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And

The Ministry of Agriculture and Livestock Development (MOALD)

Department of Agriculture (DoA)

NP Modernization of Rani Jamara Kulariya Irrigation Project - Phase 3

Tikapur, Kailali

Labor Management Procedures (LMP)

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Abbreviations and Acronyms

CESMP	Contractor Environment and Social Management Plan
CHS	Community Health and Safety
CoC	Code of Conduct
DoA	Department of Agriculture
DoLS	Department of Livestock Services
DWRI	Department of Water Resources and Irrigation
E&S	Environment and Social
ESF	Environment and Social Framework
ESIA	Environment and Social Impact Assessment
ESIRT	Environmental and Social Incident Reporting Toolkit
ESMP	Environment and Social Management Plan
ESS	Environment and Social Standards
GoN	Government of Nepal
GRM	Grievance Redress Mechanism
IDA	International Development Assistance
ILO	International Labor Organization
JPM	Joint Participatory Management
LMP	Labor Management Procedures
LO	Labor Office
MoEWRI	Ministry of Energy, Water Resources and Irrigation
OHS	Occupational Health and Safety
PDO	Project Development Objectives
PIO	Project Implementing Office
PPE	Personal Protective Equipment
RAP	Resettlement Action Plan

RJKIP	Rani Jamara Kularia Irrigation Project
SEA/SH	Sexual Exploitation and Abuse and Sexual Harassment
WB	World Bank
WUA	Water Users Association

1 Introduction

The Labor Management Procedure (LMP) is prepared to address labor and working condition risks and impacts for the Rani Jamara Kularia Irrigation Project (RJKIP)-III, which will be implemented by the Department of Water Resources and Irrigation (DWRI) and the Department of Agriculture (DoA) with funding from the World Bank (WB).

The RJKIP-III is prepared under the World Bank Environmental and Social Framework (ESF) and complies with relevant Environmental and Social Standards (ESSs). This LMP adheres to ESS2 on labor and working conditions as well as relevant national labor laws and policies. The LMP is developed proportionate to prevailing project information and scale of risks and impacts. The locations of some components, particularly component 2 have yet to be fully determined. The LMP will be updated following feasibility studies and the Environment and Social (E&S) studies are conducted during the detailed design phase.

The LMP sets out the terms and conditions for employment or engagement of workers on the project. It specifies the policies, standards, and procedures to safeguard workers' rights, ensure fair wages, maintain safe working conditions, protect vulnerable workers, ensure freedom of association and collective bargaining, and address grievances.

The LMP applies to all workers involved in the RJKIP-III project, including staff in the Project Implementation Office (PIO) and Agriculture Component Implementation Unit (ACIU) and contractors, subcontractors, and labor supply agencies. Contractors must develop site-specific Labor Management Plans for large works consistent with this LMP. For small contracts, the RJKIP-III project will incorporate specific procedures into the contract as legal obligations for contractors and contracting agencies (Naikes)¹. This LMP is a living document that was initiated early in the project preparation and will be reviewed and updated throughout the project's development and implementation.

1.1 Overview of the Project

The RJKIP-III aims to improve irrigation services and promote improved farming practices for farmers from Pathraiya to Kandra River, covering eight existing irrigation schemes and some rainfed areas. This third phase of the IDA-supported RJKIP (Phases 1 & 2) closes on July 15, 2025. Phase I modernized higher-order irrigation infrastructure (feeder, intakes, and branch canals, including related flood protection) and enhanced the capacity of WUAs to operate and maintain the improved/new irrigation infrastructure and preparation and initiation of an agricultural development program. Phase II focused on the lower-order irrigation systems (subbranches, tertiary canals, and watercourses) to ensure optimal water flow to farmer fields, continued WUA/WUC capacity, command area protection, and comprehensive agricultural improvement program implementation.

Phase III will complement the previous phases by utilizing the same intake on the Karnali River, extending through the main and Lamki canals, and emphasizing joint participatory management (JPM) at the community level. This phase aims to empower WUAs to play a significant role in the operation and maintenance of the irrigation subsystem down to the farm level. The project development objective (PDO) is to improve irrigation

¹ Naikes are the labor suppliers (individuals or firms) who supply labor for construction works. As per the Labor Act 2017, they need to be formally registered with the labor office, and the workers should first be their responsibility.

services and agricultural productivity in the target areas. The envisaged project components of the third phase of RJKIP comprise the following components:

- ✓ Component 1: Irrigation improvement and development (US\$90 million)
- ✓ Component 2: Watershed management (US\$10 million)
- ✓ Component 3: Agriculture support services (US\$10 million)
- ✓ Component 4: Institutional Support and Project Management (US\$10 million)

1.2 Overview of Labor Use in the Project

Number of Workers

Based on available information and consultations with the PIO, Department of Water Resources and Irrigation (DWRI), Department of Agriculture (DoA), and Department of Livestock Services (DoLS), it is estimated that during the peak time of project implementation (FY 2028-2033) daily 660 workers will be required for the project. These will include direct workers, contracted workers, and primary suppliers.

The LMP applies to all types of workers that will be engaged in the project preparation and execution, whether full-time, part-time, temporary, seasonal, or migrant, as per ESS2:

1. People employed or engaged directly by RJKIP-III in its project components
2. People employed or engaged by contractors to perform core functions regardless of location.
3. People employed or engaged by the project's primary suppliers
4. Due to the nature of the project in RJKIP-III, no community workers will be used.

The table below summarizes the labor requirements and their characteristics.

Table 1: Tentative Number of workers required for the project

Project Components	Estimated labor requirement				Vulnerable Workers	Total
	Skilled	Semi-skilled	Unskilled			
Component 1: Irrigation improvement and development						
Direct workers	41		30	27	8	106
Contracted workers	30		15	175	25	245
Primary Supplier	1		1	8	0	10
Component 2: Watershed management						
Direct Workers	5		3	2	2	12
Contracted Workers	6		7	12	5	30

Primary Suppliers	0	0	4	2	6
Component 3: Agriculture support services					
Direct workers	17	8	10	3	38
Contracted workers	5	5	10	8	28
Primary suppliers					
Component 4: Institutional Support and Project Management					
Direct workers	5	3	3	2	13
Contracted workers	3	3	2	2	10
Primary suppliers	0	1	2	1	4
Total	113	76	255	58	502

Characteristics of project workers

The Project is expected to engage the following types of workers:

Direct Workers: The PIO and ACIU will recruit 45 full-time consultants skilled in specialized areas of water supply, irrigation, watershed management, agriculture, and conservation. They may be sourced internationally or from local consulting firms. The PIO will comprise a Gender/GBV expert, Environmental expert (engineer), Occupational and Health and Safety expert, Biodiversity expert (intermittent), independent dam safety consultants (for Component 2), procurement, finance, quality control engineers, construction supervision and management engineers, senior sociologist, junior Sociologist among others. The ACIU is responsible for carrying out tasks associated with Component 3. The AICU will coordinate with the RJKIP/PIO to support the management of environmental, social, health, and safety (E&S) risks and impacts of the project, including an environmental expert and a gender expert. The ACIU will appoint a GESI focal person in its unit. Project management and supervision consultants will be hired, which include a team of environmental expert, gender expert, and Health and Safety Specialists. A project management and consultant firm will be hired for the project financed through Project Component 4 (Project Management and Operational Costs) and will work under clear contractual conditions per the National Labor Laws and regulations (Labor Act, 2017 and Labor Rule, 2018) and the relevant requirements of the ESS2.

Government Workers: The PIO and ACIU will include civil servants from existing units of the Ministry of Energy, Water Resources and Irrigation (MoEWRI), Department of Water Resources and Irrigation (DWRI), and Department of Agriculture (DoA), and Department of Livestock Services (DoLS). These skilled technical and civil servants will include water civil engineers, geo-tech engineers, mechanical engineers, agriculture and livestock specialists, finance and fiduciary staff, environment and social staff, sub-engineers, and semi-skilled workers (i.e., drivers, lab technicians, computer operators, electricians).

Civil servants engaged to serve in the project will remain under their existing government contractual terms and are not covered by the provisions of World Bank ESS2, except for OHS, forced and child labor issues.

Contracted Workers: Approximately 271 workers, including consultants, contractors, sub-contractors, and service providers, will be engaged in core project work, especially under components 1 and 2, based on their skills and project needs. Component 1, for example, will involve design and supervision consultants and civil contractors. These workers will include skilled, semi-skilled (e.g., masons, steel workers, metal fabricators, construction equipment operators, drivers, etc.), and unskilled manual workers. DoWRI will hire a firm to supervise on-site E&S. If the successful bidder is not a Nepali company, most skilled workers may be international workers brought in by the contractor on temporary work permits. Unskilled workers, however, are expected to be sourced locally from the project intervention areas primarily to minimize labor influx. Based on past experiences, some unskilled labor may be migrants from neighboring provinces and districts. While experience indicates that most of the contracted workers will be men, the contractor will be expected to provide equal employment opportunities for women Dalits, IPs, marginal landholders, sharecroppers, and persons with disabilities where the disabilities do not interfere with their ability to perform the assigned tasks. The contractor will provide the necessary assistance and protection for these vulnerable workers. The contractor will determine the proportion of full-time workers vs. daily/hourly laborers based on operational requirements in a manner consistent with anti-discrimination provisions per the World Bank's ESS2 and national law. The details will be provided in the Contractor's Labor Management Plan (C-LMP), which will be submitted to PIO for approval within 2 months of the contract award and before civil works begin. Quarries and dredging operations in Nepal typically employ a mixture of full-time, part-time, permanent, and temporary workers. Their operating licenses require their recruitment practices to follow national labor and E&S laws.

Primary Supply Workers: Based on Components 1 and 2 requirements, contractors will recruit primary supply workers substantially for the supply of stones, sand, cement, water and sanitation chemicals, seedlings, and other raw materials. The number of suppliers and their workers is not estimated at this time and will be determined by the contractor. Regarding primary suppliers, there are risks of child labor, forced labor, and worker safety concerns in the supply chain. Suppliers will be required to procure materials from licensed enterprises with verified E&S management practices.

1.2 Timing and Sequencing of Labor Requirement

The timing and sequencing of workers are considered during the project stages, including preparation, design, construction, and closure. Government staff in DoWRI and DoA, including the project director, senior engineer, senior sociologist, engineer, agriculture officer, and livestock officer from DoWRI and DoA, who were involved in project design, have been engaged in the last 9 months. Direct workers, including Design and ESIA/RAP consultants, were engaged in the last 3 months to support feasibility, E&S studies, and consultation. Direct workers will increase as specialized consultants are hired for 1 and 2 investments. Contracted semi-skilled and unskilled workers will be deployed during construction. Within two months of the contract award and before the commencement of work, the works contractors will submit the C-LMP, detailing the approximate schedule for recruiting workers and locals who will be hired at different sections along the canal. This plan will provide the basis for the contractor to advertise employment opportunities through appropriate local media outlets or intermediary agents ((Naika). A large number of opportunities will be for unskilled workers and day laborers. The contractor will also require drivers, equipment operators, mechanics, some of whom might be hired locally, and support

workers (cooks, cleaners, etc.) for the workers' camp if one is established. Worker involvement will end post-construction, except for a few unskilled workers for forest nursery and plantation maintenance under component 1. Primary supply workers will be engaged intermittently for raw material supply and water processing chemicals.

Contracted Workers: DoWRI will engage eight contractors for different packages. It is currently unknown if the contractor will engage subcontractors for some aspects of the work. Agents are likely to be involved in sourcing local workers, but it is uncertain if the contractor will use such services to hire foreign workers.

Migrant Workers: Based on previous experience, prospective jobseekers and migrants from neighboring provinces and districts may seek opportunities under the project. However, there are no refugee camps near the project area. Contractors may hire immigrant workers under the same terms as local workers, provided they meet national work permit requirements. Many locals migrate to neighboring countries during the dry season due to job scarcity. However, the project is expected to attract significant local interest, leading to most workers being residents of nearby towns and villages.

2 Assessment of Key Potential Labor Risks

This section has been informed by the implementation experience of RJKIP-I and II, field visits, and similar MoEWRI projects. The main labor-related risks and impacts include potentially hazardous work environments, accidents, and labor influx issues.

Project Activities:

The main project activity involves constructing a 13 km feeder canal and distribution networks in the Pathariya area (17,500 ha). This includes building structures like weirs, regulators, cross regulators, canal siphons, culverts, drops, escapes, etc. Likewise, Bridge construction will require a superstructure, substructure, foundation, girder, pier, etc. River training works will include excavation, spur construction, gabion walls, etc. The project also includes improving, upgrading, and maintaining rural/service roads, constructing culverts, rehabilitating and augmenting small multipurpose lakes, supporting the Water User Association (WUA) program, and implementing a comprehensive agricultural improvement program. The canals and some service road upgrades will pass through sparsely settled, flat agricultural land. Contracted workers will perform standard construction activities and operate large equipment (bulldozers, backhoes, rollers) and other machinery (asphalt batching plants, concrete mixers, and painting equipment). Drivers will transport materials and personnel. Skilled workers will serve as mechanics and surveyors. Quarry workers, the project's primary suppliers, will operate excavation and transportation equipment and perform manual labor, possibly using explosives.

Key Labor Risks:

The key labor risks that may be associated with the project include the following:

- 1. Occupational Health and Safety (OHS):** as noted above, the RJKIP-III project entails significant civil works for the construction of irrigation canals, bridges, river training, and earthwork. Contractors will utilize heavy equipment like bulldozers, excavators, graders, tippers, batching plants, concrete mixture machines, etc. A substantial labor force is required for equipment operation, excavation, etc. These works pose occupational hazards, including accidents, illness, injuries, and falls during civil work. The project will prepare Environmental and Social Impact Assessments (ESIA) for project components requiring ESIA, and Environmental and Social Management Plans (ESMPs) for project components requiring ESMP. These plans will be included in bidding documents and guide the preparation of Site-Specific ESMPs, detailing risk management measures such as training, protective equipment, signage, access limitations, and supervision. The PIO will review and clear these management plans. Additionally, as part of the institutional arrangements, RJKIP-III will have personnel to provide orientation and training on OHS, including incident reporting and understanding of ESIRT (Environmental and Social Incident Reporting Toolkit) at project sites. In the operation phase of RJKIP-III, exposure to pesticides poses significant health risks to workers due to inadequate training, poor enforcement of safety protocols, and lack of proper PPE. To address this, the project will implement specific Occupational Health and Safety (OHS) measures, including mandatory training on safe pesticide handling and use of PPE.
- 2. Labor Influx:** Labor influx risks are substantial given the need for a sizeable workforce for

components 1 and 2 in RJKIP-III. For any infrastructure project, there will be a need to host skilled and semi-skilled workers in labor camps. Labor influx in project areas can increase demand and overwhelm local facilities (e.g., water, electricity, housing, food, etc), more so in rural and semi-urban settings. For external workers, dedicated labor camps will be established for worker accommodation where required. Specific requirements to manage risks associated with labor influx related to the interaction between project workers and local communities, such as communicable diseases and gender-based violence, most specifically, sexual exploitation and abuse and sexual harassment (SEA/SH), will be managed through contractual requirements, code of conduct and training set out in this document. These procedures will be guided by national legislation, ESS2 and ESS4. In addition, the RJKIP-III project will also encourage contractors to employ unskilled workers from the project-affected areas and communities to minimize the risks associated with labor influx.

3. **Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH):** The project's SEA/SH risk is marked as Moderate. Civil works under components 1 and 2 will induce an inflow of workers to project areas, potentially exacerbating SEA/SH risks. Construction workers with increased income in predominantly rural and semi-urban areas may induce inappropriate and criminal behavior, such as sexual harassment of women and girls, exploitative sexual relations, and illicit sexual relations with minors from the local community. This influx may also lead to increased human trafficking and sexually transmitted diseases. A standalone SEA/SH Action Plan will be prepared and implemented along this LMP to address these risks. The action plan will focus on capacity building, SEA/SH awareness, identifying service providers, developing a code of conduct (CoC), and strengthening grievance redressal mechanisms. It applies to the implementing agency, client, supervision consultant, contractors, and affected communities.
4. **Child and Forced Labor:** Based on current conditions in the infrastructure sector, the risk of child or forced labor is assessed as minimal and prohibited by national legislation. Workers under 18 will not be hired on the project. To ensure compliance, workers will provide legally recognized documents such as a Citizenship Card or Birth Certificate or an acceptable local process for verification. Further, regular awareness-raising will be conducted in the communities to sensitize them on the prohibition and the negative impacts of child and forced Labor. However, some sectors may still face non-compliance risks. According to the national legislation, a special work permit from the Labor Office is required to employ migrant workers to mitigate these risks.
5. **Discrimination on employment based on sex, caste/ethnicity, and residential status:** The project will support equal employment opportunities for all genders, castes, and ethnicities, ensuring fair criteria for selection, remuneration, and promotion. The PIO will ensure that contractors and sub-contractors uphold these principles. If migrant workers are engaged, measures will be taken to prevent discrimination. Employment will be based on equal opportunity and fair treatment, without discrimination in recruitment, compensation, working conditions, training access, job assignments, promotions, or terminations.

3 Brief Overview of Labor Legislations: Terms and Conditions

The Constitution of Nepal, 2015 guarantees fundamental rights for workers, including protection against exploitation (Article 29), the Right to a clean and healthy environment (Article 30), Rights to fair labor practices, with appropriate remuneration, facilities, and contributory social security (Article 34); the rights of the child (Article 39) prohibits the engagement of children in factories, mines or any hazardous work; and the Right to social security of different categories of marginalized communities and individuals (Article 43). Regarding access to project-related jobs and procurement opportunities, Article 18(3) of the constitution enjoins the State not to discriminate against citizens based on caste and tribe. In principle, these provisions are generally consistent with the objectives and requirements of ESS2 and will guide the terms and conditions of workers under RJKIP-III.

Table 2: Main gaps between GoN laws (terms and conditions) and WB ESF Standards

WB ESF Standard	Gaps
ESS2: Labor and Working Conditions	<p>(i) <i>The Labor Act does not explicitly require that development projects be assessed and reviewed in terms of labor and working conditions, including OHS requirements, before approval.</i></p> <p><i>ESS2 states:</i> The Borrower will develop and implement written labor management procedures applicable to the project, setting out how project workers will be managed, in accordance with the requirements of national law and this ESS</p> <p><i>Gap:</i> The Labor Act lacks a requirement for early-stage assessment and review of labor and working conditions (including OHS) for development projects, as mandated by ESS2 of the World Bank, which emphasizes proactive labor risk management before project approval</p> <p>(ii) The Labor Act does not require development projects to prepare Labor Management Plans/Procedures or OHS Plans.</p> <p>ESS2 explicitly requires that labor-related risks including occupational health and safety (OHS) to be identified, assessed, and addressed during the planning and approval stages of a project, the Labor Act does not mandate such pre-approval assessments. Instead, it primarily applies once a project is operational, making it reactive rather than proactive in its approach.</p> <p>Moreover, ESS2 requires the preparation of a project-specific Labor Management Procedure (LMP), which outlines how workers will be managed throughout the project, including grievance mechanisms, OHS provisions, and terms of employment. The Labor Act, however, does not include any provision for developing such tailored, project-level documentation. ESS2 promotes a lifecycle approach to labor management quite beginning from project design and continuing through implementation, while the Labor Act is more limited in scope and not formally integrated into the environmental and social risk management processes associated with project planning and approval.</p> <p>As a result, the main gap lies in the absence of mandatory labor and OHS assessments during the early stages of project development under national legislation, which stands in contrast to the comprehensive, preventive, and integrated approach required by ESS2</p>
ESS4: Community Health and Safety	Community Health and Safety (CHS) issues are covered under EIA regulation, although these regulations provide no explicit guidance on how development projects should respond to those issues.

The provisions of the constitution relative to the terms and conditions of workers are further codified in the Labor Act, 2017, and Labor Rule, 2018, guaranteeing workers' rights, interests, facilities, and safety and establishing a harmonious work culture between employers and employees. The terms and conditions stipulated in the Labor Act, which applies to this LMP and the project, are as follows:

- ✓ Prohibition against engagement of forced labor, bonded labor, child labor, and discrimination. The act also promotes equal pay for equal work.
- ✓ Provision that employment contracts should include (a) nature of employment, (b) primary work of the Employee and his/her position, (c) statement that the Employees' Service Rule will be an integral part, (d) remuneration, (e) benefits, and (f) terms of the employments of the Employee (g) date, time and schedule of work, (e) payment mode, (f) right to treatment and such other matters as prescribed.
- ✓ Provision of part-time work and social security for the workers
- ✓ Provision for issuing work permits for foreign labor.
- ✓ Provisions for labor supply and suppliers' responsibility towards workers. This states that the employer must obtain the employees from licensed labor suppliers. If outsourced employees are not from the licensed labor supplier, they are deemed employees of the main employer. The employer should ensure the employees are provided minimum remuneration and facilities as per this act.
- ✓ Fundamental provision on Occupational Health and Safety (OHS), including the role and responsibility of suppliers and manufacturers.
- ✓ Provisions for special types of industries and facilities provided.
- ✓ Provision for collective bargaining.
- ✓ Provision not to be employed without an employment agreement
- ✓ Provision for termination of employment.

With respect to the risks of child labor, the Child Labor (Prohibition and Regulation) Act, 2000, and Labor Act 2017, section 5 prohibits the engagement of children in factories, mines, or similar risky activities. The Act also enjoins persons engaging children in other activities to do so with the necessary protection of their health and security. Section 3 of the Act strictly prohibits the engagement of children 14 years or below in any work as a worker. Equally, under Section 4, engagement of children in works as laborers against his/her will by way of persuasion, misrepresentation, or by subjecting him/her to any influence or fear or threat or coercion, or by any other means, is prohibited. Under Section 6, in case any Enterprise engages a child in work, approval must be obtained from the concerned labor office (LO) or any authority or official prescribed by that office and from the child's father, mother, or guardian.

The labor law of Nepal clearly describes all things related to labor and workforce, including wage and salary, termination, redressing, work environment, female workers, recruitment, unionization, child labor, and other issues relevant to ESS2. Key relevant provisions of the Labor Act 2017 and Regulation 2018 include the following:

- ✓ **Working hours:** Working hours are 8 hours a day and 48 hours a week as per section 28 of the Labor Act, 2017. Overtime is prescribed for 24 hours per week as per section 30 of this Act. The employer will be required to pay the worker one and a half times more than the

basic wage for regular work if he employs overtime as per Section 30. With respect to female workers, the Act requires employers to arrange for the transportation of female employees in a way that the working period begins after sunrise and ends before sunset.

- **Wages:** The term "Wages" means all economic benefits, including salary, bonuses, and remuneration for overtime work, holiday or leave, termination of employment, or other additional remuneration payable under the terms of employment. Every employer is responsible for paying wages to workers employed by the employer. If the contractor does not pay the wages of a worker employed by a contractor, the wages must be paid by the employer of the establishment. The maximum wage period is one month. The wages of every worker must be paid before the expiry of the 7th working day after the last day of the wage period in respect of which the wages are payable.

The National Pay and Wages Commission sets wages for public sector work and may not be disputed. In the private sector, the industry sets wages, and collective bargaining rarely occurs due to high unemployment and worker concerns over job security. The legal workweek is 48 hours, with one day off mandated.

The Government of Nepal, Ministry of Labor, Employment and Social Security has recently prescribed the minimum remuneration/wage of the worker/employees under Section 106 of the Labor Act, 2017 (2074) ("**Labor Act** ") by publishing a notice in Nepal Gazette (Volume 68, August 16, 2018 (2075-04-31) Number 20) on Aug. 16, 2018 (2075-04-31) ("**Gazette Notice** ").

The Ministry has prescribed separate minimum remuneration/wage for workers/employees working (a) outside the tea estate ("**Minimum Wage Other than Tea Estate**") and (b) inside the tea estate ("**Minimum Wage Tea Estate** "). In addition to the Minimum Wage/Remuneration specified above, benefits, including Provident Fund and Gratuity provided under the Labor Act and Contribution Based Social Security Act 2017 (2074) and other prevailing laws, should be provided.

Where the employment of a worker is terminated by retirement or by the employer, whether by way of retrenchment, discharge, removal, dismissal, or otherwise, the wages payable to him must be paid before the expiry of the 30th working day from the day on which his employment is so terminated. Wages have to be paid in legal tender, through cheque, and in some cases (given the requirement of the laborers) through an electronic transfer in favor of the worker's bank account or through any other digital medium. Wages must be paid on a working day. Under the Rani Jamara Kulariya Irrigation Project (RJKIP) Labor Management Procedures (LMP), no deductions can be made from a worker's wages unless authorized by national labor laws. This provision ensures that workers are protected from arbitrary or unfair wage deductions. Only lawful deductions—such as taxes, social security contributions, or those agreed upon in writing—are permitted. Contractors and subcontractors must strictly follow this rule, and any unauthorized deductions are subject to investigation and corrective action. The project also maintains a grievance mechanism to allow workers to report such issues confidentially and without fear of retaliation

- **Trade Union:** As per the Labor Act, an entity with 10 or more employees should have a collective bargaining committee. The Act also defines how the committee should be formed, such as by an authorized trade union or by all the trade unions in the absence of an authorized trade union or by

the signature of 60 percent of workers in the absence of any trade union. The committee members should be at least three but not exceeding 11. The committee is authorized to submit collective demands and negotiate and settle the demand, among other things.

- ✓ **Regular leaves and benefits:** According to the Labor Act 2017, every worker must enjoy paid sick leave, casual leave, festive holiday leave, and mourning leave. The laborers would get festival allowances as per the rules. The Act has also made compulsory maternity leave from 2 weeks before the delivery up to at least 6 weeks after the delivery.
- ✓ According to the provisions of the Labor Act, a worker can save home and sick leave for 90 days and 45 days, respectively. Similarly, this Act has provided that the labor involved in non-stop and continuous work gets one day of substitute leave if s/he works on weekly or public holidays.

Significant changes have also been made in the terminal benefits provided to employees, such that the benefits are provided to each laborer irrespective of length of service or nature of employment. The Previous Labor Act provided terminal benefits to permanent employees, and for certain benefits, such as gratuity, the employees should have completed a certain year of service. The New Labor Act has removed the eligibility criteria. There have also been changes in the benefits, such as the rate of gratuity and leave encashment, etc.

- ✓ **Maternity/Paternity leave:** Female workers will get paid maternity leave. An expectant mother would be entitled to 98 days of maternity leave. Fully paid up to 60 days after submission of the necessary documents. The new act also provides for 15 days of fully paid paternity leave. If the authorized medical doctor recommends that the woman labor who needs additional rest for the health of her or her baby, the employer may approve an additional one month's unpaid leave in addition to the maternity leave, or the leave may be adjusted for other leave.

Safe work environment-Health/ Safety/ Welfare: Where 20 or more employees are engaged, an employer shall constitute a Safety and Health Committee as per sec 74 of the New Labor Act. There were no such provisions in the previous act. Where 10 or more employees are engaged in the entity, an employer shall also constitute the Collective Bargaining Committee as per sec 116 of the New Labor Act. This act also ensures employee safety and health and resolves any kind of disputes and unfairness.

- ✓ **Social Security:** The Labor Act requires retirement funds such as (a) gratuity and (b) provident funds to be deposited into the Social Security Fund. There have been separate laws on social security. The parliament enacted the Social Security Act 2017 (2074), which also obtained the accord of assent of the President on August 16, 2017.
- ✓ **Provision to formulate safety and health policy:** Under the Labor Act or the rules enacted under this Act, employers are required to formulate and implement policies regarding the safety and health of workers and other persons in the workplace.
- ✓ **Notice periods:** Employees can voluntarily terminate employment by submitting a resignation letter. The employer must approve the resignation within 15 days and notify the employee. Even if the employer does not approve the resignation, the resignation becomes effective on the next day after the expiry of the 15-day time. However, if the employee continues to work in the entity even on the effectiveness of resignation in such a situation, the resignation is deemed canceled.

Termination is considered a “discharge” when an employee is fired for reasons of mental or physical incapacity, illness, or other reasons not related to misconduct by the employee. An employer must pay compensation when a termination is unrelated to discharge or dismissal and give justification when they do terminate on grounds of discharge or dismissal.

Section 132 of the Labor Act prohibits sexual harassment and violence in the workplace. If anyone is found to be involved in sexual misconduct, the service may be terminated based on the seriousness of the offense.

- ✓ **Non- Applicability of the Act:** As per sec 180 of the act, it does not apply to the following entities:
 - Civil Service
 - Nepal Army, Nepal Police, Armed Police force.
 - Entities incorporated under other prevailing laws or situated in the Special Economic Zones to the extent separate provisions are provided.
 - Working journalists, unless expressly provided in the contract

4 Brief Overview of Labor Legislation: Occupational Health and Safety

Special provisions related to OHS and working conditions have been stipulated in Section 12 and Section 7 of the Labor Act and Labor Rules, respectively. The legal obligations apply to LMP are listed below:

- Provision to demonstrate OHS policy at the workplace.
- Responsibility of employers towards workers such as information, facility, personal protective equipment, and training on all kinds of OHS-related training and responsibility of workers for work and use of safety gears.
- Provision regarding the protection of non-laborers such as visitors and others.
- Appointment of responsible person at the workplace for OHS implementation.
- Obligation of manufacturer, importer, and suppliers for assurance of OHS for their goods and services.
- Responsibility of laborers for work and use of safety gear.
- Formation of safety and health committee at worksite.
- Provision for immediate shutdown of work and machinery in case of severe OHS concern.
- Special provision for OHS for eye protection, protection against harmful chemicals, operation of pressurized machine/vessel, machine guarding, handling/lifting of load, fire protection, and provision against fatigue.
- Information to respective Labor Office against accidents, fatalities, and diseases that happened due to work.
- Provision for treatment and prevention of communicable diseases.
- Provision for easy and harmless work for special conditions of laborers such as pregnant.
- Specifies requirements for the workplace in terms of health and safety such as (a) proper cleanliness, (b) passage of fresh air, proper light, and temperature, (c) solid waste management, (d) noise control measures, (e) 15 cubic meter space to Workers to the extent possible as per the nature of work, (f) healthy drinking water, (g) bathroom or modern toilet, (h) tobacco-free zone, (g) mandatory medical check-up for the entities undertaking health hazardous activities, (i) provide appropriate time for the lunch to the Workers, (j) child care center for children under three years.
- Provision of onsite first aid and primary health care.
- Provision of accident investigation, inventory of work-related diseases and compensation

There are two aspects of Community Health and Safety (CHS). Physical safety of project communities that are exposed to the project activities during construction and operation, including risks of accidents and risks of violence due to the increase in crimes and cultural conflict between locals and the migrant population. The other pertains to the exposure and/or increased risks of diseases by the community due to the influx of people during construction and operation and due to the changes in the project area, including pollution and ecological change. The physical safety aspects are partly addressed by the OHS provisions of Labor Act. Other laws have specific provisions that address part of ESS4. OH&S management plans developed by contractors may be subject to review and due diligence by the World Bank.

4.1 Health and Safety Offences:

- The Labor Act 2017 provides more stringent sanctions for violating its provisions. Sanctions include fines, imprisonment, and both. The authority to impose sanctions also depends on the nature of the

violation. There are three institutions: the labor office, labor department, and labor court.

- If any entity is found to discriminate among the laborers, they will be fined up to NRs 100,000, and to maintain equality, may give. Similarly, engaging a worker without an appointment letter or employment agreement is fine up to NPR. 500,000 at a rate of NPR. 10,000 per worker; the order to conclude an employment agreement and provide an appointment letter shall also be given. Likewise, imprisonment can be up to two years or a fine up to NPR for engaging in bonded labor. 500,000 or both. The Labor Court can require the entity to provide such bonded labor with remuneration, allowance, and other facilities and indemnify the bonded labor with an amount double such remuneration, allowance, and other facilities.
- If the entity does not make health and safety arrangements knowingly and, as a result, the worker dies or suffers a physical or mental injury, Imprisonment is up to 2 years, except otherwise provided. Such a person suffering the injury should be compensated.

Table 3: Consonance of the Nepal Labor Act with key elements of the ESS2

Key Elements of ESS2	Provisions in the Labor Act 2017
Equal Opportunity and Non-discrimination	The law contains important provisions prohibiting discrimination based on sex and disability, including equal wages for equal work.
Timely payment	Wages must be paid before the expiry of the 7 th working day after the last day of the wage period.
Working hours and overtime	48 hours per week extendable up to 72 hours with 24 hrs Overtime
Minimum Wage	The minimum wage as fixed by GoN is NRs 13450
Worker rights.	Regular leaves and benefits. The employer must provide reasons for termination.
Prevents use of all forms of forced labor and child labor	Minimum age is not stipulated in the Labor Act
Protection of Workers	Fundamental provisions for workers (article 2) Schedule of work (article 7) Provisions for internal management of workers (article 17) Dispute settlement (article 18 and 19) Disciplinary and penalty (article 20)
OSHS	The law provides for comprehensive OHS (See Annex 1 for details) and empowers Department of Labor and Occupation Safety (DoLOS) to conduct inspections of establishments and to impose penalties for violations or non-compliance.

Children at Working Age	Minimum age is not stipulated in the Labor Act (Legally recognized documents such as a Citizenship Card or Birth certificate are used to prove workers on the project are 18 years or older)
Women	60 days of paid maternity leave for expectant mothers is Mandatory
Person with Disabilities (PWD)	Person with Disabilities Rights and Protection Act 2013 provides for rights to discrimination-free employment opportunities
Migrant Workers	No special provisions for migrant workers
Contract Workers	In the case if the contractor does not pay the wages of a worker employed by a contractor, the wages must be paid by the employer of the establishment.
Community Workers	The labor law does not recognize community workers as defined in the ESS2 and hence does not provide any special provisions or protections for them in the context of the Rani Jamara Kulariya Irrigation Project (RJKIP), making it necessary for the project to adopt additional measures through the Labor Management Procedures (LMP) to ensure fair treatment and safeguard their rights.

5 Responsible Staff

The PIO will have the overall responsibility of supervising the implementation of the LMP and ensuring contractor compliance. The PIO will address all LMP aspects during procurement and contractor induction. Contractors will be contractually obliged to manage labor-related risks in accordance with a contract-specific Labor Management Plan. The PIO will approve and supervise the implementation of these plans on a monthly basis or more frequently if necessary. Additionally, the Environmental and Social (E&S) supervision firm will conduct daily on-site monitoring. Contractors are expected to establish their own workplace Grievance Mechanisms, while the PIO's grievance mechanism will be available for escalated complaints. The staffing arrangement to implement and monitor the provisions of this LMP is outlined below.

Table 4: Key Staff and Responsibilities for Labour Management

Personnel	Specialization, Functions, or Area of Coverage
Project Implementation Office (PIO)	
Project Director	<ul style="list-style-type: none"> Provides overall leadership in implementing the E&S, CHS, OHS, and gender aspects of Components 1 and 2 of RJKIP-III
Environmental Specialist (One)	<ul style="list-style-type: none"> Supports the PIO in implementing the Components 1 and 2 of RJKIP-III Review the Environmental Impact Assessment (ESIA) report, identify potential environmental risks and mitigation measures, implement environmental mitigation measures as developed in the ESIA, and oversee the implementation of other relevant environmental mitigation measures as part of other environment documents and plans. Ensure adherence to national and international environmental regulations. Protect aquatic and terrestrial ecosystems. Coordinate with communities, government, and NGOs. Integrate climate adaptation measures into the project. Waste and Pollution Control: Manage agricultural runoff, pesticides, and construction waste.

Senior Sociologist (One)	<ul style="list-style-type: none"> · Supports the PIO in implementing Components 1 and 2 of RJKIP-III · Identify and engage affected communities, farmers, and vulnerable groups. · Review the Social Impact Assessment (SIA) ESIA, Resettlement Action Plan, and Livelihood Restoration Plan. · Implement and mitigate social impacts as per the mitigation measures identified in the E&S documents · Implement RAP and livelihood restoration activities · Ensure fair land acquisition and livelihood restoration. · Facilitate inclusive decision-making and local involvement. · Promote equity for women, Indigenous groups, and marginalized communities. · Address disputes over water access, land use, and project impacts. · Develop income-generation activities for affected households. · Safeguard traditional practices and local customs. · Educate communities on irrigation benefits and sustainable practices. · Assess social outcomes and recommend improvements. · Oversee implementation and compliance of LMP
Junior Sociologist (One)	<ul style="list-style-type: none"> · Supports the senior sociologist in implementing Components 1 and 2 of RJKIP-III · Ensure transparent stakeholder communication · Support grievance collection and resolution · Support senior sociologists in ensuring fair land acquisition, implementing the Resettlement Action Plan and livelihood restoration activities · Ensure all activities delegated by the senior sociologist is carried out as per the instructions of the senior sociologies · Conduct awareness campaigns · Mediate conflicts over land and water · Promote social inclusion (women, Indigenous groups) · Gather community feedback · Support capacity-building programs · Coordinate with local authorities · Monitor and report community concerns

Gender/GBV Expert (one)	<ul style="list-style-type: none"> · Implement SEA/SH (GBV) Grievance Redress Mechanism as has been prepared for the project · Implement and coordinate the SEA/SH Action Plan · Carry out sensitization/orientation sessions on the importance of addressing GBV/SEA/SH risks of the project · Guide integration of SEA/SH issues into project documents to be prepared by the contractor · Conduct an induction program for the orientation and signing of the Codes of Conduct to relevant project actors · Disseminate CoCs (in brochure and leaflet forms) and discuss with employees and surrounding communities.
Occupational Health and Safety Expert	<ul style="list-style-type: none"> · Provide technical backstop on OHS, labor management, and community health safety issues · Ensure all Management Plans as part of the CESMP are followed and complied with as and when they are implemented · Raising awareness and training on OHS management issues to all the project personnel · Ensure all construction sites/sites have first aid facilities available regularly · Conduct training for all Contractor personnel on basic sanitation and health issues, general health and safety issues, taking into account the specifics of the work · Ensure the provision of personal protective equipment for workers, such as protective boots, helmets, gloves, protective clothing, and goggles, in accordance with national legislation. · Ensure fencing the territory of the construction site and marking of hazardous areas;
Biodiversity Expert	<ul style="list-style-type: none"> · Implement Biodiversity Management Plan · Implement biodiversity conservation and sustainable land/resource management components and activities
Independent Dam Safety Consultant (For Component 2)	<ul style="list-style-type: none"> · Assess the proposed designs, studies, and dam safety reports during the project preparation and implementation phases. · Support compliance during construction.
Agriculture Component Implementation Unit (ACIU)	
AICU	<ul style="list-style-type: none"> · AICU is responsible for implementing Component 3 of the Project · The ACIU will have full time focal persons and resources to support management of environmental, social, health and safety (E&S) risks and impacts of the project including Environmental and Gender and Social Inclusion (GESI) issues. The PIO will coordinate E&S reporting from both implementing units.

Project Management and Supervision Consultant Team (PMSC)	
E&S Supervision Consultant Firm	<ul style="list-style-type: none"> Project Management and Supervision Consultant (PMSC) for RJKIP-III hired by DoWRI, will be required, at minimum, to have an Environmental Specialist, a Social Development Specialist and a Health and Safety Specialist on their team to supervise and monitor the implementation of the C-ESMP and other related plans.
Contractor	
Contractor	<ul style="list-style-type: none"> Contractors must engage at least one OHS expert. All managers at project sites will be responsible for ensuring compliance with OHS. The OHS expert will ensure day-to-day compliance with specified safety measures and records of any incidents.

6 Policies and Procedures

Decisions relating to the employment or treatment of project workers will not be made based on personal characteristics unrelated to inherent job requirements. The employment of project workers will be based on the principle of equal opportunity and fair treatment. There will be 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.

Most environmental and social impacts of subprojects result from activities directly under the control of contractors and will be mitigated directly by the same contractors. Therefore, ensuring that contractors effectively mitigate project activities and related impacts is the core of the project. PIO will include standardized environmental and social clauses, such as the requirement for a SEA/SH Action Plan and a worker Code of Conduct, in tender and contract documents. This will inform potential bidders of the expected environmental and social performance requirements, allowing them to incorporate these into their bids and implement the clauses throughout the contract duration. The PIO will enforce contractor compliance with these clauses.

As a core contractual requirement, the contractor, sub-contractors, and third-party labor suppliers are required to ensure all environmental and social management documentation, including the LMP, is available for inspection at any time by the PIO or its appointed representatives. The contractual arrangements with each project worker must be clearly defined in accordance with national law. A complete set of contractual requirements related to environmental and social risk and impact management will be provided in the RJKIP-III ESMPs. All environmental and social requirements will be included in the bidding documents and contracts, as well as any additional clauses contained in the project's environmental and social instruments.

Under no circumstances will PIO, contractors, primary suppliers, or sub-contractors engage in forced or

child labor. Forced labor includes bonded labor (working against an impossible debt), excessive limitations of freedom of movement, excessive notice periods, retaining the worker's identity or other government-issued documents or personal belonging, imposition of recruitment or employment fees payable at the commencement of employment, loss or delay of wages that impede the workers' right to end employment within their legal rights, substantial or inappropriate fines, physical punishment, use of security or other personnel to force or extract work from project workers, or other restrictions that compel a project worker to work in a non-voluntary basis.

Contractors must engage at least one occupational health and safety expert. All managers at project sites will be responsible for ensuring compliance with OHS. In contrast, the OHS officer will ensure daily compliance with specified safety measures and record incidents. Minor incidents are reported to the PIO monthly, and serious incidents are reported immediately. The PIO will notify the Bank no later than 48 hours after learning of the incident or accident. The OHS officer will provide regular training to the contractor staff.

Contractors will keep records of the labor force profile and wages in accordance with specifications set out in this LMP. The PIO may require records at any time to ensure that labor conditions are met. The PIO will review records against actuals at least monthly and can require immediate remedial actions if warranted. Quarterly reports to the World Bank will include a summary of issues and remedial actions.

The contractor shall maintain adequate works and labor camp facilities specifying the type of housing as well as location and distance to communities; number of workers in camps by gender; availability of amenities and hygiene – drinking water, separate toilets and bathrooms, canteen, cooking facilities, leisure facilities, etc); transportation arrangement for workers, display of important health and safety signages, code of conduct, emergency phone numbers, grievance mechanism along with SEA/SH grievance mechanism.

Information on national laws on OHS, reporting, and monitoring is provided above. Aside from the official monitoring and reporting requirements set out in these laws, the E&S supervision firm to be engaged by the PIO will have the responsibility to monitor and report on the contractors' provisions and performance relating to occupational health and safety (as well as provisions made by the contractor to ensure community health and safety). As part of regular project progress reports, the PIO will also report on contractors' implementation of their C-LMP, including performance relating to contract provisions to ensure equal hiring opportunities (including women and those with disabilities).

6.1 Occupational Health and Safety

The RJKIP-III is committed to:

- a) Comply with legislation related to the occupational health and safety requirements stipulated in the Labor Act 2017, Labor Rules -2018, OHS policy- 2019, ESS 2, ESS4, Child Labor (Prohibition and Regulation) Act 2001.
- b) Enabling active participation in OHS risk elimination by promoting appropriate skills, knowledge, and attitudes towards hazards.
- c) Continually improving the OHS management system and performance.

- d) Communicate this policy statement to all persons working under the PIO's control, emphasizing individual OHS responsibilities.
- e) Availing this policy statement to all interested parties at all RJKIP-III component sites.

The PIO will have a designated environmental specialist, senior sociologist/junior sociologist/Occupational and Community Health and Safety Specialist, biodiversity expert, and Independent Dam Safety Consultant. The specialist must have a master's in social science, environmental science, or equivalent and at least five years of practical working experience.

Further, to avoid work-related accidents and injuries, the contractor will:

- a) Provide occupational health and safety training to all workers involved in work.
- b) Provide protective masks, helmets, overall and safety shoes, and safety goggles, as appropriate.
- c) Provide workers in high-noise areas with earplugs or earmuffs; higher levels of protection will be provided for more hazardous work, including the use of PPE
- d) Demarcation of the workplace and notice of the hazardous areas where applicable.
- e) Accident reporting, notification, and investigation practices at each workplace required,
- f) Safety signs and symbols displayed at the workplace.
- g) Ensure the availability of a first aid box; also, identify and establish service agreements with specialized hospitals for complicated accidental and health problems; specific details will be included in the emergency management plan.
- h) Provide workers access to male and female toilets and potable drinking water.
- i) Provide safety and occupational safety measures to workers with Personal Protection Equipment (PPE) when installing pumps to prevent accidents during replacement and installation. Follow safety measures when installing submersible pumps and cleaning the raiser pipes.
- j) Workplace hazard communication practices and hearing conservation program required.
- k) Properly dispose of solid waste at designated permitted sites, including landfills allocated by the local authorities and cleaning funds, and attach the receipt of waste from the relevant landfill authority.
- l) Carry out all procedures to prevent generator oil leakage into the site.
- m) Ensure that the head of the well is covered tightly.
- n) Provide a secondary tank for oil and grease to avoid spills.

Further to enforcing environmental management compliance, contractors are responsible and liable for the safety of site equipment, labor, and daily workers attending to the construction site and the safety of citizens for each subproject site as mandatory measures.

6.2 Labor Influx and Sexual Exploitation and Abuse/Sexual Harassment

The contractor will develop a SEA/SH Risk Mitigation Action Plan, outlining rules and responsibilities for covering SEA/SH-related costs within the contract and procurement documents to mitigate risks. This plan will also include SEA/SH requirements and expectations to be incorporated into bid documents. Contractors should refer to the SEA/SH Risk Mitigation Action Plan developed for RJKIP-III when creating their own plans.

All SEA/SH grievances will be reported to the gender focal person at the PIO. All SEA/SH grievances will be dealt with per the project SEA/SH grievance mechanism provisions. The workplace and labor camps will enforce zero tolerance for SEA/SH and adhere to Codes of Conduct (CoCs). The CoC should be written in plain language and signed by each worker to indicate that they have:

- ✓ Received a copy of the CoC as part of their contract.
- ✓ Had the CoC explained to them during the induction process.
- ✓ Acknowledged that adherence to the CoC is a mandatory employment condition.
- ✓ understood that violations of the CoC can result in serious consequences, up to and including dismissal or referral to legal authorities.

In addition to CoC, contractors will ensure the following:

- i. Mandatory training and awareness-raising for the workforce to prevent unacceptable conduct toward local community members, specifically women. Training will be repeated as needed throughout the construction duration.
- ii. Informing workers about national laws that classify sexual harassment and gender-based as punishable offenses subject to prosecution;
- iii. Implementing an accountability framework to investigate project workers identified as perpetrators and collaborating with law enforcement agencies as necessary.

7 Age of Employment

The mandatory minimum age provision by law for hiring labor is 18, with limitations in terms of types and hours of work for individuals aged 15 through 17 years. As per Nepal's Labor Act, children aged 15–17 are permitted to work only in non-hazardous, light duties that do not affect their health, safety, education, or development, and are restricted from engaging in hazardous or exploitative work. No children under this age are allowed to work. Although this is not anticipated to be an issue for direct project workers, the DoWRI/PIO has established procedures to verify the ages of job applicants using national identification documents such as birth certificates or citizenship records. Contractors and subcontractors will include in their C-LMPs (to be approved by PIO and acceptable to the WB) the specific procedures they will use to verify the ages of job applicants, including daily and hourly workers. All evidence, such as birth certificates or citizenship records, monitoring and inspection reports, and other documents, must be provided to demonstrate compliance with legal age requirements.

7.1 Terms and Conditions

As stated in Section 3 of this LMP, the terms and conditions of employment are governed by the Labor Act. The Act makes it mandatory for employers to give their workers a copy of the written particulars of employment, signed by both parties. For RJKIP, contractors will be required to provide all their workers with written particulars of employment.

Contractors must also comply with the most current wage regulations issued by the government, which will be reviewed regularly. These regulations specify minimum wages, a 12-hour workday, overtime pay, leave entitlements, travel and subsistence allowances, and the provision of protective clothing. The Act requires contractors to certify in writing that the wages, hours, and conditions of work for persons employed on the contract are not less favorable than those specified in the most current wage regulation before being awarded a public contract. Failure to comply with this requirement may result in the termination of the contract.

To ensure full compliance with the law in this regard, contractors will be required to furnish PIO with copies of the Written Particulars of Employment or copies of the contract of all their workforce. Contractors will not be allowed to deploy any worker to work on the project if such a copy of employment has not been handed to the PIO.

As a monitoring mechanism, the contractor shall not be entitled to any payment unless he has filed, together with his claim for payment, a certificate: - a) stating whether any wages due to workers are in arrears; b) stating that all employment conditions of the contract are being complied with. This program will be a material term of the contract to allow PIO to withhold payment from the contractor should the contractor not fulfil their payment obligation to their workers.

7.2 Workers Organization

The country has ratified the numerous International Labor Organization (ILO) Conventions to protect the notion of collective bargaining¹. The Labor Act was enacted to give effect to collective bargaining other purposes. The Act permits the collective negotiation of employment terms and conditions. The PIO and contractors will not prevent workers from joining or forming organizations for labor representation to negotiate favorable terms and conditions. The procedures for such negotiations are typically outlined in agreements, detailing how issues are raised, the negotiation process, the parties involved, and how unresolved issues are handled. If a dispute is not resolved at the workplace, the parties can use the dispute resolution mechanisms provided in the labor legislation.

¹ a. Minimum age convention, 1977(no.138), Ratified on May 30, 1997

b. Worst forms of child Labour Convention, 1999(182), Ratified on January 3, 2002

c. Forced Labour Convention, 1930 (No. 29), Ratified on January 3, 2002

d. Abolition of Forced Labour Convention, 1957 (No. 105), Ratified on August 16, 2007

e. Right to Organise and Collective Bargaining Convention, 1949 (No. 98), Ratified on January 11, 1996

8 Grievance Mechanism

Contractors will establish a formal workers' GRM with a designated officer to handle workplace concerns and grievances. The GRM will include a dedicated and trained staff to whom workers can lodge complaints; multiple avenues for grievance uptake; specified timeframe for grievance resolutions; a recording system detailing date, grievance details, submission date, actions taken and their dates, and follow-up. GRM will also ensure options for anonymity and confidentiality as appropriate. Where worker concerns are not resolved, the project GRM is established at the PIO as the next layer. Provide an appeal process if the complainant is not satisfied with the proposed resolution of the complaint. Any SEA/SH grievances should be reported to the gender-focal person at the PIO. The PIO will monitor resolutions and include them in quarterly reports to the World Bank.

As a tender requirement, all contractors engaged in the project must produce their grievance procedures, which must comply with these minimum requirements. Additionally, good international practice recommends that the procedures be transparent and confidential, adhere to non-retribution practices, and include the right to representation. After the engagement, contractors must provide proof that each worker has been inducted and has signed off on the grievance procedure.

9 Contract Management

The PIO will be responsible for monitoring contractors' and subcontractors' compliance with the approved C-LMPs, including provisions on wages, working hours, non-discrimination, and other labor-related aspects. Routine monitoring of these aspects is expected to be included in the Terms of Reference for the E&S supervision firm engaged by DoWRI.

The PIO requires contractors, sub-contractors, and third-party labor suppliers (Naike) to monitor, maintain records, and report on labor-management terms and conditions. Contractors must provide workers with evidence of all payments made, including social security benefits, pension contributions, and other entitlements, regardless of the nature of their employment (fixed-term, full-time, part-time, or temporary).

If contractors use Naike for labor provision, they must ensure that Naike complies with the labor requirements outlined in the contractor's C-ESMP. This includes maintaining a list of all workers and ensuring that all workers are above 18 years of age.

The application of these requirements will be proportionate to the activities and the size of the contract in a manner acceptable to the PIO and the World Bank. Contractors will maintain the following records:

- a. **Labor conditions:** records of workers engaged under the Project, including contracts; registry of workers' induction, including CoC; hours worked, remuneration and deductions (including overtime); collective bargaining agreements.
- b. **Safety:** recordable incidents and corresponding Root Cause Analysis (lost time incidents, medical treatment cases), first aid cases, high potential near misses, and remedial and preventive activities required (for example, revised job safety analysis, new or different equipment, skills training, and so forth).

- c. **Workers:** number of workers, indication of origin (expatriate, local, nonlocal nationals), gender, age with evidence that no child labor forced labor and no trafficked labor is involved, and skill level (unskilled, skilled, supervisory, professional, management).
- d. **Training/ induction:** dates, number of trainees, and topics.
- e. **Details of any security risks:** details of risks the contractor may be exposed to while performing its work—the threats may come from third parties external to the project.
- f. **Worker grievances:** details including occurrence date, grievance, and date submitted; actions taken and dates; resolution (if any) and date; and follow-up yet to be taken—grievances listed should include those received since the preceding report and those that were unresolved at the time of that report.

The following procedures will be in place for the PIO contractor management but have been adjusted to adhere to LMP provisions:

1. Ensure that Contractors have valid contracts with clearly defined service level agreements in accordance with the national law and all environmental and social clauses, as applicable: PIO, and reviewed by PIO Contractor induction to PIO standards and LMP: PIO, attended by PIO team
2. Monthly submission of records: Contractor submission to PIO,
3. Monthly site visits (at a minimum) and reports: PIO and other Officers
4. Evaluation of contractor requirements. This includes training, OH&S files, certifications, and other things. The evaluation results in Portfolio Reports, which include recommendations for contract extension or termination
5. Training needs identification recorded in the Contractor Training Schedule
6. Annual Contractor Management Plans submitted
7. Ensure that Contractors have valid contracts with clearly defined service level agreements in accordance with the national law and all environmental and social clauses, as applicable: Project Management Office, and reviewed by PIO Contractor induction to PIO standards and LMP: PIO, attended by PIO team
8. Monthly submission of records: Contractor submission to PIO,
9. Monthly site visits (at a minimum) and reports: PIO and other Officers
10. Evaluation of contractor requirements. This includes training, OH&S files, certifications
11. and other. The evaluation results in Portfolio Reports, which include recommendations for contract extension or termination
12. Training needs identification recorded in the Contractor Training Schedule

13. Annual Contractor Management Plans submitted

10 Community Workers

As noted above, there are not expected to be any community workers in this project

11 Primary Supply Workers

Where primary suppliers are employed, the contractors will be required to obtain materials only from enterprises that have valid operating licenses through conditions provided in contract documents. The PIO, supervision consultants, and the labor or municipality office will conduct periodic inspections to ensure licensed enterprises comply with national laws and regulations regarding Occupational Health and Safety (OHS), employment age, and prohibitions against forced and child labor. During project implementation, if serious safety issues are identified, the PIO will be responsible for investigating any credible allegations of violations of these laws and regulations, either directly or by notifying the relevant labor authority. The relevant primary suppliers will be required to implement procedures and mitigation measures to address the safety issues. Serious breaches may result in contract termination.

Annexes 1: Written particulars of employment

1. Name of Employer
2. Name of Worker
3. Date Employment began
4. Wage and Method of Calculation
5. Interval at which wages are paid
6. Normal Hours of work
7. Short description of worker's work
8. Probation Period
9. Annual Holiday Entitlement
10. Paid Public Holiday
11. Payment during sickness
12. Maternity Leave (if worker female)
13. Nursing Break Entitlement (for female worker)
14. Notice worker entitled to receive
15. Notice employer required to give
16. Pension Schedule, Provident Fund Gratuity Schedule etc.
17. Any other matter either party wishes to include

Notes:

(a) A worker is free to join a trade union or staff association, which is recognized by the undertaking. The address of the Trade Union or Staff Association is:.....

(b) The grievance procedure and disciplinary procedure in this undertaking requires to be followed when a grievance arises or disciplinary action that needs to be taken.....

(c) When any heading is inapplicable enter NIL.

.....

.....

Annexes 2: Suggested Due Diligence for Social and Environmental Mitigation Measures in Contracts

<i>Stage of Contractual Process</i>	<i>Suggested Due Diligence</i>
Before bidding	<p>Ensure that the terms of reference clearly define the supervision engineer’s responsibilities regarding oversight of, and reporting on, labor influx and workers’ camps. For high risk projects, have independent safeguards supervision.</p> <p>Ensure the team skills in the terms of reference clearly include key staff qualified and experienced in managing similar projects, and demonstrated capacity to manage social and environmental issues, including issues pertaining to community health and safety.</p> <p>Ensure that the project GRM is established and its use is widely publicized.</p>
Preparation of bidding documents	<p>Review contract conditions included in bidding documents to:</p> <p>Ensure that the relevant mitigation measures in the ESMP are reflected and budgeted in the contract,</p> <p>Ensure the ESMP forms part of, and is explicitly referred to in the bidding documents.</p> <p>Identify relevant provisions (workers, camps, child and forced labor, safety, grievance redress, etc.) regulating the contractor’s responsibility and identify any gaps, inconsistencies or areas of concern that could be addressed through additional provisions in the “particular conditions of contract” and/or technical specifications</p> <p>Include a requirement that all workers sign ‘Codes of Conduct’ governing behaviour, and identifying sanctions</p> <p>Clearly identify that training programs on implementing the Codes of Conduct, etc. will be undertaken by external providers</p> <p>Ensure the contract conditions clearly specify what type of penalty the contractor will face if the provisions of the ESMP and CESMP are not adhered to—including by sub-contractors. This may include direct incentives to contractors in the form of penalties for poor performance on social and environmental matters or specific Performance Securities for ESMP and CESMP compliance.</p> <p>Ensure bidding documents make clear the responsibilities of the contractor to prepare and adhere to a CESMP based on the ESMP and that no civil works will commence until the CESMP has been approved by the supervision engineer.</p> <p>Ensure the bidding documents detail how the contractor and supervision engineer will be required to monitor and report on the impacts on the local community, issues related to labor influx and workers’ camps.</p> <p>Propose Key Performance Indicators (KPIs) for Contract Management, reflecting issues and risks specific to the contract and the monitoring plan.</p>
Bidding evaluation	<p>Review the Borrower’s bid evaluation report and request to review the bids where appropriate, to verify for the recommended bidder that documents related to the ESMP, safeguard implementation capacity, and other obligations of the contractor required to be submitted with the bid are sufficiently detailed and cover the contractual requirements.</p> <p>Require the contractor’s representative or dedicated community liaison staff to have the ability to communicate in the language of the Borrower and/or the local language.</p> <p>Verify that the contract management framework identifies clearly lines of communication and that these are formalized and a consistent record is provided.</p> <p>Ensure that the contractor meets the project’s OHS requirements for capability and experience.</p>

<i>Stage of Contractual Process</i>	<i>Suggested Due Diligence</i>
After contract signing	<p>Prior to commencing works, the contractor submits site-specific CESMP(s) based on the ESMP, which includes specific management plans for: (i) work activities; (ii) traffic management; (iii) occupational health and safety; (iv) environmental management; (v) social management; and (vi) labor influx.</p> <p>Supervision engineer reviews and approves the CESMP—with inputs from appropriate Government agencies—before any works start. For highrisk projects, the Bank should also review and clear the CESMP. Borrower should disclose the approved CESMP.</p>

Annexes 3: Code of Conduct

Preamble

The DWRI-RJKIP Code of Conduct defines labor standards that aim to achieve decent and humane working conditions. The Code's standards are based on national law and accepted good labor practices.

Companies affiliated with the PIO are expected to comply with all relevant and applicable laws and regulations of the country in which workers are employed and to implement the Workplace Code in their applicable facilities. When differences or conflicts in standards arise, affiliated companies are expected to apply the highest standard.

The PIO monitors compliance with the Workplace Code by carefully examining adherence to the Compliance Benchmarks and the Principles of Monitoring. The Compliance Benchmarks identify specific requirements for meeting each Code standard, while the Principles of Monitoring guide the assessment of compliance. The PIO expects affiliated companies to make improvements when Code standards are not met and to develop sustainable mechanisms to ensure ongoing compliance.

The PIO provides a model of collaboration, accountability, and transparency and serves as a catalyst for positive change in workplace conditions. As an organization that promotes continuous improvement, the PIO strives to be a global leader in establishing best practices for respectful and ethical treatment of workers, and in promoting sustainable conditions through which workers earn fair wages in safe and healthy workplaces.

Employment Relationship

Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations.

Non-discrimination

No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.

Harassment or Abuse

Every worker shall be treated with respect and dignity. No worker shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

Forced Labor

There shall be no use of forced labor, including bonded labor or other forms of forced labor.

Child Labor

No person shall be employed under the age of 18

Freedom of Association and Collective Bargaining

Employers shall recognize and respect the right of workers to freedom of association and collective bargaining.

Health, Safety and Environment

Employers shall provide a safe and healthy workplace setting to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employers' facilities. Employers shall adopt responsible measures to mitigate the negative impacts that the workplace has on the environment.

Hours of Work

Employers shall not require workers to work more than the regular and overtime hours allowed by the law of the country. The regular workweek shall not exceed 48 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 72 hours.

Compensation

Every worker has a right to compensation for a regular workweek that is sufficient to meet the worker's basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any fringe benefits required by law or contract. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with the PIO to take appropriate actions that seek to progressively realize a level of compensation that does.

Annexes 4: Staff Profile (Identity Card)

Name	
ID	
DoB/Age	
Gender	
Contact Address	
Education	
Employment Type	
Contract validity	
Job description and Terms and condition	
Wages and benefits (leave, insurance, social security, allowances and others)	
Emergency contact detail	

Annexes 5: Occupational Health and Safety Training Description Format

Training Description	Short description of training [for those working in hazardous areas, specialized training will be required on those specific hazards]
Title	OHS training for safety representative/engineers/site workers
Venue	XXX
Date	XXX
Objective	Impart knowledge on OHS Capacity building on workplace assessment and improvement plan Knowledge and understanding on accident recording and database management
Participants Number and type	XXX Number, Awareness /ToT/onsite orientation
Methodology and methods	Lecture, group work, focal group discussion, case study presentation
Content	Introduction to OHS Workplace accident and cause investigation Workplace housekeeping and material handling Workplace safety and health committee Chemical safety at work Hazardous work and permit to work procedure Emergency preparedness and First aid Legal provision on OHS and onsite OHS policy Labor management procedure and labor influx Workplace assessment (hazard identification and Risk assessment) including job safety analysis Personal protective equipment Welfare facility at workplace (including labor camp operation and management)
Trainer	OHS expert, Engineer, Labor Expert,
Training schedule	For onsite awareness: 4 hour/batch For 2 days training: 6 hour/batch For 5 days ToT: 6 hour/batch
Training resources	Trainer, Financial, Physical facility including hall,
Training logistics	Computer, Multimedia, stationary, food, refreshment, handout

Training evaluation	Questionnaire and email
Estimated budget	For onsite awareness: 25000.00/batch For 2 days training: 100000.00/batch For 5 days ToT: 300000.00/batch
Follow up	6 months after completion

Annexes 6: Occupational Health and Safety Management Framework-Template

S.N.	Activities	Risk Level	Impact	Mitigation measures	Time duration	Action taken	Follow up	Responsible person	Remark
<i>Example</i>									
1	Concrete work	Medium to high	Human Environment	-Automation of the process -Isolation/ enclosure of work process -Use of dust filter mask, ear muff	Immediate to 3 months	March 25	June 24	OHS officer (construction site) and OHS specialist (PIO)	

Annexes 7: Use of Personal Protective Equipment (PPE)

S.N.	Work types	PPE types	Impact due to not use of PPE	Mitigation measures	Time duration	Non compliance	Follow up	Action taken	Responsibility

Annexes 8: Gender Based Violence Action plan

S.N.	Activities	Risk Level	Mitigation measures	Time	Action taken	Follow up	Responsible person	Remark

Annexes 9: Implementation Framework:

The summary of the concern and the implementation plan for the major concern has been tabulated below:

S.N.	Activities/issues	Mitigation measures	Responsible
1.	Identification and selection of project parties.	Legally registered national firm with adequate resources	DWRI/PIO,
2.	Labor conditions	Profile of workers engaged includes contracts, hours worked, remuneration and deductions (including overtime), collective bargaining agreements	DWRI/PIO/Contractors
3.	Hazardous work and process	Safe work practices Job safety analysis Permit to work	DWRI/PIO/Contractors
4.	Accidents or emergencies	Safety measures in place Investigation, notification, review and settlement of all issues Emergency preparedness and Management Plan First aid facilities in place Identify and service agreement with specialized hospitals for complicated accidental and health problems	DWRI/PIO/Contractors
5.	Occupational health and safety requirements	Institutional arrangement through social specialist/OHS officer and committees Operational and management guideline on labor and working condition (based on the Government of Nepal Occupational Safety and Health Centre COC for complying OHS provisions Capacity building programme Performance monitoring standard scoreboard checklist	DWRI/PIO/Supervision Consultant/Contractors
6.	Work related diseases	Good hygiene practices Enhance local health care facilities	DWRI/PIO/Contractors
7.	Safeguards to compliance requirements	Operation and management plan for personal protective equipment. Maintaining safe and healthy working environment and culture	DWRI/PIO/Contractors

		Compliance of SEA/SH CoC for labor	
8.	Migrants or seasonal workers	Worker accommodation (labor camp management) Skill development of local people	DWRI/PIO/Contractors/Local Government
9.	Worker accommodation	Worker Camp Operations Guidelines Adequate space and with basic facility of leaving, washing, sanitary and other waste disposal as per the labor law	DWRI/PIO/Contractors
10.	Child labor or forced labor	COC Orientation to local community	DWRI/PIO/Contractors
11.	Non-payment of wages, benefits and the liability (e.g., compensation, maternity benefits, leave, insurance)	Contract agreement with the PIO Vigilance from law enforcement authority and compliance with the labor laws	DWRI/PIO/Contractors/Local Government
12.	Discrimination at employment including GBV	Establishment of institutional framework and operational guideline COC Vigilance from law enforcement authority & compliance with labor laws Community sensitization particularly in terms of GBV Socio-economic development of women, Orientation to labor force, supervision consultant, contractors and PS	DWRI/PIO/Contractors/Local Government
13.	Violence and grievances	Standard grievance and GBV handling mechanism and plan. Discourage and prevent all types of harassment, SEA, discrimination & GBV. Profile of worker grievances All SEA/SH cases to be referred and addressed through the parallel SEA/SH GRM	DWRI/PIO/Contractors/Local Government
14.	Labor influx	COC to guide the workers, contractors and primary suppliers Operation and Management plan Community sensitization, Socio-economic development of women, Orientation of Supervision Consultant, and Contractors	DWRI/PIO/Contractors/Local Government

15.	Human trafficking	Establish Worker Camp Operations Guidelines Worker COC to avoid issues of GBV Action Plan Vigilance from law enforcement authority and compliance with the labor laws. Display of hoarding boards about anti trafficking Community orientation focusing young women and girls.	DWRI/PIO/Contractors
16.	Information disclosure and Disciplinary action	Legal protocol for information disclosure and confidentiality Provision for spokesperson or information officer	DWRI/PIO/Contractors
17.	Security risks at work	Management plan for handling threats from third parties external to the project	DWRI/PIO/Contractors