

# **Bosnia and Herzegovina**

## ***Provision of Private Employment Services*** ***PROJECT***

### **Labour Management Procedures (LMP)**

December 2019

## **1. Introduction**

The project development objective is to support hard to employ jobseekers to transition into jobs through a suite of individualized and market driven private employment services.

This will be achieved through the implementation of activities in two components: (i) provision of employment services and (ii) implementation support and project management.

### **Component 1: Provision of private employment services to jobseekers and placement with firms**

This component will pilot private provision of employment services to jobseekers. The component's objective is to provide a package of services to jobseekers that will improve their ability to find and hold jobs. It is anticipated that improved intermediation between jobseekers and firms may help to facilitate successful matches and sustained employment. The pilot will allow adequate time for at least one cohort of jobseekers to benefit from the sequence of interventions, and for the impact of the pilot to be evaluated.

The activities to be implemented under Component 1 are as follows:

- i) Development of a service delivery model and an operations manual which will describe this model and guide implementation
  
- iii) Outreach to registered unemployed individuals (to be drawn from public employment services registers).
  
- iii) Delivery of package of private employment services (i.e., needs/skills assessment, skills training, placement for on-the-job training or job, and job search assistance/counselling) with a focus on women and youth, based on their needs.
  
- iv) Continuous monitoring of activities to ensure compliance with the process and expected results

### **Component 2: Implementation support and project management**

The project will be managed by "Kolektiv" doo who will, based on the Project Document, develop a Project Operational Manual (POM). POM will provide details on the composition of the project management team, project implementation team and assigned responsibilities to deliver results as defined in the Project document as well as the detailed timeline for the implementation of activities and budget. This component will facilitate the implementation and monitoring of the project. "Kolektiv" doo will also monitor project implementation on a daily basis to ensure that milestones set forth in the PAD, POM and Grant agreement are achieved. Field visits and interviews with beneficiaries of the project will take place, especially for those beneficiaries (jobseekers) that are placed on job or "on the job" training in firms to ensure their safety, monitor their status and get feedback on program participation. Employers will also be monitored to check their satisfaction with the jobseekers and discuss future possibilities for the program participants.

This component will also facilitate implementation through providing strategic, management and technical backstopping to the activities under component 1. It will also ensure compliance of activities with national law on personal data protection and GDPR.

Kolektiv, the grant recipient, will provide progress reports on the implementation of the project on quarterly basis, over the period of eighteen (18) months as well as annual report and final report on the implementation of the project and results achieved. The formats for the progress reports will be agreed upon with the World Bank team.

The activities required to implement Component 2 are as follows:

- i) Ongoing monitoring of activities to ensure smooth delivery and implementation of the employment services aligned with the agreed project activities and expected results and timelines
- ii) Reporting (quarterly, annual and final reports)
- iii) Ongoing strategic, management and technical backstopping to facilitate implementation of the project

### **1.1 Objectives and Purpose of the Labor Management Procedures**

The project is designed as an Investment Project Financing (IPF) and as such needs to comply with the World Bank's Environmental and Social Framework (2018) (ESF) comprising, inter alia, the Environmental and Social Standards (ESS).

The Environmental and Social Standard 2 ("ESS2") addresses labor and working conditions. This standard recognizes the importance of employment creation and income generation in the pursuit of reducing poverty and inclusive economic growth. By treating workers fairly and providing safe and healthy working conditions, borrowers/project implementing agency can promote sound worker management relations and enhance the development benefits of a project.

Objectives of ESS 2 are the following:

- to promote safety and health at work.
- to promote the fair treatment, non-discrimination and equal opportunity of project workers.
- to protect project workers, including vulnerable workers such as women, persons with disabilities, children (of working age, in accordance with this ESS) and migrant workers, contracted workers, community workers and primary supply workers, as appropriate.
- to prevent the use of all forms of forced labor and child labor.
- to support the principles of freedom of association and collective bargaining of project workers in a manner consistent with national law.

- to provide project workers with accessible means to raise workplace concerns.

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

In response to the commitment of the Kolektiv to comply with the ESF, the Kolektiv has developed these Labour Management Procedure (LMP), laying out the Project’s approach to meeting the objectives of World Bank ESS 2: Labour and Working Conditions (ESS2). It sets out the terms and conditions for employment or engagement of workers on the project, specifies the requirements and standards to be met and the policies and procedures to be followed, assesses risks and proposes the implementation of compliance measures and promotes fair treatment, non-discrimination and equal opportunity of project workers. The LMP is developed to help avoid, mitigate and manage risks and impacts in relation to project workers and set out the way in which project workers will be managed, in accordance with the requirements of national law and the ESS2. The procedures address the way in which both standards will apply to different categories of project workers including direct workers, contracted workers, primary supply workers and community workers. For the purposes of this grant, only the first two categories are relevant. .

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

This is a 'living' document and will be updated further as and when more information becomes available.

## 2. Overview of the labour use for the project

Kolektiv will be the main implementing agency of the project, which it implements in close cooperation with public employment services.

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

ESS2 identifies the following categories of workers on a project:

#### Direct workers

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

#### Contracted workers

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

#### Primary supply workers

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

#### Community workers

People employed or engaged in providing community labor are referred to as community workers. The type of projects in which community workers are involved can vary considerably in terms of complexity, duration, and type of work; number of workers involved; types of project

benefits, and the way in which ESS2 applies to the participation of community workers. Examples range from projects where the objective is to construct small-scale community infrastructure to regional or national projects designed to provide a social safety net to address unemployment or underemployment. The application of ESS2 to such projects is designed to address the relevant risks and impacts in a proportionate manner, tailored to the specific context, objectives, and design of the project.

## 2.2 Categories of Labour use in the project

### Direct workers:

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

- staff from the Kolektiv involved in the project
- any external consultants that would be engaged for the project, and involved in the direct work of the Kolektiv.

For Kolektiv staff involved in project operations, regardless of whether they work full time or part time, terms and conditions of their existing contracts or appointments shall apply.

Their existing contracts are in compliance with the requirements of Labour law of Federation of Bosnia and Herzegovina, Kolektiv's rulebook and this Labor Management Procedure.

When engaging new staff or external consultants, provisions of Labour law of Federation of Bosnia and Herzegovina and Kolektiv's rulebook shall apply, in parallel with compliance with requirements of this Labor Management Procedure.

**Contracted workers:** This category comprises any firms or persons contracted to carry out project activities. Specifically, this will refer to the trainers who are contracted to provide training to the unemployed persons targeted by the project.

The project will not engage , primary supply workers and community workers.

The labour law of FBiH will be applicable to Direct workers and Contract Workers under this project. In all the relevant categories of workers, there expected to be a percentage of employed women.

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

Type of workers	Number of project workers <sup>1</sup>	Type of tasks	Necessary skills	Location
Direct workers	20	Office and field tasks Provision of employment	Essential managerial and administrative skills	Sarajevo and Mostar (FBiH ministries)

<sup>1</sup> The full time, part time etc.

Type of workers	Number of project workers <sup>1</sup>	Type of tasks	Necessary skills	Location
		services	Skills for provision of services to jobseekers and employers	
Contracted workers	approx. 3	Office consulting tasks Provision of trainings	Knowledge in the area of employment relevant for the Project  Communication skills	Sarajevo, Mostar but also from entire BiH (FBiH ministries)

According to World Bank definitions, there are **no other categories of workers** on this Project. Taking into consideration the nature of the project it is expected that the number of female workers will be in the region of 50% percent of the workers. Women workers will most likely be engaged as Kolektiv employment counselor staff, managerial staff, and administration staff. Women workers under the category of project beneficiaries will most likely be engaged in industries that traditionally employ more women.

### 3. Assessment of key potential labour risks

Overall, the residual labor risks of the project are considered small, both in terms of employment conditions and Occupational Health and Safety (OHS). The project is implemented by Kolektiv and direct project activities involve low labor risks.

#### Risk related to direct workers

It is expected that **direct workers** and **contracted workers** (including external consultants) within the framework of the project would perform office operations primarily, in addition to travel to project locations on the part of employment counsellors, so that the risks upon the health and safety of those workers are minimal or negligible. The risks in relation to work in office and consultant business are, in general, very small in BiH (for example, irregular payment of compensation for work, informal labor or labor of minors are not practiced). Kolektiv does provide regular payment of compensation for work, and use no informal labour or labour of minors .

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

## 4. Brief overview of labour legislation in FBiH, RS i BD

### 4.1 Conventions of the International Labor Organization

Bosnia and Herzegovina has been a member of the International Labor Organization (ILO) since June 1993. In BiH there are in effect eight fundamental conventions and four priority conventions. The eight fundamental conventions include the following:<sup>2</sup>

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

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

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

The other ratified conventions are the following:

- Convention on Unemployment, dating from 1919.
- Convention on Right to Association (Agriculture), dating from 1921.
- Convention on Worker Indemnity (Agriculture), dating from 1921.
- Convention on Use of Poisonous Bleach (in Coloring), dating from 1921.
- Convention on Worker Indemnity (in Case of Accidents), dating from 1925.
- Convention on Workers' Compensation for Occupational Diseases, dating from 1925.
- Convention on Equal Treatment (Indemnity in Case of Accident), dating from 1925.
- Convention on Insurance in Case of Illness (Agriculture), dating from 1927.
- Convention on Employment Services, dating from 1948.
- Convention on Nighttime Work of Women, dating from 1948.
- Convention on Nighttime Work of Youth / Children (Industry), dating from 1948.
- Convention on Social Insurance (Minimum Standards), dating from 1952.
- Convention on Weekend Rest (Trade and Administration), dating from 1957.
- Convention on Determination of Minimum Salaries, dating from 1970.
- Convention on Paid Annual Holidays, dating from 1970.
- Convention on Workers' Representatives, dating from 1971.
- Convention on Occupational Cancerous Diseases, dating from 1974.
- Convention on Paid Leave for Expert Education Purposes, dating from 1974.
- Convention on Human Resource Development, dating from 1975.
- Convention on Work Environment (Air Pollution, Noise and Vibrations), dating from 1977.
- Convention on Promotion of Collective Bargaining, dating from 1981.
- Convention on Safety and Protection of Health at Work, dating from 1981.
- Convention on Termination of Labor Relations, dating from 1982.
- Convention on Professional Rehabilitation and Employment of Persons with Disabilities, dating from 1983.
- Convention on Labor Medicine Services, dating from 1985.
- Convention on Prevention of Larger Industrial Accidents, dating from 1993.
- Convention on Part-time Work, dating from 1994.
- Convention on Safety and Health in Mines, dating from 1995.
- Convention on Protection of Motherhood, dating from 2000.
- Convention on Safety and Protection of Health in Agriculture, dating from 2001.
- Convention on Promotional Framework for Occupational Safety and Protection of Health at Work, dating from 2006.
- Convention on Maritime Labor, dating from 2006.

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<sup>2</sup> Source: [https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200\\_COUNTRY\\_ID:102704](https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102704) [accessed on September 30, 2019.]

## 4.2 Labor Legislation in FBiH, RS and BD

The legislation from the area of labor relations in BiH is in exclusive competence of the two entities and BD. The text below provides a review of labor laws of FBiH<sup>3</sup>, RS<sup>4</sup> and BD<sup>5</sup>, wherein key aspects of the domestic legislation on the treatment of different categories of workers are presented separately.

Key aspects of the Law	Federation of BiH	Republika Srpska	Brcko District
Entering into a labor relation	A labor relation shall be initiated by concluding a contract on labor. The contract shall be concluded in writing and shall contain a list of data prescribed under the Labor Code.	A labor relation shall be initiated by concluding a labor contract, a decision on recruitment, a decision on selection and appointment or other legal grounds regulated under a special law.  A labor contract shall be concluded in writing and shall contain a list of data prescribed under the Labor Code.	A labor relation is based on the conclusion of a labor contract.  An employment contract shall be concluded in writing.
Rights of workers	A worker shall have the right to: <ul style="list-style-type: none"> <li>▪ a fair salary,</li> <li>▪ conditions of work that ensure safety and protection of life and health at work,</li> <li>▪ special protection in case of illness, reduction or loss of capacity to work and old age;</li> <li>▪ full compensation of salary for the period of annual holidays, official holidays, temporary inability to work due to injury at work or occupational disease, as well as during interruption in work caused by oversight on the part of the employer</li> <li>▪ compensation of salary for period of absence from work,</li> <li>▪ severance payment if he has a permanent labor contract.</li> </ul>	A worker shall have the right to: <ul style="list-style-type: none"> <li>▪ safety and protection of life and health at work;</li> <li>▪ health protection;</li> <li>▪ protection of personal integrity;</li> <li>▪ special protection in case of illness, reduction or loss of capacity to work and old age;</li> <li>▪ full compensation of salary for the period of annual holidays, official holidays, temporary inability to work due to injury at work or occupational disease, as well as during interruption in work caused by oversight on the part of the employer.</li> <li>▪ severance payment if he has a permanent labor contract.</li> </ul>	A worker shall have the right to: <ul style="list-style-type: none"> <li>▪ an increased salary for overtime or nightwork, and for work on Sundays or public holidays or any other day legally defined as non-working day;</li> <li>▪ use annual holidays;</li> <li>▪ in case of termination of an employment contract, an employer may pay an employee compensation for the days of unused annual holiday;</li> <li>▪ to conclude several part-time contracts in order to achieve full-time employment.</li> </ul>

<sup>3</sup> Official Gazette of FBiH No. 29/16 and 89/18

<sup>4</sup> Official Gazette of RS, No. 1/16 and 66/18

<sup>5</sup> Official Gazette of BD, No. 19/06, 19/07, 25/08, 20/13, 31/14 and 1/15

Key aspects of the Law	Federation of BiH	Republika Srpska	Brcko District
Obligations of workers	<p>Obligations of workers shall be the following:</p> <ul style="list-style-type: none"> <li>▪ to perform the tasks taken over, comply with organization of work and business operations of the employer,</li> <li>▪ when concluding a labor contract or in the course of the duration of the labor relation, inform the employer of any disease or other circumstances that are distracting him in execution of obligations under the labor contract,</li> <li>▪ educate oneself and develop oneself for work in compliance with one's capacities and requirements of work.</li> </ul>	<p>Obligations of workers shall be to:</p> <ul style="list-style-type: none"> <li>▪ conscientiously and responsibly perform tasks,</li> <li>▪ comply with organization of work and business operations of the employer,</li> <li>▪ inform the employer of important circumstances that affect or could affect performance of tasks stipulated under the labor contract,</li> <li>▪ inform the employer of potential hazards to life and health and onset of tangible damages,</li> <li>▪ subject himself to health examinations and assessment of labor capacity upon request of the employer.</li> </ul>	<p>Obligations of employees shall be the following:</p> <ul style="list-style-type: none"> <li>▪ to inform an employer of any invention or technical improvement to whom the employee came during his/hers work;</li> </ul>
Obligations of employer	<p>Obligations of the employer shall be the following:</p> <ul style="list-style-type: none"> <li>▪ to register workers for pension and disability insurance, health insurance and insurance in case of unemployment,</li> <li>▪ after registration for mandatory insurance, to serve the worker with a photocopy of the registration as well as any other change in insurance that concerns the worker.</li> </ul>	<p>Obligations of the employer shall be to:</p> <ul style="list-style-type: none"> <li>▪ register the worker to the Single system and serve a copy of the registration to him;</li> <li>▪ serve the identification document of the worker to the worker when initiating work;</li> <li>▪ pay salary to the worker for the work performed;</li> <li>▪ ensure conditions of work and organize work for the purpose of safety and protection of life and health at work;</li> <li>▪ inform the worker of obligations resulting from regulations on labor and regulations on safety and protection of life and health at work;</li> <li>▪ ensure that the worker can perform the tasks stipulated under the labor contract;</li> <li>▪ collectively insure all workers in case of accident at work.</li> </ul>	<p>Obligations of the employer shall be to:</p> <ul style="list-style-type: none"> <li>▪ to pay salaries in cash;</li> <li>▪ provide a worker with a written employment contract which states all the conditions at the latest on the day the worker starts to work;</li> <li>▪ to register a worker for pension and health insurance;</li> <li>▪ provide an employee with a written salary calculation;</li> <li>▪ in writing explain the dismissal to an employee;</li> <li>▪ an employer cannot terminate an employment contract of an employee who suffered an injury at work or occupational disease while temporarily unable to work;</li> </ul>
Prohibition of discrimination	<p>Discrimination of workers and job seekers is prohibited, in regards to sex, sexual orientation, marital status, family obligations, age, disability, pregnancy, language, religion, political and other opinions, ethnic origin, social origin, financial status, birth, race, skin color, membership or</p>	<p>A worker, as well as a job seeker, cannot be placed in an unequal position when realizing rights on the basis of labor and right to employment because of his race, ethnic or national origin, skin color, sex, language, religion, political or other opinion and affiliation, social origin, financial status, membership or lack of in a</p>	<p>Discrimination of a job seeker and worker is prohibited, in regard to race, skin color, sex, language, religion, political opinion, ethnic and social origin, financial status, sexual orientation, membership and non-membership in a political party and trade union, physical and mental health issues.</p>

Key aspects of the Law	Federation of BiH	Republika Srpska	Brcko District
	lack of in political parties and trade unions, health status, or any other personal characteristic.	trade union or a political organization, physical and mental health and other characteristics that are not in a direct relation with the nature of the labor relation.	
Employment of women	Provisions of this Law for women prescribe the following: <ul style="list-style-type: none"> <li>that they cannot be employed on tasks underground (in mines) except if it concerns a managerial position that does not require physical labor or in services of health and social protection;</li> <li>that pregnancy and use of maternity leave cannot be a reason for employment of women;</li> <li>that a labor contract of a woman cannot be cancelled after the expiry of the maternity leave, woman with child at least up to age 1;</li> <li>that a woman whose labor contract with limited duration expires during maternity leave or a pregnant woman whose labor contract expires shall not be deemed to have had her labor contract cancelled.</li> </ul>	Employers are prohibited: <ul style="list-style-type: none"> <li>to condition employment of a woman worker with a pregnancy test, except if the enactment on risk assessment determines that it concerns tasks in which there is a risk upon health of the woman and the child;</li> <li>to allow nighttime work of a woman, starting from the 6<sup>th</sup> month of pregnancy and of mothers with children up to 2 years of age;</li> <li>to not employ a woman because of pregnancy;</li> <li>to cancel a labor contract because of pregnancy or maternity leave.</li> </ul>	Provisions of this Law for women prescribe the following: <ul style="list-style-type: none"> <li>that they cannot be employed on tasks underground (in mines) except if it concerns a managerial position that does not require physical labor or in services of health and social protection;</li> <li>pregnancy and use of maternity leave cannot be a reason for employment of women;</li> <li>a woman must be assigned to other jobs during pregnancy or breastfeeding if it is in the interest of her medical condition;</li> </ul>
Employment of persons of age 15 to 18	A labor contract can be concluded in exceptional cases with a person who is 15 to 18 years of age, pending consent of the legal representative and a health certificate that proves that the person is health-wise capable of work.  This category of workers cannot work for longer than 35 hours per week, work overtime, in nighttime and on especially hard manual tasks, work underground or under water etc.	A labor contract can be concluded in exceptional cases with persons who are 15 to 18 years of age, pending written consent of the legal representative, if such work does not jeopardize his health, ethic and education and on the basis of findings of a competent health institution which determines health capacity of workers for work and if those tasks are not harmful to his health.  This category of workers cannot work in nighttime, on jobs for which it is determined that they carry increased risk or that they involve especially hard manual tasks, in workplaces that are underground or under water, on other tasks that could carry increased risk upon his life, health and psychological and physical development.	An employment contract can be concluded with a person who is 15 years of age, pending consent of the legal representative and a health certificate that proves that the person is health-wise capable of work.  This category of employees cannot work at night.  A minor employee shall be entitled to annual leave of at least 24 working days.
Working hours	Full working hours amount to 40 hours per week and they can be	Full working hours amount to 40 hours per week and cannot be	Full working hours amount to 40 hours per week.

Key aspects of the Law	Federation of BiH	Republika Srpska	Brcko District
	allocated to max. six working days.	shorter than 36 hours per week. The working week lasts 5 working days, while the working day lasts 8 hours.	
Overtime work	<p>Overtime work (up to 8 hours per week) is allowed in case of a sudden increase in the scope of work and in cases of force majeure.</p> <p>Overtime work shall not be allowed to workers who are minors, pregnant women, mothers, i.e. adoptive parents of a child up to three years of age, as well as a single parents, single adoptive parents and persons to whom, on the basis of a decision of a competent authority, a child had been entrusted to keep and raise, up to six years of age of the child.</p> <p>Workers shall be entitled to increased salary for overtime work.</p>	<p>Overtime work can neither last for more than 10 hours per week, nor more than 4 hours per day. A worker cannot work for more than 180 hours of overtime in the course of a calendar year.</p> <p>Overtime work is not allowed to workers who are minors, pregnant women and mothers with children up to three years of age and single parents of children younger than six.</p> <p>Workers are entitled to increase of salary during overtime work.</p>	<p>In case of force majeure or a sudden increase in workload the employer may require an employee to work up to 12 additional hours per week, so the total number of working hours per week is 52 hours.</p> <p>At the request of the employer, an employee with the written consent may work overtime for a maximum of 10 hours per week and maximum 300 hours of overtime in the course of a calendar year.</p> <p>A pregnant woman, mother, adoptive parent of a child up to 1 year of age and single parent of a child of 2 years of age may work overtime, if s/he gives a written statement of voluntary consent to such work.</p>
Nighttime work	<p>Working during the hours between 22 in the evening and 6 in the morning of the next day shall be deemed nighttime work.</p> <p>Nighttime work shall be prohibited to pregnant women starting from the sixth month of pregnancy, mothers and adoptive parents, as well as persons to whom, on the basis of a decision of a competent authority, a child had been entrusted to keep and raise, up to two years of age of the child. Nighttime work of workers who are minors shall also be prohibited.</p> <p>Workers shall be entitled to increase of salary for nighttime work.</p>	<p>Working during the hours between 22 in the evening and 6 in the morning of the next day shall be deemed nighttime work.</p> <p>Nighttime work shall be prohibited to workers who are minors, pregnant women, starting from the sixth month of pregnancy, and mothers with children up to two years of age.</p> <p>Workers shall be entitled to increase of salary during nighttime work.</p>	<p>Working between 22 in the evening and 6 in the morning of the next day shall be deemed nighttime work.</p>
Rest during working hours	<p>For working longer than 6 hours a day, a worker shall be entitled to rest in the duration of at least 30 minutes.</p>	<p>A worker who is working full working hours or at least 6 hours a day shall be entitled to rest during working hours in the duration of 30 minutes. For overtime work, the worker shall, in addition to the rest of 30 minutes, be entitled to additional 15 minutes.</p>	<p>An employee who is working full working hours is entitled to rest during working hours in the duration of at least 30 minutes.</p> <p>An employee may request 1-hour rest but only for one day during the work week.</p>
Daily rest	<p>A worker shall be entitled to rest between two consecutive working days (daily rest) in the duration of at least 12 hours, uninterrupted.</p>	<p>A worker shall be entitled to daily rest between two consecutive working days in the duration of at least 12 hours without interruptions, and for workers</p>	<p>All employees are entitled to rest between two consecutive working days in the duration of at least 12 hours, uninterrupted.</p>

Key aspects of the Law	Federation of BiH	Republika Srpska	Brcko District
		employed in agriculture and on seasonal tasks at least ten hours without interruptions.	
Weekly rest	A worker shall be entitled to weekly rest in the duration of at least 24 hours without interruptions.	A worker shall be entitled to weekly rest in the duration of at least 24 hours without interruptions.	An employee is entitled to weekly rest in the duration of at least 24 hours without interruptions.
Annual holidays	For each calendar year, a worker shall be entitled to paid annual holidays in the duration of 20 working days at least, and 30 working days at most. The right to annual holidays shall be acquired after 6 months of uninterrupted working. Annual holidays shall be used in two parts, wherein the first part shall last at least 12 days, and the second part needs to be used by June 30 <sup>th</sup> of next year.	A worker shall have the right to annual holidays in the duration of at least 4 working weeks, i.e. at least 20 working days. Annual holidays can be used without interruptions, in two or more parts. The first part shall last 2 weeks, and the second part should be used by June 30 <sup>th</sup> of next year.	For each calendar year, an employee is entitled to paid annual holidays of at least 18 working days.  In determining the duration of annual holidays, a work week is counted as 5 working days.  Annual holidays can be used in one or more parts.  An employer is obliged to allow an employee to use unused part of annual holiday from the previous year up to the end of June of next year.  If an employee experience adverse effects in the workplace, s/he shall be entitled to annual holidays of at least 30 working days.
Workers' grievance mechanism	A worker who is of the opinion that his employer has violated any of the rights from his labor relation shall be under obligation to request from the employer to realize that right within the deadline of 30 days from the date of delivery of the decision under which his right had been violated, i.e. from the date of gaining the knowledge of the violation of the right.  Before submitting a lawsuit, the worker and the employer can agree on peaceful resolution of the dispute. If the procedure is not concluded within a reasonable deadline (not longer than 60 days) or the reconciliation process ends without success, the worker shall be entitled to initiate a lawsuit before the competent court.	A worker who is of the opinion that his employer has violated his right from labor relation can submit a written request to the employer to ensure realization of that right, within the deadline of 30 days from the date of gaining the knowledge of the violation of the right, and within three months at the latest from the date on which the violation was committed.  The employer shall be under obligation to decide on the worker's request within the deadline of 30 days from the date of submitting the request, and if it fails to decide within that deadline, it shall be deemed that the request was granted.  A worker who is of the opinion that his employer had violated a right from his labor relation can submit a proposal for peaceful resolution of the labor dispute to the competent authority or a lawsuit to the competent court for protection of that right. The lawsuit can be submitted if the subject of the dispute had not been resolved prior to that in the	An employee who believes that his employer has violated his right from labor relation can require realization of that right from the employer. An employee may file a lawsuit within 1 year from the date of occurrence of the violation, and within 3 years at the latest from the date on which the violation was committed.  A rulebook on internal organization may provide a procedure on peaceful resolution of the labor dispute. Solving the labor dispute parties may entrust to arbitration.

Key aspects of the Law	Federation of BiH	Republika Srpska	Brcko District
		procedure of peaceful dispute resolution with the competent authority.	
Freedom of association	Workers may freely form, become members in or leave a trade union based on their own free choice without any prior approval, and cannot be discriminated against on the basis of their membership or lack of in such an organization. Employers and prohibited to interfere in the establishment, functioning and provision of assistance with intent to control such a trade union.	Worker shall be entitled to organize a trade union based on their own free choice and to become members of it, i.e. cease to be members of it. His engagement in a trade union cannot place a worker in a less favorable position in regard to conditions of work and realization of rights on the basis of work. Employers are prohibited to interfere in the organization and operations of the trade union and to control its work.	Workers may freely form a trade union, become members or leave a trade union based on their own free choice. Workers cannot be discriminated against on the basis of their membership or non-membership of a trade union.
Safety and health at work	When a worker starts to work the employer shall be under obligation to facilitate the worker to get acquainted with regulations relating to labor relations and regulations relating to safety and health at work and shall be under obligation to acquaint him with organization of work.  Workers are entitled and are under obligation to use all measures of protection envisaged under regulations on safety and health at work and other current regulations.	An employer shall be under obligation to facilitate to the worker to get acquainted with regulations on labor relations and regulations on protection at work, within 15 days of starting to work.  A worker shall be under obligation to use, when working, appropriate means and equipment for personal protection at work and to manage the means of work in compliance with their purpose and features.	Employers are obliged to ensure that workplaces, machines, equipment and processes are safe and not hazardous to health.  In accordance with needs, employers are obliged to provide employees with protective clothing and equipment in order to protect them from possible accidents at work and negative impacts on health.  An employer shall be under obligation to facilitate to the worker to get acquainted with regulations on labor relations and regulations on occupational safety within 30 days of starting to work.

#### 4.3 Legislation on Protection and Safety at Work in FBiH, RS and BD

Legislation from the area of protection and safety at work in BiH is within the scope of competence of the entities. The text below provides a review of the laws of FBiH<sup>6</sup>, RS<sup>7</sup> and BD<sup>8</sup> in this area.

Key aspects of the laws	Federation of BiH	Republika Srpska	Brcko District
Obligations of employers	Employers are under obligation to: <ul style="list-style-type: none"> <li>ensure, within the framework of the development plan or a special program of measures of protection at work, necessary funds for implementation and improvement of protection at work including deadlines for</li> </ul>	Employers are under obligation to: <ul style="list-style-type: none"> <li>ensure within the business plan necessary funds for implementation and improvement of protection at work including deadlines for their realization;</li> <li>ensure that work is performed in workplaces and an</li> </ul>	Employers are under obligation to: <ul style="list-style-type: none"> <li>ensure within the business plan or special plan of measures of protection at work, necessary funds for implementation and improvement of protection at work including deadlines for their realization;</li> </ul>

<sup>6</sup> Official Gazette of Socialist Republic of BiH, No. 22/90

<sup>7</sup> Official Gazette of RS, No.1/08 and 13/10

<sup>8</sup> Official Gazette of BD, No. 20/13

Key aspects of the laws	Federation of BiH	Republika Srpska	Brcko District
	<p>their realization;</p> <ul style="list-style-type: none"> <li>▪ monitor continuously the correct functioning and perform periodic examinations of means of work and equipment and means for personal protection;</li> <li>▪ test physical, chemical or biological potentially harmful agents in workspaces and in auxiliary spaces in which they appear;</li> <li>▪ test the micro-climate in workspaces and auxiliary spaces in which technical and technological work processes are being performed;</li> <li>▪ keep records of periodic examinations and tests performed;</li> <li>▪ for each job, determine the conditions of work and requirements in regard to health related and psychological and physical abilities of workers;</li> <li>▪ organize tasks of protection at work;</li> <li>▪ inform the labor inspectorate of fatalities, accidents that affected two workers or more, more severe injuries or occupational diseases;</li> <li>▪ organize training from the area of protection at work and perform the test of workers' capacities for independent and safe work on that job.</li> </ul>	<p>environment in which measures for protection and health at work have been implemented;</p> <ul style="list-style-type: none"> <li>▪ adjust the work process to the physical and psychological capacities of workers;</li> <li>▪ ensure a work environment, means of work, means and equipment for personal protection at work in such a manner that they do not jeopardize protection and health of workers and other persons;</li> <li>▪ ensure preventive measures for the purpose of protecting the lives and health of workers;</li> <li>▪ adopt an enactment on risk assessment for all the jobs in the work environment and determine the manner and measures for eliminating risks;</li> <li>▪ appoint in writing a worker to perform tasks for protection at work;</li> <li>▪ inform workers and their representative of introduction of new technologies and means for work, of dangers from injuries and damages to health that occur because of that introduction;</li> <li>▪ train workers for safe and healthy work;</li> <li>▪ ensure that workers can use means and equipment for personal protection at work;</li> <li>▪ ensure maintenance of the means of work and equipment for personal protection at work so that they are in a functional condition;</li> <li>▪ implement preventive and periodic reviews and tests of the equipment for work and conditions in the work environment;</li> <li>▪ inform the labor inspectorate and the authority for internal affairs in case of fatality, collective or more severe injury at work, as well as a dangerous occurrence that could jeopardize protection of workers' health.</li> </ul>	<ul style="list-style-type: none"> <li>▪ ensure that work is performed in workplaces and work environment in which measures for protection and health at work have been implemented;</li> <li>▪ adjust the work process to the physical and psychological capacities of workers;</li> <li>▪ ensure a work environment, means of work and equipment for personal protection at work in such a manner that they do not jeopardize protection and health of workers and other persons;</li> <li>▪ choose work and production methods that provide preventive measures for safety and health protection;</li> <li>▪ ensure preventive measures when organize work and work processes, but also before starting and during the work of workers;</li> <li>▪ adopt a risk assessment act for all workplaces in the work environment and determine the manner and measures for eliminating risks;</li> <li>▪ adopt a Rulebook on safety and health protection;</li> <li>▪ appoint in writing a worker to perform tasks for safety at work and health protection;</li> <li>▪ train workers for safe and healthy work (theoretically and practically);</li> <li>▪ ensure that workers can use means and equipment for personal protection at work;</li> <li>▪ ensure maintenance of equipment for personal protection at work so that they are in a functional condition;</li> <li>▪ implement preventive and periodic reviews and tests of the equipment for work and conditions in the work environment;</li> <li>▪ ensure, on the basis of a risk assessment act and assessment of the authorized health institution, medical examinations of workers;</li> <li>▪ inform the labor inspectorate and Brcko District Police BiH within 24 hours in case of fatality, collective or more severe injury at work, as well as a dangerous occurrence that could jeopardize safety and health of workers;</li> </ul>

Key aspects of the laws	Federation of BiH	Republika Srpska	Brcko District
Measures for protection of workers at work	<p>Measures of protection of workers at work include the following:</p> <ul style="list-style-type: none"> <li>▪ measures relating to conditions of work (the employer is under obligation to determine for each job the conditions of work and requirements in regard to health and psychological and physical capacities of workers that would be working in that job);</li> <li>▪ measures relating to special protection of workers (conditions for working during nighttime);</li> <li>▪ measures that directly ensure safety at work cover the following: <ul style="list-style-type: none"> <li>✓ <u>General measures</u> or protection of workers encompass, for example: conditions that should be met by workspaces and auxiliary premises, use of safe means of work, provision of first aid, ensuring necessary temperature, ventilation and lighting, limits for noise and vibrations.</li> <li>✓ <u>Special measures of protection</u> of workers apply, for example, for works that are being executed underground, under water, in water and in humidity.</li> <li>✓ <u>Measures that organizations, i.e. employers are under obligation to implement</u> relate to measures for development of technical documentation, construction, regulation of construction sites and examination of means of work (for example, that prescribed measures of protection at work are applied in project design).</li> </ul> </li> </ul>	<p>Preventive measures imply application of modern technical, ergonomic, health related, educational, social, organizational and other measures and means for eliminating risks of injury and damage to health of employees or reducing them to the minimum possible, in:</p> <ul style="list-style-type: none"> <li>▪ project design, construction, use and maintenance of workspaces and auxiliary premises for the purpose of safe performance of work processes;</li> <li>▪ project design, construction, use and maintenance of technological processes of work with all the accompanying equipment for work;</li> <li>▪ project design, construction, use and maintenance of equipment for work, constructions and facilities for collective protection and health at work, auxiliary constructions and facilities;</li> <li>▪ project design, use and maintenance of means and equipment for personal protection at work;</li> <li>▪ manufacturing, packaging, transport, use and destruction of hazardous substances;</li> <li>▪ education and training in the area of health and protection at work.</li> </ul>	<p>Preventive measures imply application of technical, ergonomic, health, educational, social, organizational and other measures and means for eliminating risks of injury and damage to health of employees or reducing them to the minimum possible, in:</p> <ul style="list-style-type: none"> <li>▪ project design, construction, use and maintenance of workspaces and auxiliary premises for the purpose of safe performance of work processes;</li> <li>▪ project design, construction, use and maintenance of technological processes of work with all the accompanying equipment for work;</li> <li>▪ project design, construction, use and maintenance of equipment for work, constructions and facilities for collective protection and health at work, auxiliary constructions and facilities;</li> <li>▪ project design, use and maintenance of means and equipment for personal protection at work;</li> <li>▪ manufacturing, packaging, transport, use and destruction of hazardous substances;</li> <li>▪ education and training in the area of health and protection at work.</li> </ul>
Duties of workers	<p>A worker shall be under obligation to:</p> <ul style="list-style-type: none"> <li>▪ comply with the specified measures of protection at work;</li> <li>▪ use the means for work and equipment in accordance with instructions of the producers and instructions for safe work;</li> <li>▪ use means of personal</li> </ul>	<p>A worker shall be under obligation to:</p> <ul style="list-style-type: none"> <li>▪ get acquainted with the measures of protection and health at work before starting to work;</li> <li>▪ control his health in accordance with the risks of the job;</li> <li>▪ subject himself to a medical exam to which the employer</li> </ul>	<p>A worker shall be under obligation to:</p> <ul style="list-style-type: none"> <li>▪ control his/her health in accordance with the risks of the job;</li> <li>▪ subject himself to a medical examination to which the employer shall direct him;</li> <li>▪ subject himself to a test whether s/he is under the influence of alcohol or other</li> </ul>

Key aspects of the laws	Federation of BiH	Republika Srpska	Brcko District
	<p>protection in a purposeful manner and keep them in a functioning condition;</p> <ul style="list-style-type: none"> <li>▪ subject himself to a medical examination of the purpose of being deployed to a job with special conditions, to which the employer shall direct him;</li> <li>▪ inform the employer if he suffers an illness that, in the absence of his information, cannot be determined in a medical exam, or if he has such medical shortcomings that may represent a hazard for the worker or the surroundings;</li> <li>▪ subject himself to a test of whether he is under the influence of alcohol or other controlled substances;</li> <li>▪ report all noticed shortcomings, malfunctioning or other events.</li> </ul>	<p>shall direct him;</p> <ul style="list-style-type: none"> <li>▪ apply prescribed measures for safe and healthy work;</li> <li>▪ use means for work and hazardous substances in a purposeful manner;</li> <li>▪ use prescribed means and equipment for personal protection at work and manage them carefully,</li> <li>▪ inform the employer of any irregularities, potential harm, hazards that could jeopardize his protection and health or other workers' protection and health.</li> </ul>	<p>controlled substances;</p> <ul style="list-style-type: none"> <li>▪ comply with the prescribed measures for safety and health protection;</li> <li>▪ immediately inform the employer of any irregularities, damages, dangers or other events that could endanger safety and health protection of workers;</li> <li>▪ cooperate with an employer and worker for safety and health protection in order to implement the prescribed measures for safety and health protection.</li> </ul>
Participation of trade unions	<p>Trade unions are entitled to participate in improvement, implementation and improvement of protection at work.</p> <p>The employer shall be under obligation to take under consideration initiatives of the trade union, to undertake corresponding measures and inform the trade union and the administrative authority in charge of tasks of inspection work of that.</p>	<p>The trade union shall participate in the regulation, undertaking and improvement of workers' protection and health at work.</p>	<p>The trade union has the right to participate in the regulation, undertaking and improvement of workers' safety and health protection at work.</p>
Records on protection at work	<p>Employers shall be under obligation to keep records of the following:</p> <ul style="list-style-type: none"> <li>▪ workers deployed to jobs with special conditions of work;</li> <li>▪ testing the knowledge of workers from the area of protection at work;</li> <li>▪ exams and tests performed of the work environment, means of work and equipment and means of personal protection;</li> <li>▪ injuries that workers have sustained at work, occupational diseases, fatalities and their causes;</li> <li>▪ medical exams.</li> </ul>	<p>Employers shall be under obligation to keep records of the following:</p> <ul style="list-style-type: none"> <li>▪ jobs with increased risk;</li> <li>▪ workers who are deployed to jobs with increased risk and medical exams of the workers;</li> <li>▪ injuries at work, occupational diseases and illnesses relating to work;</li> <li>▪ workers trained for safe and healthy work;</li> <li>▪ dangerous substances that are used during work;</li> <li>▪ tests of the work environment that have been performed;</li> <li>▪ examinations and tests performed of the equipment for work and means and equipment for personal protection at work.</li> </ul>	<p>Employers shall be under obligation to keep records of the following:</p> <ul style="list-style-type: none"> <li>▪ jobs with increased risk;</li> <li>▪ workers who are deployed to jobs with increased risk and medical exams of the workers;</li> <li>▪ injuries at work, occupational diseases and illnesses relating to work;</li> <li>▪ workers trained for safe and healthy work;</li> <li>▪ dangerous substances that are used during work;</li> <li>▪ test of the work environment that have been performed;</li> <li>▪ examinations and tests performed of the equipment for work and equipment for personal protection at work.</li> </ul>
Protection of vulnerable categories	<p><i>No special provisions.</i></p>	<p>Special protection is prescribed:</p> <ul style="list-style-type: none"> <li>▪ for the purpose of preserving unimpeded psychological and physical development of</li> </ul>	<p>The employer shall be under obligation to inform women during pregnancy, a worker under the age of 18 and worker with reduced</p>

Key aspects of the laws	Federation of BiH	Republika Srpska	Brcko District
		<p>workers who are minors;</p> <ul style="list-style-type: none"> <li>▪ protection of women from risks that could jeopardize them in realizing motherhood;</li> <li>▪ protection of persons with disabilities and persons who suffer occupational diseases from continued harm to their health and reduction in their work capacity;</li> <li>▪ in order to preserve work capacities of older workers within the limits appropriate for their age.</li> </ul> <p>The employer shall be under obligation to inform the vulnerable categories of workers in writing of the results of risk assessment of jobs and measures to remove the risks in order to increase protection and health at work.</p>	<p>working capacity in writing of the results of risk assessment of jobs and measures to remove the risks in order to increase protection and health at work.</p>

## 5. National Legislation vs World Bank Environmental and Social Standard on Labor Management Procedures

The Labor Law of Federation of Bosnia and Herzegovina is consistent with the main requirements of the ESS2. The most significant gap between the Labor Law and EES2 is the lack of specific requirements on a workplace grievance mechanism, and no requirement related to contractor's grievance redress mechanism. And the Labor Act does not include any provisions regarding the selection, management and monitoring of contractors with regard to ESS2 requirements. These gaps will be covered by the project's Labor Management Procedures.

In this project, all employment facilitation will require formally registered jobs, which means that the beneficiaries will be covered by the provisions existent in the formal labor market.

These Labor Management Procedures (LMP) have been prepared by Kolektiv, and will be applied to all project workers, which in this case means direct and contracted workers. LMP includes proposed principles and procedures for workers' grievance mechanism, which will be prepared by project effectiveness.

## 6. Responsible staff

Kolektiv shall be responsible for overall supervision and coordination of project implementation, as well as for monitoring and reporting on the project, and especially for implementation of this Labor Management Procedure. Additionally, the Kolektiv shall be responsible for the implementation of the project activities, and carrying out procurement and supervision/monitoring of contracts.

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

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

In terms of labor and safety, project beneficiaries will be overseen by the employment counsellors, who will be engaged by Kolektiv and at least on monthly basis report to project management team on project beneficiary performance. However, Kolektiv have no jurisdiction to conduct inspection supervision and control. Therefore, this activity will be only for monitoring purposes. In case that any irregularity is observed during this process, project beneficiaries will be advised on how to proceed with the issue and the issue will be recorded and reported to project management team.

It is important to notice that project beneficiaries will be employed by third party companies where Kolektiv has neither jurisdiction nor instruments for regulating relationship between employers and employees. Therefore, their role in mitigation of risks and resolving grievances can be only in terms of monitoring and counselling.

According to the Federation of Bosnia and Herzegovina legislation it is in jurisdiction of Federal department for Inspection affairs i.e. Federal Labour Inspectorate to:

- conduct inspection supervision of implementation of laws and regulations in the area of labour and employment
- conducts inspection supervision regarding violations of employment law and regulations
- controls employment and termination of work contracts
- controls protection of the employee's rights in employment with the employer (calculation and payment of salaries, working hours, vacations, leave, etc.)
- controls obligation of employers to provide employees with pension and health insurance
- controls employees in exercising their rights defined by labour law.

Therefore, control and inspection supervision of employment of project beneficiaries will be in jurisdiction of Federal Labour Inspectorate.

In terms of labour and safety of direct workers, the contractors shall be responsible for:

- ensuring compliance of their policies and procedures with national legislation on labor;
- ensuring compliance with this Procedure, including establishment and maintenance of mechanisms for grievance management in compliance with the requirements of this LMP;
- communicating job descriptions and employment conditions to direct workers;
- delivering regular induction to employees;

## 7. POLICIES AND PROCEDURES

The policies adopted for this Project shall enable achievement of objectives of ESS2 and full compliance with FBiH, RD and BD labor laws. Such policies include the following:

- that all workers should have contracts on labor in writing that contain a description of conditions of employment and that all workers must be registered for pension and disability insurance, health insurance and insurance in case of unemployment;
- that workers are entitled to a regular salary, as well as to compensation of salary for periods of absence from work or specific conditions of work (nighttime work, overtime work, etc.);
- that workers are entitled to rest during working hours, daily rest, weekly rest and annual holidays as prescribed under the law;
- that the principle of equal opportunities and fair conditions must be ensured;
- that discrimination must not be present in any aspects of the labor law relationship (employment, compensation, conditions of work and rights resulting from labor relation, education, training and development, promotion at work, notice on termination of labor contract) on the basis of sex, sexual orientation, marital condition, age, disability, pregnancy, language, religion etc.
- compliance with working hours of 40 hours per week, and in case of necessity of overtime work (8 hours per week at the maximum in FBiH, 10 hours in RS and 12 hours in BD) increase of worker's salary;
- before entering into a labor relation, workers shall be acquainted with the description of tasks and required skills;
- contracts shall contain all the mandatory provisions of entity and BD labor laws;
- ensuring mechanism for grievances in the manner described in Chapter 10 of this Procedure;
- implementation of measures of protection at work and safety for jobs with increased risk of injury and damage to health, as well as organization of training for workers in such jobs;
- keeping records of workers who are working on tasks with increased risk of injury and harm to health;
- minimum age for employment is 18 years, and in case of employment of a person of age 15 to 18, compliance with legislated obligations (i.e. that consent must be acquired of the legal representative, and a medical certificate for such an employee, that those employees cannot work overnight, on especially demanding tasks);
- in no way contracted workers will be prevented from joining a trade union or any other worker organization;
- compliance with legislated deadlines and conditions for notices (i.e. that a notice is given in writing along with an explanation, that a notice cannot be given because of unjustified reasons, such as lodging a complaint on the part of the worker, that the notice period cannot be shorter than 14 days in FBiH and BD, and 30 days in RS if the employer is cancelling the contract.

Kolektiv will inform the Bank promptly 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) as soon as reasonably practicable, but no later than five 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. Kolektiv will prepare a report on the event and the corrective action and submit to the Bank within 30 calendar days of the event.

Kolektiv will develop and implement Code of Conduct. The Code of Conduct will reflect the project'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 GBV.

## **8. Age of employment**

The age at which employment is allowed is 18 in both entities and BD. In exceptional cases, a person of age 15 to 18 can be employed, pending fulfillment of the following conditions:

- consent of the legal representative,
- medical certificate proving that the person has general health-related capacity to work, and
- the tasks must not jeopardize the minor's life, his health, development or ethics.

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

As per the law in BiH, only majors i.e. those who have attained the adult age of 18 years are permitted to be contracted as workers and the project will hence not employ or engage any person below the age of 18 years.

## **9. Terms and conditions**

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

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

- The project worker should in advance be clear about the job he/she is going to do and the wage/salary/fee he/she is going to receive.
- The project worker will be paid on a regular basis, at least once a month, or, if so agreed, upon the completion of specific activities, in accordance with the employment contract or engagement agreement.
- The project worker will work 8 or fewer hours a day.
- Any work longer than 8 hours is considered overtime work which is regulated by the Kolektiv rulebook and labour law.
- The project worker is entitled to a daily rest of at least 11 hours within 24 hours.
- The project worker is entitled to a weekly rest of at least 24 consecutive hours.
- Average weekly hours of work in a six-month period cannot exceed 40 hours.
- The project worker is entitled to annual, sick, maternity and family leave, as required by the national legislation. Where the national legislation does not stipulate entitlement to leaves on any ground (i.e. temporary or seasonal work), the contracted party will provide the project worker, at his/her request, with a reasonable period of leave taking into consideration all the circumstances.

- An employment contract or engagement agreement, except in case of permanent employment, ends on the date of its expiry, unless both parties have agreed otherwise. In case of an early termination, a written notice will be submitted at least 15 days in advance. The termination of employment contract and payment of any related entitlements will be done in compliance with the national legislation.
- The third party will assess the risk related to specific jobs. In conformity with the national legislation (LHSW), the third party will be responsible for taking preventive and protective measures to ensure a safe and healthy work environment and informing the project worker on all the relevant issues and conditions affecting his/her health and safety at work. The project worker will respect regulations relating to safety and protection of life and health at work in order not to put in danger his life and health or life and health of others.
- The third party will make effort to establish mechanisms that will prevent discrimination, harassment, sexual harassment and abuse at work and ensure equal treatment and equal opportunity for all. The service providers working in Montenegro should follow the procedure laid out by the national legislation regulating the area of discrimination, harassment and equal opportunity.
- Project workers have the right to form or join union or other organizations of their choosing and to bargain collectively, in accordance with the national legislation. The employer (third party) will not interfere with the worker's right to choose the organization or opt for an alternative mechanism to protect their rights regarding working conditions and terms of employment.

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

## **10. Grievance mechanism**

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

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

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

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

- simplicity of procedure (possibility to provide comments, lodge complaints, proposals, informal grievances etc.),
- confidentiality and lack of bias (the process should be confidential and unbiased, so that workers are not afraid of sanctions),
- reasonable timeframes,
- anonymous grievances shall be treated equal to those that are not anonymous,
- right to accompaniment (by colleagues, trade union representative or workers' council),
- the management shall treat grievances seriously and undertake appropriate actions,
- possibility of submitting a second-instance grievance in case the worker is not satisfied with the solution offered<sup>9</sup>.

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

For project workers (direct and contracted) there is an internal grievance system developed. The contact persons for grievances in Kolektiv are team supervisors and head of departments. For the project team, the contact persons for grievances is project manager (e-mail: nermana.[ajanovic@posao.ba](mailto:ajanovic@posao.ba), phone: 033 846 942). The response is sent within the 48 hours after the receiving grievances. If the additional information is needed, the meeting is organised and response is sent after the meeting. The grievance and response is sent by e-mail. If the grievance is not resolved in the first step, the next step is to include HR manager and if grievance is not resolved with HR manager then grievance is sent to Operations Director. If the grievance is not resolved by the Operations Director complainant can go to the court. Grievance system and resolutions of grievance including disciplinary process is in accordance with the Kolektiv rulebook, HR procedures and the national labour law. Workplace sexual harassment is also regulated by the Kolektiv rulebook and the labour law.

Management of contracts for direct and contracted labour is responsibility of Financial and administration department. Contracts are prepared and managed according to the Kolektiv rulebook and the labour law.

### **10.1 GRM for Project affected persons/project beneficiaries workers**

Project Beneficiaries, who access employment through the facilitation of the project, will be able to utilize Kolektiv support in resolving and administering work related grievances.

Employment counsellors will address all sorts of notifications, applications, complaints, feedback related to work life and social security. Project beneficiaries can, by e-mail, phone or in person, submit complaints, feedback, queries, suggestions or compliments related to:

- the Violation of project policies, guidelines, or procedures, including those related to child labor, health and safety of workers and gender violence.
- General feedback, questions, suggestions, compliments.

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<sup>9</sup> Under entity labor codes, second-instance resolution of labor disputes relates to peaceful resolution of disputes (mediation).

Employment counsellors will segregate the grievances related to this project, and report each grievance and its resolution to Kolektiv Focal Point for monitoring and reporting purposes.

The potential Direct and Contract Workers will, as part of the project intermediation/counselling services and employment support, receive detailed orientation about the the labor legislation, OHS, labour rights and grievance mechanisms.

This will ensure these workers are fully aware of prevailing legislation in relation to formal employment, know where and how to complain in case of breach of standards in employment (wages, OHS, working conditions etc.), thus reducing the overall labor risks of the project. In case of grievances involving issues of gender Based Violence (GBV) or Sexual Exploitation and Abuse (SEA), the case should be assigned to a special reference system ensuring full confidentiality.

## **10.2 GRM monitoring and reporting**

Kolektiv will maintain a central GRM database, where project beneficiary grievances and their resolution will be recorded and classified for monitoring purposes, ensuring that each complaint has an individual reference number and is appropriately tracked and recorded actions completed. This will facilitate feedback regarding project design and analysis of grievances and of the functionality of the GRM. The project management team will make quarterly reports available to the World Bank team on the implementation of the Labour GRM. In addition, data on grievances and/or original grievance logs will be made available to World Bank missions.

Kolektiv focal point will be responsible for:

- Analysing the qualitative data from employment counsellor on the number, substance and status of complaints and uploading them into the single project database for labor grievances;
- Monitoring outstanding issues and proposing measures to resolve them;
- Submitting quarterly reports on GRM mechanisms to the Project Coordinator.

Quarterly reports shall include a section related to Labour GRM which provides updated information on the following:

- Status of GRM implementation (procedures, training, workers' awareness campaigns, budgeting etc.);
- Qualitative data on number of received grievances \ (applications, suggestions, complaints, requests, positive feedback),
- Quantitative data on the type of grievances and responses, issues provided and grievances that remain unresolved;
- Level of satisfaction by the measures (response) taken;
- Any correction measures taken.

## **11. Contract management**

All contracts, whether it be a client, supplier or employee, are managed by Kolektiv Financial and administration department. All contracts are approved and signed by procurators.

Contract management in Kolektiv involves a three key stages: pre-award phase - prior to a contract being given to someone, whether it be a business or an employee; the middle stage - when the process is awarded, including all the paperwork to make the agreement final; post-award stage - execution and maintenance, including revision, amending and renewal or closing.