

ANNEX 10 Labor Management Procedures

REPUBLIC OF NORTH MACEDONIA

**BUILDING EFFECTIVE, TRANSPARENT AND ACCOUNTABLE PUBLIC
FINANCIAL MANAGEMENT INSTITUTIONS IN NORTH MACEDONIA**

LABOR MANAGEMENT PROCEDURES (LMP)

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Abbreviation	Full word
EHS	Environment, health and safety
DRC	Disaster Recovery Center
ESS	Environmental and Social Standards
GIIP	Good International and Industry Practices
GRM	Grievance Redress Mechanism
IFMIS	Integrated Financial Management Information System
LMP	Labor Management Procedures
MDC	Main Data Center
MoF	Ministry Of Finance
DPM	Deputy President of the Government in charge of economic affairs, coordination of economic sectors and investments
OBL	Organic Budget Law
OGRM	Official Gazette of the Republic of Macedonia
OGRNM	Official Gazette of the Republic of North Macedonia
OHS	Occupational Health and Safety
PFM	Public Finance Management
PIM	Public Investment Management
PIU	Project Implementation Unit
PPE	Personal Protective Equipment
PRO	Public Revenue Office
SAMIS	State Aid Management Information System
SEA/SH	Sexual Exploitation and Abuse / Sexual Harassment
SPD	Standard Procurement Documents
WB	World Bank
WBG	World Bank Group

1. OVERVIEW OF LABOR USE ON THE PROJECT

1.1. Number of Project Workers

The activities on this project will include direct workers and contracted workers. Community workers and primary supply workers are not relevant for this project.

This project foresees combined method of engagement of workers. It will include existing employees (civil servants) from MoF, PRO and DPM, but also new employees performing tasks for beneficiaries (MoF, DPM and PRO) within different sub-components of the project.

*Direct Workers*¹ will include:

- Members of the working bodies (MoF, PRO, DPM)²
- Call Centre employees, within PRO (10-15 workers), who will mostly be new workers
- Individual Consultants and Advisory/training professionals and software experts (5-10 workers). The potential institutional capacity strengthening may will require hiring of a few consultants and advisors.

*Contracted Workers*³, will include employees of:

- Software development companies (5-20 workers)
- Business Management and Strategy Development consultancy companies (3-10 workers)
- Media, Audience and Communication consultancy companies (5-10-workers)
- Energy efficiency and Environmental consultancy companies (3-5 workers)
- Other Training and Advising companies (5-10 workers)
- Hardware supply and installation companies (5-10 workers)

At the moment, it is not precisely known how many direct, contracted or civil servant workers will be engaged on this project. Relevant information regarding the exact number of engaged workers to be engaged on this project is expected to be defined as soon as Project activities are defined and details are set into Project Operation Manual.

Migrant workers are not expected to be engaged on this project, but these cannot be excluded if demand for such activity occurs during the detail planning of the project sub-components' activities and tasks.

¹ As per World Bank provisions, are workers directly engaged or civil servants deployed to work on Project implementation.

² The project will be implemented by the selected MoF, and PRO and Government/Cabinet of DPM staff. Also, selected employees from MoI and MoE, as well as from the Government itself, will participate in successful realization of this project.

³ As per World Bank provisions, are workers employed or engaged by third parties (contractors, consulting companies etc) to perform tasks on Project implementation,

1.2. Characteristics of Project Workers

All engaged workers are expected to be sourced nationally and will have adequate educational level. For most engaged workers on this project, due to the demand for systematic approach and structural organization and implementation of the planned activities within the Project sub-components, a university degree will be the minimum requirement for engagement on this project. Relevant and successful professional experience for all engaged workers will also be major demand.

Female workers are expected to outnumber male workers, due to the specifics of existing working environment in the ministries (employing significant number of female workforce), and the project activities, such as communication, software development, management and organizational activities. There is no need of construction and civil works where vast majority of workers are, usually, male.

This project will create the following project operational bodies:

- **Project Implementation Unit (PIU)** will be established within the MoF and will be staffed by four (4) or five (5) personnel: (i) Project Manager (ii) a financial management specialist; (iii) a procurement specialist; (iv) a monitoring and evaluation specialist; (v) a social and environmental specialist on a needs basis.
- **IFMIS Working Body** in accordance with article 107 of OBL
- **PRO Working Body** will include existing employees of PRO
- **DPM Working Body** will include existing employees in the Government/Cabinet of the DPM in charge of economic affairs, coordination of economic sectors and investments
- **Project's Steering Committee**, to be headed by the Minister of Finance with the participation of representatives from the MoF, PRO, Cabinet of the DPM, line ministries and Component Managers of IFMIS, PRO and DPM working bodies.

Civil servants assigned to work on project related activities, regardless of whether they work full time or part time, will continue to work under the terms and conditions of their existing contracts or appointments in the public sector.

The labor legislation of N. Macedonia applies to all groups of Project workers. This includes the provisions regarding workers' age, forced labor and occupational health and safety, which are compliant to the provisions of ESS2.⁴

⁴ The provisions of ESS2.⁴ are also determined with national legislation and they are relevant to civil servants.

Most of the Contracted workers are expected to be experts in their fields, supported by experienced professionals. The experience of all engaged contracted workers should be on a level of the complexity of the given tasks/assignment.

1.3. Timing of Labor Requirements

Direct workers and Civil Servants are needed full-time and around the year, for the whole project duration. Other experts/consultants, directly employed on the project, will be engaged upon demand for performance of certain project activity foreseen by sub-components.

Various timeline of activities for Contracted workers (experts/consultants), that relies on separate project sub-component's activities, will be defined on demand basis, throughout the project period. Timing for involvement of Contracted workers will be known at later stage, when detailed activities on various sub-components are defined.

1.4. Contracted Workers

Contracted workers are workers who are employed in the contracting companies (see bullets in the following paragraph) for the needs of the project or have current employment within the companies who will be engaged on this project to provide software, hardware, consulting or intellectual services, including knowledge share and trainings.

Contracted workers are expected to be employed in the following type of companies, that is expected to bid for realization of tasks on various sub-components of this project:

- Software development companies
- Business Management and Strategy Development consultancy companies
- Media, Audience and Communication consultancy companies
- Energy efficiency and Environmental consultancy companies
- Other Training and Advising companies
- Hardware supply and installation companies

2. ASSESSMENT OF KEY POTENTIAL LABOR RISKS

2.1. Project Activities

Main project activities include intervention/adjustment in the legal framework and processes related to the OBL and to strengthen the legal framework for Public Investment Management (PIM).

Other project activities include:

- Development of Integrated Financial Management Information System Software
- Installation of IFMIS hardware in the existing MoF Main Data Center (MDC) and the shared Disaster Recovery Center (DRC) operated by the Ministry of Interior
- Implementation of digital citizen engagement (CivicTech) solutions to improve budget transparency and accountability
- Establishment of secure backup network connections between the MDC and DRC
- Development of a new State Aid Management Information System (SAMIS) Software
- Communication with Taxpayers
- Development of feedback mechanisms and smart apps to support citizen engagement related to revenue administration
- Implementation of a compliance risk management framework including enhanced enforcement mechanisms, tax audit, and risk analysis
- Support to the strengthening of the Large Taxpayer Office through capacity building and advisory work
- Software development
- Development of business intelligence (BI) tools (software solutions) for compliance risk management, and decision-making support;
- Support for the establishment of PRO combined call center/help desk
- Development of change management and stakeholder engagement strategies for OBL and PRO activities,
- Implementation of stakeholder engagement and communication strategies
- Staffing and operation of a Project Implementation Unit

2.2. Key Labor Risks

Activities related to this project are training, research, installment of hardware and software, communication with taxpayers, technical assistance and consulting activities for improving the tax legislation. Key overall risks include the applicability of labor laws, issues related to non-

discrimination and equal opportunity, accessibility of the grievance mechanism system by all workers, and occupational health and safety aspects specific to office works. Additionally, those who will be installing hardware are faced with low level of Electrical works and accordingly low risk of Electrocutions and arc fault burns and risk of traffic accidents due to the transport of equipment. Overall, there is a moderate risk of Personal data leaks (used in software for communication and registration of taxpayers) of the workers engaged on this project and, accordingly, Taxpayers.

The Project is assessed as low risk on gender-based violence (SEA/SH) risk. Mitigation measures to address SEA/SH risks are included in the section on Policies and Procedures.

However, if other labor risks arise during the project implementation, the Borrower will develop procedures to prevent further impacts.

3. BRIEF OVERVIEW OF LABOR LEGISLATION: TERMS AND CONDITIONS

The main legislation that covers labor and working conditions issues are following:

Labor Law⁵, manages relationship between parties involved in the process of employment. It protects and applies to any natural person that has concluded an employment contract with an employer. The principle of equal treatment implies a ban on direct and/or indirect discrimination. Any kind of forced or child labor are strictly forbidden. The Law regulates all forms of employment, relations between employees and employers, retirement, lay-offs, and union operations. Special protection is guaranteed to employees under 18, workers with disabilities, pregnant women, women, and single parents.

Law on Pensions and Disability Insurance⁶ defines the obligatory pension insurance of workers under working contract and the natural persons performing activity, the bases of the capital funded pension insurance, as well as the special conditions how certain categories of insured persons receive the right to pension and enjoy disability insurance. The rights deriving from the pension and disability insurance are the following: right to age-related pension, right to disability pension, right to re-allocation to other adequate, working post, right to adequate employment, right to re-qualification or higher qualification and right to adequate financial compensations, right to family pension, right to monthly compensation for physical damage, and right to minimal pension

Other labor and workforce related laws are:

⁵ OGRM no. 62/05, 106/08, 161/08, 114/09, 130/09, 149/09, 50/10, 52/10, 124/10, 47/2011, 11/12, 39/12, 13/13, 25/2013, 170/2013, 187/13, 113/14, 20/15, 33/15, 72/15, 129/15, 27/16, 120/18 and OGRNM no.110/19, 267/20 and 288/21

⁶ OGRM no. 53/13, 170/13, 43/14, 44/14, 97/14, 113/14, 160/14, 188/14, 20/15, 61/15, 97/15, 129/15, 147/15, 154/15, 173/15, 217/15, 27/16, 120/16, 132/16, 35/18, 220/18, 245/18, and OGRNM 180/19, 275/19, 31/20, 267/20

- Law on Employment and Insurance Against Unemployment⁷
- Law on Administrative Servants⁸
- Law on Public Sector Employees⁹
- Law on Labor Inspection¹⁰
- Law on Records in the Field of Labor¹¹
- Law on Employment of Disabled Persons¹²
- Law on Private Employment Agencies¹³
- Law on Volunteering¹⁴
- Copyright and related rights law¹⁵
- Law on Transformation into Regular Employment¹⁶
- Law on Peaceful Settlement of Labor Disputes¹⁷
- Law on Employment and Work of Foreigners¹⁸
- Law on Minimum Wage¹⁹
- Law on Protection from Harassment at the Workplace²⁰
- Law on Equal Opportunities for Women and Men²¹

In general, the national labor legislation is aligned with ESS2 and EU Labor Law.

4. BRIEF OVERVIEW OF LABOR LEGISLATION: OCCUPATIONAL HEALTH AND SAFETY

Occupational safety and health topics are covered with the Constitution, the Labor Law and the Occupational Safety and Health Law.

The Law on Safety at Work²² is the key law that defines measures and obligations in the field of OHS (Occupational Health and Safety). The OHS law defines the occupational health and safety measures, the employers' obligations and the employees' rights and duties in the field of

⁷ OGRM no. 37/1997, 25/2000, 101/2000, 50/2001, 25/2003, 37/2004, 4/2005, 50/2006, 29/2007, 102/2008, 161/2008, 50/10, 88/10, 51/11, 11/12, 80/12, 114/12, 39/14, 44/14, 113/14, 56/15, 129/15, 147/15, 154/15, 27/16, 119/16 and 21/18

⁸ OGRM no. 27/14, 199/14, 48/15, 154/15, 5/16, 127/16, 142/16, 11/18 and OGRNM 275/1914/20, 215/21 and 99/22

⁹ OGRM no. 27/14, 199/14, 27/16, 35/18, 198/18 and OGRNM 143/19 and 14/20

¹⁰ OGRM no. 35/1997, 29/2002, 36/11, 164/13, 44/14, 33/15, 147/15 and 21/18

¹¹ OGRM no. 16/2004, 102/2008, 17/11, 166/12 and 147/15

¹² OGRM no. 44/2000, 16/2004, 62/2005, 113/2005, 29/2007, 88/2008, 161/2008, 99/2009, 136/11, 129/15, 147/15 and 27/16

¹³ OGRM no. 113/18 and OGRNM no.18/20

¹⁴ OGRM no. 85/07, 161/08, 147/15 and OGRNM no.124/19

¹⁵ OGRM no. 115/10, 140/10, 51/11, 147/13, 154/15 and 27/16,

¹⁶ OGRM no. 20/15 and 44/15

¹⁷ OGRM no. 87/2007, 27/14 and 30/16

¹⁸ OGRM no. 217/15

¹⁹ OGRM no. 11/12, 30/14, 180/14, 81/15, 129/15, 132/17, 140/18 and OGRNM no.124/19

²⁰ OGRM no. 79/13, 147/15 and OGRNM no.103/21

²¹ OGRM no. 166/14

²² OGRM no. No. 92/07, 136/11, 23/13, 25/13, 137/13, 164/13, 158/14, 15/15, 129/15, 192/15, 30/16, 18/2092/07, 136/11, 23/13, 25/13, 137/13, 164/13, 158/14, 15/15, 129/15, 192/15, 30/16, and OGRNM 18/20.

occupational health and safety, as well as the preventive measures against occupational risks, elimination of accident-related risk factors, information, consultation, training of workers and their representatives and their engagement in planning and implementing occupational health and safety measures. Prevention of occupational injuries and diseases and work-related illnesses is the fundamental principle of the OHS law.

The Ministry of Labor and Social Protection has adopted numerous Rulebooks related to OHS, available in Macedonian language, [here](#).

Relevant OHS Rulebooks are:

- Rulebook on Preparation of the Health and Safety Statement²³ defines mandatory health and safety statements for each workplace; engagement of an authorized H&S officer and official medical institution; adopting fire protection, first aid and evacuation measures; providing trainings on first aid, fire protection, rescue and evacuation; providing periodical medical examinations for staff.
- Rulebook on minimum requirements for safety and health of employees at work²⁴ defines the following obligations of employers: providing clear routes to emergency exits; carrying out technical maintenance of the workplace, equipment and devices; keeping the workplace, equipment and devices at an adequate level of hygiene; providing first aid rooms fitted with essential first aid installations and equipment; taking into consideration the needs of disabled workers;
- Rulebook on Personal Protective Equipment used by workers at work²⁵ defines mandatory provision of PPE for workers;
- Rulebook for Safety and Health at Work on equipment for work²⁶ defines that adequate and safe work equipment must be available to workers, employers must take measures to minimize risks, including providing appropriate notices and written guidelines for workers, as well as providing training on risks;
- Rulebook on safety and health at work of employees at risk of noise²⁷ defines mandatory measurement of noise levels at workplaces, prohibits work on locally recognized days of rest, outside of the normal working hours or in extreme weather conditions;
- Regulation on Use of Work Equipment defines mandatory periodical testing of work equipment²⁸
- Regulation on OHS in Use of Work Equipment defines that adequate and safe work

²³ OGRM no. 2/2009

²⁴ OGRM no. 154/08

²⁵ OGRM no. 116/07

²⁶ OGRM no.116/07

²⁷ OGRM no.21/08

²⁸ OGRM no.116/2007

equipment must be available to workers; employers must take measures to minimize risks, including providing appropriate notices and written guidelines for workers, as well as providing training on risks²⁹

- Regulation on Minimum OHS Requirements in Temporary Mobile Sites defines the obligation of contractors to develop an OHS Plan³⁰
- Regulation on Minimum OHS Requirements at Workplaces defines the following obligations of employers: providing clear routes to emergency exits; carrying out technical maintenance of the workplace, equipment and devices; keeping the workplace, equipment and devices at an adequate level of hygiene; providing first aid rooms fitted with essential first aid installations and equipment; taking into consideration the needs of disabled workers³¹
- Regulation on Health and Safety of Workers Exposed to Noise Pollution defines mandatory measurement of noise levels at workplaces, prohibits work on locally recognized days of rest, outside of the normal working hours or in extreme weather conditions³²
- Regulation on OHS Signs defines mandatory health and safety signs for any hazardous work activities and providing suitable instructions to workers³³

5. RESPONSIBLE STAFF

An Operational Manual detailing responsibilities, accountabilities, processes and procedures governing the Project will be adopted in a manner acceptable to the Bank before effectiveness. It will include, inter alia, (i) the final decision-maker and ultimately accountable for the Project, (ii) responsibilities and accountabilities of each stakeholder in terms of activity implementation and relevant results, (iii) the procedures for carrying out, monitoring and evaluating the Project; (iv) the final format of the Financial Statements, chart of accounts and the interim unaudited financial reports for the Project; and (v) the performance indicators to be used for monitoring and evaluating the implementation of the Project.

The key implementing agency of the Project is Ministry of Finance (MoF). The PIU (to be established within the MoF) will report to the Minister of Finance and will be responsible for overseeing day-to-day project management, overall project coordination, monitoring and evaluation, safeguards, fiduciary functions, and reporting in coordination with the Component Managers of IFMMIS Working Body, of PRO Working Body and of DPM Working Body .

Headed by a Project Coordinator responsible for overall coordination and oversight of project

²⁹ OGRM no.116/2007

³⁰ OGRM no.105/2008

³¹ OGRM no.154/2008

³² OGRM no. 21/2008

³³ OGRNM no. 107/19 and 239/19

implementation, the PIU will be staffed by:

- (i) project manager
- (ii) financial management specialist;
- (iii) procurement specialist;
- (iv) monitoring and evaluation specialist;
- (v) a social and environmental specialist on a needs basis.

For direct workers, except for civil servants, the Project Manager/Head of PIU will be responsible. For civil servants existing legal framework will apply. For direct workers engaged as external individuals (consultants or advisory/training personnel) the PIU (Project Manager) will be responsible for complete implementation of the Labor Management Procedure provision.

For contracted workers, if the workers are employed in the company, it will be the HR professional of the respective company, or another designated person with adequate skills within the company.

Currently there are no project implementation arrangements in place, including the procurement function is not defined and a procurement specialist not available.

The Project Implementing Unit will also, be responsible for the following:

- Implement this labor management procedure to project workers.
- Ensure that contractor(s) responsible for separate activities within sub-components prepare their labor management procedure, in compliance with this labor management procedure, and occupational health and safety plan before commencement with work on any planned project activity.
- Monitor and report on implementation of project contractors' labor management procedures.
- Monitor that the contractors are meeting obligations towards contracted and sub-contracted workers as included in the General Conditions of Contract the World Bank Standard Bidding Documents, and in line with ESS2 and national labor code.
- Maintain records of recruitment and employment process of direct workers.
- Monitor employment process of contracted workers to ensure it is carried out in accordance with this labor management procedure and national labor law.
- Monitor that occupational health and safety standards are met at workplaces in line with national occupational health and safety legislation, ESS2 and Occupational Health and Safety Plan.
- Monitor training of the project workers on OHS, SEA/SH prevention, and any other required trainings.

- Ensure that the grievance mechanism for project workers is established, monitor and report on its implementation.
- Monitor implementation of the workers Code of Conduct.
- Establish and implement a procedure for documenting specific incidents such as project-related occupational injuries, illnesses, and lost time accidents. Maintain such records and require from all third parties and primary suppliers to maintain them. Such records will form an input into the regular review of OHS performance and working conditions.
- In instances of medium, severe, fatal and mass accidents, inform the law enforcement bodies and Labor Inspectorate.

The Contractors will be responsible for the following:

- Employ or appoint qualified social, labor and occupational safety experts to prepare and implement project specific labor management procedure, occupational health and safety plans, and to manage subcontractor performance.
- Develop their own labor management procedure and occupational health and safety plan (if needed), consistent with this LMP and ESS2, which will apply to contracted and sub-contracted workers. These procedures and plans will be submitted to the Supervision Consultant for review and approval before the contractors mobilize for the design stage.
- Contractors will supervise their subcontractors' implementation labor managements procedures and occupational health and safety plans.
- Maintain records of recruitment and employment process of contracted workers.
- Communicate clearly job description and employment conditions to contracted workers and provide them with one copy of the employment contract.
- Develop, implement, and maintain workers' grievance mechanism and address the grievance received from the contracted and sub-contracted workers.
- Have a system for regular review and reporting on labor, and occupational safety and health performance.
- Deliver regular work induction trainings including but not limited to OHS, HSE, social induction, SEA/SH prevention training to employees.
- Ensure that all contractor and sub-contractor workers understand and sign the Code of Conduct prior to the commencement of works.
- Establish and implement a procedure for documenting specific incidents such as project-related occupational injuries, illnesses, and lost time accidents. Maintain such records, and require all third parties and primary suppliers to maintain them. Such records will form an input into the regular review of OHS performance and working conditions.

- In instances of medium, severe, fatal and mass accidents, inform the law enforcement bodies, the labor inspection, the president of the trade union, and the employees' OHS representative.

After the bidding process is completed and the Contractors are known, this labor management procedure can be updated to include additional details about companies, as necessary.

6. POLICIES AND PROCEDURES³⁴

The Contractors will prepare labor management procedures in line with this labor management procedure and national labor law. The principles and procedures presented below represent the minimum requirements but is not an exhaustive list of requirements.

As specified in the Labor Law of North Macedonia, the employment of project workers will be based on the principles of non-discrimination and equal opportunity. There will be no discrimination with respect to any aspects of the employment relationship, such as recruitment, compensation, working conditions and terms of employment, access to training, promotion or termination of employment. The following measures will be developed by the contractors and monitored by the PIU and supervision consultant to ensure fair treatment of all employees:

- As per Labor Law requirements, recruitment procedures will be transparent, public and non-discriminatory with respect to ethnicity, religion, sexual orientation, disability, gender, and other grounds included in the Labor Law and other relevant laws.
- Applications for employment will be considered in accordance with the application procedures established by the contractors.
- Clear job descriptions will be provided in advance of recruitment and will explain the skills required for each post.
- All workers will have written contracts describing terms and conditions of work and will have the contents explained to them. Workers will sign the employment contract. Terms and conditions of employment will be available at work sites.
- Prior to termination, employers must issue a written notice to their employees informing them of the reasons for termination.
- The contracted workers will not pay any hiring fees. If any hiring fees are to be incurred, these will be paid by the Employer ('Contractor').

³⁴ Applied for contracted workers

- Depending on origin of the employer and employee the contracts will be developed in corresponding language understandable for both parties.
- In addition to written documentation, an oral explanation of conditions and terms of employment will be provided to workers who may have difficulties with understanding the documentation.
- While communication language related problems are not expected, attention should be given to ensuring coordination between different contractors and means to address any language differences.
- Foreign workers will require residence permit, which will allow them to work in North Macedonia.
- PIU will include in contracts that all contractor (and subcontractor) personnel must be of the age of 18 years or older.

MoF/PIU will include into the bidding documents specific OHS standard requirements that all contractors and sub-contractors will meet under this project. The standards will be consistent with local regulations, WBG EHS guidelines and GIIP (Good International and Industry Practices). The following OHS standard requirements should as a minimum be included in the OHS Plan to be prepared by the contractors:

- Risk Assessment Procedure.
- Emergency response procedure.
- OHS training.
- Refuse to work policy.

Contractors will provide a safe workplace; therefore, a risk assessment will be completed before the commencement of any construction activities, and safety measures will be implemented in accordance with applicable safety standards. OHS Plan will be developed by the Contractor if risk assessment determines need for performing works that include construction activities, use of chemicals and OHS plan must be developed in compliance with WBG EHS guidelines. The supervision consultant will review and approve contractors' safety plans and procedures, if such need occurs.

MoF/PIU will inform the Bank, within 48 hours, about any incident or accident related to the project which has or is likely to have a significant adverse effect on the environment, the affected communities, the public or workers (labor, health and safety, or security incident, accident or circumstance), but no later than three calendar days after the occurrence of the event. Such events can include strikes or other labor protests, serious worker injuries or fatalities, project-caused injuries to community members or property damage. MoF/PIU will prepare a report on the event and the corrective action and submit to the Bank within 30 calendar days of the event.

All contractors will develop and implement Code of Conduct and it should be submitted to the supervision consultant for review and approval. The Code of Conduct will reflect the company's core values and overall working culture. The content of the Code of Conduct is included in the World Bank Standard Bidding Documents and will include provisions relating to SEA/SH prevention.

The contractors will be required to provide the periodic information on the performance in terms of labor, occupational health and safety issues. The information will be included in the construction contractor's monthly report and will be reviewed by the supervision consultant's team. Additionally, the contractor shall report to MoF/PIU about any inspections and audits carried out by the respective ministries such as the Labor Inspection. The findings of the labor audits will be presented to the MoF/PIU and the Bank, if requested.

7. AGE OF EMPLOYMENT

The Labor law minimum working-age in this project will be 18 years of age. The national legislation prohibits child labor. Persons under the age of 18 years will not be allowed to be engaged in project activities.

The contractors will be required to verify the identity and the age of all workers. This will require workers to provide official documentation to verify age such as a national identification card, passport, driver's license, birth certificate, valid medical or school records.

If a child under the minimum age is discovered working on the project, measures will be taken to immediately terminate the employment or engagement of the child in a responsible manner, taking into account the best interest of the child.

8. TERMS AND CONDITIONS

The terms and conditions applying to MoF, Government/Cabinet of DPM and PRO employees/engaged are set out in this document. These internal labor rules and regulations in line with existing labor legislation will apply to MoF, Government/Cabinet of DPM and PRO employees who are assigned to work specifically in relation to the project (direct workers), as well as to the Public Servants/engaged workers on this project. Terms and conditions of external direct workers are determined by their individual contracts.

In line with existing labor legislation, working time, for all workers engaged on this project, should not exceed 40 hours per week. The overtime work can include maximum 8 hours per

week. Overtime hours will be paid at 135 percent of their regular rate. In addition, the law entitles employees who work more than 150 hours of overtime per year to a bonus of one month's salary.

All wages earned, social security benefits, unused leave time, pension contributions and any other entitlements will be paid on or before termination of employment.

The contractors' labor management procedure will set out terms and conditions for the contracted workers. These terms and conditions will be in line, at minimum, with this labor management procedure, national Labor Law and General Conditions of the World Bank Standard bidding documents and comparable industry standards.

9. GRIEVANCE MECHANISM

The PIU will develop and implement a grievance mechanism for direct workers and public servants to address workplace concerns.

PIU will require contractors to develop and implement a grievance mechanism for their workforce including sub-contractors, prior to the start of works.

The workers grievance mechanism will include:

- a procedure to receive grievances such as comment/complaint form, suggestion boxes, email, a telephone hotline.
- stipulated timeframes to respond to grievances and to address cases.
- a register to record and track the timely resolution of grievances.
- a responsible department to receive, record, address and track resolution of grievances.

The Supervision Consultant will monitor the contractors' recording and resolution of grievances, and report these to PIU in their monthly progress reports. The process will be monitored by the GRM Focal Point, a PIU representative who will be responsible for the project GRM.

The workers grievance mechanism will be described in staff induction trainings, which will be provided to all project workers. The mechanism will be based on the following principles:

- The process will be transparent and allow workers to express their concerns and file grievances.
- There will be no discrimination against those who express grievances, and any grievances will be treated confidentially.
- Anonymous grievances will be treated equally as other grievances, whose origin is known.

- Management will treat grievances seriously and take timely and appropriate action in response.

Information about the existence of the grievance mechanism will be readily available to all project workers (direct, civil servants and contracted) through notice boards, the presence of “suggestion/complaint boxes”, and other means as needed.

The Project workers’ grievance mechanism will not prevent workers to use conciliation procedure provided in the Labor law or any other judicial mechanisms.

World Bank Grievance Redress System. Communities and individuals who believe that they are adversely affected by a World Bank supported project may submit complaints to existing project-level grievance redress mechanisms or the World Bank’s GRS. The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the World Bank’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of World Bank noncompliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank’s attention, and Bank Management has been given an opportunity to respond.

10. CONTRACTOR MANAGEMENT

MoF/PIU will use the World Bank’s 2017 Standard Procurement Documents (SPD) for solicitations and contracts, and these include labor and occupational, health and safety requirements.

PIU, through the Supervision Consultant, will manage and monitor the performance of contractors in relation to contracted workers, focusing on compliance by contractors with their contractual agreements (obligations, representations, and warranties) and labor management procedures. This may include periodic audits, inspections, and/or spot checks of project locations and work sites as well as of labor management records and reports compiled by contractors.

Contractors’ labor management records and reports that may be reviewed would include: representative samples of employment contracts or arrangements between third parties and contracted workers, records relating to grievances received and their resolution, reports relating to safety inspections, including fatalities and incidents and implementation of corrective actions, records relating to incidents of non-compliance with national law, and records of training provided for contracted workers to explain occupational health and safety risks and preventive measures.

11. COMMUNITY WORKERS

Not Applicable

12. PRIMARY SUPPLY WORKERS

Equipment shall be provided from licensed computer hardware importers in the country, that can guarantee data safety of the computer equipment.

APPENDICIES

APPENDIX 1: Grievance Submission Form

Reference Number	
Full name (optional)	
<input type="checkbox"/> I wish to raise my grievance anonymously. <input type="checkbox"/> I request not to disclose my identity without my consent.	
Contact information. Please mark how you wish to be contacted (mail, telephone, e-mail).	<input type="checkbox"/> By Post: Please provide mailing address: _____ _____ <input type="checkbox"/> By telephone: _____ <input type="checkbox"/> By E-mail
Preferred language of communication	<input type="checkbox"/> Macedonian <input type="checkbox"/> Albanian <input type="checkbox"/> Other: _____
Description of Incident for Grievance	What happened? Where did it happen? Who did it happen to? What is the result of the problem?
Date of Incident / Grievance	
	<input type="checkbox"/> One-time incident/grievance (date _____) <input type="checkbox"/> Happened more than once (how many times? _____) <input type="checkbox"/> On-going (currently experiencing problem)
What would you like to see happen?	
<i>Contact information for enquiries and grievances:</i> Attention: Name & Surname Ministry of Finance	Signature: _____ Date: _____

Address: **Dame Gruev 12, 1000 Skopje**

Tel: **+ 389 02 XXX XXX**

E-mail: **email@finance.gov.mk**

APPENDIX 2: Grievance Register

Reception date	Name of Complainant	Communication Channel (how)	Component	Description of Problem	Actions taken	Date of resolution

