steps to address such incidences, and inform UNDP accordingly.

The project's environmental and social assessment and/or Labour Management Procedures (LMP, Annex 1) will provide a framework for monitoring identified risk areas over the course of project implementation. Projects categorized as Substantial or High Risk will typically have an Environmental and Social Management Plan (ESMP) that provides monitoring indicators (integrating relevant criteria from Annex 1). Monitoring arrangements need to be appropriately scaled to the nature of the project and its associated social and environmental risks and impacts.

For projects with significant risks regarding labour and working conditions, knowledgeable independent experts should be engaged to assist with monitoring throughout the duration of the project cycle, e.g. by conducting periodic labour audits.

Project documentation should provide a detailed description of the format and timing for monitoring, (e.g. annual, mid-term, closure, when there are significant changes in implementation, etc.)

The extent of monitoring will be proportionate to the nature of the project, the project's social and environmental risks and impacts, and compliance requirements.

Monitoring implementation of the SES includes the following:

- i. progress of implementation of mitigation/management plans required by the SES
- ii. review of complaints and grievances from workers and project-affected stakeholders

- iii. follow-up on any identified corrective actions, and
- iv. completion and disclosure of any required monitoring reports on SES implementation (including on-going reporting to project-affected stakeholders).

S7 monitoring indicators will cover measuring progress with implementing any actions agreed in the ESMP/LMP to improve labour performance. Other typical indicators include:

- progress with labour and OSH management system, e.g. certification
- employee turnover rate; workforce breakdown, including non-employee, temporary and seasonal workers—all segregated by gender; any collective redundancies
- wage levels
- summary of the findings of labour and OSH inspections by the regulatory authorities, fines or penalties imposed, and how problems found were resolved
- accidents and fatalities
- summary of grievances received from workers in the reporting period, and how they were resolved
- report on social dialogue, including level of unionization, strikes and any changes to collective agreements
- summary of worker training conducted e.g. on OSH, anti-harassment policy, etc.
- supply chain management activities.

Findings from monitoring should be integrated into an adaptive management framework where management responses are adapted as necessary to ensure that project risks and impacts associated with labour and working conditions are properly addressed. When appropriate the findings from monitoring should be verified with project-affected workers' representatives, applicable parties (e.g. employers and contractors), independent experts, and other key stakeholders.

Where monitoring indicates a potential lack of compliance with project commitments, including in addressing SES requirements, the implementing partner informs UNDP which works with the partner to bring the project back into compliance.

If there are substantive changes to the project during implementation or changes in the project context that alters the project's risk profile, then rescreening, assessment and revised management measures may be needed.

UNDP's review activities should be appropriate to the type and scope of the requirements, and may include:

- reviewing monitoring reports, conducting site visits and reviewing project-related information
- reviewing compliance with SES requirements
- advising partners on how to manage issues related to the SES
- communicating risks and probable consequences of failure to comply with the SES requirements, and initiating remedies if the partner fails to (re)establish compliance.

Annex 1: Labour Management Procedures Template

The Labour Management Procedures (LMP) facilitates planning and assists responsible parties to ensure that project implementation adheres to the requirements of SES Standard 7 on Labour and Working Conditions. The LMP (a) sets out the written labour procedures for the project, (b) identifies the main labour requirements and risks associated with the project, and (c) helps the project developer to determine the resources necessary to address project labour issues and risks and sets out an action plan.

The LMP summarizes key labour-related risks and issues and may be supplemented by more targeted analyses and plans (e.g. such as an occupational safety and health action plan, WBG EHS sector specific guidelines, ISO standards, contractor management matrices, etc.). The LMP (as with supporting analyses) should be undertaken by experts with relevant expertise.

The LMP may be prepared as a stand-alone document, or form part of other environmental and social management documents. 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.

In preparing and updating the LMP, project developers should refer to the requirements of national law and S7 and its Guidance Note. The content of the LMP is indicative: some issues may not be relevant to the project while some projects may have other issues that need to be captured from a planning perspective. Where national law addresses requirements of S7 this should be noted in the LMP.

Where project workers under a single project may be engaged under significantly different circumstances (e.g. different regions of a country, different employment arrangements), it may be necessary to ensure that these differences are appropriately addressed in the LMP, or separate LMPs may need to be developed.

For projects utilizing an ESMF given that specific activities and/or subprojects have yet to be defined, the development of the LMP may need to be deferred. The ESMF should address as many potential issues outlined in the LMP as is feasible during project development, and the ESMF should include procedures for undertaking a specific LMP once locations and activities are defined.

A concise and up to date LMP will enable different project-related parties, for example, staff of the project implementing unit, contractors and sub-contractors and project workers, to have a clear understanding of what is required on a specific labour issue. The level of detail contained in the LMP will depend on the type of project and information available. Where relevant information is not available, this should be noted and the LMP should be updated as soon as possible.

Below is an indicative outline of the LMP.

1. **Overview of Labour Use in the Project:** This section describes the following, based on available information:
 - a. *Number of Project Workers:* The total number of workers to be employed on the project, and the different types of workers: direct workers, contracted workers, temporary or seasonal workers and community workers. Where numbers are not yet firm, an estimate should be provided.
 - b. *Characteristics of Project Workers:* To the extent possible, a broad description and an indication of the likely characteristics of the project workers e.g. local workers, national or international migrants, female workers, workers between the minimum age and 18.
 - c. *Timing of Labour Requirements:* The timing and sequencing of the project's labour requirements in terms of numbers, locations, types of jobs and skills required.
 - d. *Contracted Workers:* The anticipated or known contracting structure for the project, with numbers and types of contractors/subcontractors and the likely number of project workers to be employed or engaged by each contractor/subcontractor. If it is likely that project workers will be engaged through brokers, intermediaries or agents, this should be noted together with an estimate of the number of workers that are expected to be recruited in this way.

- e. *Migrant Workers*: If it is likely that migrant workers (either domestic or international) are expected to work on the project, this should be noted and details provided.
2. **Assessment of Key Potential Labour Risks**: This section describes the following, based on available information:
- a. *Project activities*: The type and location of the project, and the different activities the project workers will carry out, including primary supplier(s)
 - b. *Key Labour Risks*: The key labour risks that may be associated with the project (see, for example, those identified in S7 and the GN). These could include, for example:
 - the conduct of hazardous work, such as working at heights or in confined spaces, use of heavy machinery, or use of hazardous materials
 - likely incidents of child labour or forced labour, with reference to the sector or locality
 - discriminatory policies or practices that deny equal opportunity
 - restrictions on freedom of association and collective bargaining
 - likely presence of migrants or seasonal workers
 - risks of labour influx or gender based violence
 - possible accidents or emergencies, with reference to the sector or locality
 - general understanding and implementation of occupational health and safety requirements
3. **Brief overview of labour legislation, agreements and potential gaps with Standard 7**:
- **Core Labour Standards**: This section sets out the key aspects of national legislation implementing the ILO fundamental rights at work, i.e. prohibition of child labour/minimum working age; prohibition of forced labour, non-discrimination/equal opportunity; and freedom of association and collective bargaining. The overview should highlight any material gaps between national law and S7.9-19.
 - **Terms and Conditions**: This section sets out the *key aspects* of national labour legislation with regards to term and conditions of work, and how national legislation applies to different categories of workers identified in Section 1. The overview focuses on legislation which relates to the items set out in S7, paras.5-8 (i.e. wages, deductions and benefits) and any material gaps with S7. The section should also identify the terms of any existing collective agreements that stipulate workplace terms and conditions.
 - **Occupational Safety and Health (OSH)**: This section sets out the *key aspects* of the national labour legislation with regards to occupational health and safety, and how national legislation applies to the different categories of workers identified in Section 1. The overview focuses on legislation that relates to the items set out in S7, paras. 20-25 and any material gaps with S7.
4. **Responsible Staff**: This section identifies the functions and/or individuals within the project responsible for (as relevant):
- engagement and management of project workers
 - engagement and management of contractors/subcontractors
 - occupational safety and health (OSH)
 - training of workers
 - addressing worker grievances
- In some cases, this section will identify functions and/or individuals from contractors or subcontractors, particularly in projects where project workers are employed by third parties.
5. **Policies and Procedures**: This section sets out :
- **Management systems**: Relevant management systems *in place* to implement S7, e.g. human resources policy, anti-harassment policy, staff handbook, grievance procedure, OSH management system, etc. These can be referenced or annexed to the LMP, together with any other supporting documentation. Where relevant, it identifies applicable national legislation.

- **Age of Employment:** Details regarding (see S7 paras. 16-19 and GN):
 - the minimum age for employment on the project
 - the process that will be followed to verify the age of project workers
 - the procedure that will be followed if underage workers are found working on the project
 - the procedure for conducting risk assessments for workers aged between the minimum age and 18
 - Where incidences of **child labour** are identified, describe how these will be remediated
- **Forced Labour:** Where the risk of forced labour has been identified, this section outlines how this risk will be mitigated, and how any instances of forced labour will be addressed (see S7 para. 14 and GN).
- **Occupational safety and health:** Where significant health and safety risks have been identified, summarize how these will be addressed in a manner consistent with national labour and employment regulations and the requirements of S7. (Note that a specific OSH plan may be necessary.)
- **Terms and Conditions:** This section sets out details regarding (see S7 paras. 5-8):
 - specific wages, hours and other provisions that apply to the project
 - maximum number of hours that can be worked on the project
 - any collective agreements that apply to the project. When relevant, provide a list of agreements and describe key features and provisions
 - other specific terms and conditions (e.g. benefits)
 - “Beyond compliance” initiatives e.g. to promote local employment or the hiring of traditionally underrepresented groups
- **Grievance Mechanism:** This section sets out details of the grievance mechanism that will be provided for direct and contracted workers, and describes the way in which these workers will be made aware of the mechanism (S7, paras. 26-28).
- **Contractor Management:** This section sets out details regarding (see S7, paras. 29-31 and GN):
 - the selection process for contractors/third parties
 - the contractual provisions that will be put in place relating to contractors for the management of labour issues, including OSH
 - the procedure for managing and monitoring the performance of contractors
- **Community Workers:** Where community workers will be involved in the project, this section sets out details of the terms and conditions of work, and identifies measures to check that community labour is provided on a voluntary basis. It also provides details of the type of agreements that are required and how they will be documented. This section sets out details of the grievance mechanism for community workers and the roles and responsibilities for monitoring such workers.
- **Primary Supply Workers:** Where a significant risk of violations of core labour standards³² or serious safety issues in relation to primary suppliers has been identified, this section sets out the procedure for monitoring and reporting on primary supply workers (S7 paras. 32-34)

7. Action Plan This section sets out details of actions required to achieve and maintain compliance with national law and S7, including responsibilities, timelines and cost/resource estimates. The Plan will also include monitoring and reporting requirements appropriate to the nature of the project and associated labour risks and impacts. The Action Plan includes the following elements:

- Summary of required measures identified in above sections of the LMP.

³² Child labour, forced labour, non-discrimination and equal opportunity, freedom of association and collective bargaining.

- Describe schedule, institutional arrangements, and responsibilities and mechanisms for carrying out the identified measures, indicating who is responsible and when actions will be undertaken.
- Describe the monitoring framework for the project and key indicators for measuring progress in implementing the identified measures.
- Budget and Financing: Include an appropriately costed plan, with itemized budget sufficient to satisfactorily undertake the identified measures.