



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Public Works and Transport

Lao Airlines Sustainable Development Project
(P181359)

LABOR MANAGEMENT PROCEDURES

05 December 2023

LIST OF ABBREVIATION

ESCP	Environmental and Social Commitment Plan
ESHS	Environmental, social, health, and safety
ESF	Environment and Social Framework
ESF	Environment Social Framework
ESS	Environment and Social Standards
E&S	Environmental and social
FMUTF	Financial Management Umbrella Trust Fund
GRM	Grievance Redress Mechanism
LMP	Labor Management Procedures
MPWT	Ministry of Public Works and Transport
PDO	Project development objective
PMU	Project Management Unit
PTI	Public Works and Transport Institute
QV	Lao Airlines
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SEP	Stakeholder Engagement Plan
TA	Technical Assistance
USAID	United States Agency for International Development
WB	World Bank
PO	Producer Organizations
PSS	Passenger Service System
PTI	Public Works and Transport Institute
QV	Lao Airlines
SA	Social Assessment
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SEP	Stakeholder Engagement Plan
TA	Technical Assistance
VAC	Violence Against Women
WB	World Bank

TABLE OF CONTENT

1. INTRODUCTION	3
1.1. Project Rationale and Project Development Goals	3
1.2. Project Components and Planned Investments	4
1.3. Implementing Agency	6
1.4. Purpose and Scope of the Labor Management Procedure (LPM)	6
2. OVERVIEW OF LABOR USE IN THE PROJECT	8
2.1. Type and Number of Workers	8
2.2. Timing of Labor Requirements	10
3. ASSESSMENT OF KEY POTENTIAL LABOR RISKS	10
4. BRIEF OVERVIEW OF LABOR LEGISLATION: TERMS AND CONDITIONS	11
4.1. Lao PDR National Labor Legislation	11
4.2. The World Bank Environmental and Social Standards: ESS 2	12
5. RESPONSIBLE STAFF	13
6. POLICIES AND PROCEDURES	13
7. TERMS AND CONDITIONS	14
8. GRIEVANCE REDRESS MECHANISM (GRM)	16
8.1. Description of GRM	16
8.2. Grievance Resolution Process	16
8.3. Monitoring and Reporting on Grievances	18
8.4. GBV including SEA/SH Grievances	19
8.5. Existing GRM at MPWT and PMU	20
8.6. Workers' Grievance Mechanism	20
8.7. World Bank Grievance Redress System	21
9. PRIMARY SUPPLY WORKER MANAGEMENT	21
ATTACHMENT 1. The content and template of code of conducts	23

1. INTRODUCTION

1.1. Project Rationale and Project Development Goals

Air connectivity is vital to economic integration and social cohesion in Laos. Laos is endowed with significant natural capital, offering beautiful landscapes and rich biodiversity as part of its tourism value proposition. In 2019, more than two million travelers from Thailand and one million from China visited Laos, followed by 203,200 from Korea and 41,700 from Japan. Though the Laotian air market is relatively small, serving 4.07 million total passengers in 2019, it plays a critical role in the country's access to global and regional economic centers. International and domestic tourism rebounded in 2022, but only to about 25 percent of its pre-COVID-19 levels, suggesting the sector will take time to fully recover.

Laos has liberalized its international and domestic air services market access regime, the benefits of which have positively affected sector development. The ASEAN Single Aviation Market stakes out a regional *Open Skies* policy initiative to liberalize air services between member states to facilitate tourism, investment and trade benefits generated from increased air connectivity. Laos' adherence to the ASEAN policy significantly increased demand, with seating capacity growing at an average compounded annual growth rate of 16 percent, which is higher than its ASEAN peers though on par with Cambodia and Vietnam. During 2019, 19 airlines from seven countries operated in the Laotian market, all of them regional operations serviced by narrow-body and regional aircraft. Market share in the international sector comprised four Thai airlines (19.7 percent) and four Chinese carriers (10.7 percent). Bangkok is the densest route with 26.4 percent of all seats offered, followed by Kunming with 12.1 percent, and Seoul 10.3 percent. The presence of international carriers by seats offered include Vietnam Airlines (8.5 percent), followed by China Eastern Airlines (6.1 percent) and Bangkok Airways (5.9 percent).

The effects of the COVID-19 pandemic on the Laotian market were severe. Total seating capacity contracted by 61.1 percent to only 1.14 million seats during 2020. Given the continued level of restrictions, during 2021, only 637,182 seats were scheduled on 17 destinations, only five of which were international, and with modest output. Asia-Pacific countries have since maintained one of the slowest recovery rates, in part due to China COVID lockdowns, while new economic and travel constraints due to the conflict in Ukraine, are likely to extend delays in the re-establishment of international air connectivity. Laos is highly dependent on regional recovery, and pre-COVID traffic levels are estimated to be reached only by 2026.

Lao Airlines (QV) was created as a national carrier in late-1989 and became fully commercial in 2005. The airline is an incorporated state-owned enterprise, invested under the jurisdiction of Ministry of Public Works and Transport, and operated according to the regulations and guidelines of MOF as the primary custodian (and sole shareholder). Since its launch, Lao Airlines has had mixed results. Despite a buoyant and attractive regional market, the airline's pre-pandemic performance recorded operating losses. Financial difficulties due to fleet expansion decisions and insufficient agility in leveraging its purchased assets were only compounded when the Covid-19 pandemic severely curtailed the airline's operations in 2020-2022.

In December 2021, high speed rail (HSR) infrastructure in the north of the country was operationalized, with new services offering similar travel times between the capital, Vientiane, and Luang Prabang and Luang Namtha, which are also among the top air travel destinations. With rail service ticket prices nearly half those for air services, passenger demand for air travel could see a 30 to 45 percent drop based on regional experience to date, adding competition to key domestic air routes. To manage this challenge, QV must optimize its fleet and route network, and consider synergies with HSR through combined air-train tickets, to ensure the national carrier can maintain access to domestic and regional networks that are not served by alternative modes.

The national carrier has accrued significant liabilities. Aircraft ownership and leasing accounts for 80 percent of borrowing, which is backed by sovereign guarantees. Loans are denominated in national currency (in the current accounting policies). QV's liquidity ratio and its debt-to-equity ratio are well below industry averages, which indicate both an inability to service short and long-term debt. Recent depreciation of the Lao Kip further elevates the risk of exchange rates losses to the determinant of business units requiring foreign currency.

Lao Airlines does not have a formal performance management plan for employees, though its most recent business plan acknowledges the need for staff training. The company has 945 staff, of which 692 work in Vientiane headquarters, 234 people in 7 domestic branches¹ and 19 people in 12 international branches.² Gender equality is adequately considered. The SOE is organized in 12 departments, typical of an optimally functioning airline company. This size of its salesforce about 10 percent of total employees though typical of airlines that lack contemporary systems and digitalization of customer experience. Capacity building plans for management, technical and administrative staff have not been prioritized nor has budget been allocated for skills and staff development.

The airline's management information systems are not sufficiently robust to qualitatively and quantitatively benchmark its operational and financial performance. The current Enterprise Resource Planning software does not provide a complete solution. The stand-alone accounting system that is approved by MOF is not integrated with the current passenger service system (PSS); automation of a revenue accounting solution to eliminate manual entry of passenger revenue figures is needed.

The government and the national carrier remain dedicated to maintaining the airline's financial solvency. In July 2022, the Prime Minister appointed a nine-person Lao Airlines State Enterprise reform committee to manage the reform process and examine options for restructuring the airline's financial, operational, and human resource development. The Committee is chaired by Vice Minister of Finance, with the Vice Minister of MPWT as deputy chair. Lao Airlines is represented by its Managing Director. Six other members represent MOF, MPWT and academia. In October 2023, the Prime Minister approved a Lao Airlines State Reform Plan, as a framework for guiding business transformation. Lao Airlines requires a professional business plan to ensure an appropriate fleet utilization, build-up of its network, and streamlining its administrative structure. A proper financial model capable of evaluating scenarios that balance additional capital injections, renegotiation of borrowing terms, and operational restructuring to ensure its sustained viability in the medium to long term is necessary.

QV also anticipates transitioning to International Financial Reporting Standards (IFRS). IFRS will ensure accuracy and reliability of financial reporting, support performance benchmarking, facilitate international transactions, and enhance the potential to attract foreign investors and access to global capital markets. Additionally, IFRS sustainability disclosure requirements anticipate the adoption of airline industry-based climate-related reporting that includes: (a) gross GHG Scope 1 emissions; (b) discussion of long-term and short-term strategy or plan to manage emissions, set reduction targets, and assess performance towards its targets; and (c) account for the airline's total fuel consumption, as well as percentage of alternative and sustainable fuels used.

1.2. Project Components and Planned Investments

The project development objective (PDO) is "to reduce Lao Airlines business losses, enhance corporate financial reporting, and strengthen operational management".

¹ Domestic branches are Luang Prabang, Pakse, Xieng Khouang, Savannakhet, Oudomsay and Luang Namtha.

² Bangkok, Chiangmai, Hanoi, Ho Chi Minh, Phnom Penh, Siem Reap, Incheon, Kunming, Jinghong, Guangzhou, Changzhou, Changsha, Shanghai, Wenzhou, and Chengdu.

The project is financed by a grant from the United States Agency for International Development (USAID) through the Financial Management Umbrella Trust Fund (FMUTF) in the amount of US\$1.75 million.

Three main components are designed to (i) guide government and executive decision making in the debt management of a major SOE, (ii) strengthen corporate governance in strategic and technical management; and (iii) foster business improvements in revenue accounting and financial management.

Component 1: Lao Airline Restructuring Strategy and Reform Pathway (US\$600,000)

The component will prepare an airline restructuring options analysis that will inform a specific reform pathway and attenuated airline sustainability plan. A Medium-Term Debt Management Plan will be the primary output of this component. Key elements of the plan are to include business cost reduction options that are underpinned by (a) a Fleet Optimization Strategy based on realistic medium and long term (passenger and cargo) demand forecasts; (b) a Sales and Revenue Optimization Strategy; and (c) a Corporate Governance Strategy to frame the carrier's governance practices in consideration of internationally observed principles on transparency, leadership culture, management information and performance management would be developed. The analysis will include operational scenarios to better leverage existing assets, increase aircraft utilization, and reduce unitary costs.

Component 2: Lao Airlines Business Optimization and Management Assistance (US\$650,000)

The component will focus on delivering technical assistance in core areas that can immediately add value to Lao Airlines management and operations. Individual consultant services will be engaged to support the options analysis, business planning and reform processes. They will also support the production of an annual airline report to present leadership credentials, management vision, and operational and financial performance metrics.

2.a. International Airline Management Expert. An individual consultant will be recruited to provide expertise regarding aircraft fleet finance and restructuring, airline partnerships, and streamlining of business operations to reduce cost overheads. The expert would support implementation of measures to improve corporate governance, strategic decision-making, and fiduciary management, while facilitating board of directors' oversight.

2.b. Executive-level Airline Financial Expert. An individual consultant will be recruited to develop a bespoke financing model for the airline and advise the reform committee on measures to improve financial forecasting and reporting, fiscal controls, near-term cost savings, and adoption of IFRS to ensure accuracy and ease in international transactions.

2.c. Airworthiness Maintenance Expert. A licensed maintenance professional will be engaged to provide technical advisory services that support aircraft maintenance planning, including supply chain and inventory management, which will improve fleet utilization.

2.d. Passenger Service System (PSS) Specialist. A PSS specialist will be engaged to support the development of technical specifications for the PSS integration for the airline's control systems and modernization initiatives under the project.

2.e. Project Financial Audit. Funding is allocated to complete required project financial audit(s) of grant resources.

2.f. Project Operating Costs. A small envelope is available to cover project operating costs during implementation.

Component 3: Passenger Service System module upgrade (US\$500,000)

The component will implement industry software module upgrades that improve integrated

enterprise resource planning. Goods (software) acquisition and installation of appropriate PSS modules for an airline of its size and market reach.

1.3. Implementing Agency

The overall implementing agency for the Lao Airlines Sustainable Development Project will be the Ministry of Public Works and Transport (MPWT), in close coordination with the Lao Airlines State Enterprise (QV). The Managing Director of QV will serve as the project director. The project director will strategically oversee project implementation, monitor progress, and ensure overall project alignment with stated objectives and results. The project director will act as a focal point for communication with the World Bank team on project-related issues.

The current staffing capacity of the PMU will expand as needed to address the proposed project needs. The PMU will be supported by the QV Reforms Committee. A Project Management Unit (PMU) within the Department of Planning and Finance (DPF), MPWT would be responsible for supporting QV with fiduciary and safeguard arrangements. Any critical changes to the PMU organizational structure, mandate, and authority shall be pre-agreed with the World Bank.

1.4. Purpose and Scope of the Labor Management Procedure (LPM)

This project has applied the World Bank's Environmental and Social Framework (ESF) to identify and address environmental and social risks and impacts. One of the ten Environmental and Social Standards (ESSs) –relates to Labor and Working Conditions (ESS2), which requires the Recipients to develop Labor Management Procedures (LMP). The LMP has been developed with the purpose of protecting the health, safety, rights and wellbeing of project workers who will be engaged during the implementation of the Project. It is also intended to promote equal opportunity and non-discrimination in the management of the workforce taking into consideration both national and international labor requirements, including the World Bank's ESS2. 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 helps to (a) identify the different types of project workers that are likely to be involved in the project, and (b) establish clear labor procedures for all project workers in line with the requirements of the local legislation and the World Bank's ESS 2 provisions and requirement.

The scope of this LMP depends on the type of employment relationship between the MPWT/PMU and the project workers. to execute the project activities. This LMP applies to all Project workers whether full-time, part-time, temporary, seasonal or migrant workers³. As per ESS2 the term "project worker" refers to:

- (a) 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 (**direct workers**);
- (b) People employed or engaged through third parties⁴ to perform work related to core functions⁵ of the project, regardless of location (**contracted workers**);
- (c) People employed or engaged by the Borrower's primary suppliers⁶ (**primary supply workers**);
- (d) People employed or engaged in providing community labor (**community workers**).

It is expected that the Project will include direct, contracted and primary supply workers. No community workers will be involved in this project. The LMP also deals with all aspects relating to recruitment,

³ 'Migrant workers' are workers who have migrated from one country to another or from one part of the country to another for purposes of employment

⁵ 'Core functions' of a project constitute those production and/or service processes essential for a specific project activity without which the project cannot continue.

⁶ 'Primary suppliers' are those suppliers who, on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project.

labour and working conditions, remuneration, management of worker relationships and Occupational Health and Safety (OHS) as well as work-based grievance redress mechanisms.

The LMP presents the activities that lead to labor and working conditions related risks and impacts, the main labor and working conditions requirements, and the identified risks and impacts and gaps in requirements. It captures the procedures to be implemented to address the gaps and manage the risks and impacts including the resources necessary to address these. The LMP is a living document, which is initiated early in project preparation and is reviewed and updated throughout the development and implementation of the project.

The LMP seeks to achieve the following specific objectives:

- **Promote safety, good health and employee welfare at work:** Establish a system to appropriately manage OHS aspect of the work that will be carried out and ensure welfare of workers including both employees, and others who may be exposed to the risks associated with the project activities;
- **Ensure that employees understand their rights in relation to labour and working conditions:** Allow employees to exercise their right and provide project workers with avenues to raise concerns, seek information, receive feedback and any associated corrective action;
 - Ensure Equal Opportunities: Prevent discrimination in hiring, remuneration, access to training, on the grounds of race, nationality or social origin, birth, religion, disability, gender, sexual orientation, union membership, political opinions and age and promote equal opportunities;
 - Establish Accessible Employees Relation Venues: Manage disciplinary practices and grievances in a manner that treats those affected individuals with respect and dignity and without threat, abuse or ill-treatment. Furthermore, prevent the use or promotion of child labour, forced or compulsory labour in direct operations and in the supply chain of the Project.
 - SEA/SH: Preventing Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) that may arise as a result of implementing project activities and during the construction works.
 - Protect project workers: including vulnerable workers such as women, persons with disabilities, children (of working age, in accordance with World Bank ESS2 on Labour and Working Conditions) and migrant workers, contracted workers, and primary supply workers, as appropriate. iii. Supporting the principles of freedom of association and collective bargaining of project workers in a manner consistent with national law; and iv. Providing project workers with accessible means to raise workplace concerns.

2. OVERVIEW OF LABOR USE IN THE PROJECT

ESS2 on Labor and Working Conditions recognizes the importance of employment creation and income generation in the pursuit of poverty reduction and inclusive economic growth. In addition to the national labor legislation, ESS2 guides and enable implementing agency to ensure sound worker-management relationships and enhance the development benefits of a project by treating workers in the project fairly and providing safe and healthy working conditions.

2.1. Type and Number of Workers

The project will have the following categories of workers: direct, contracted, and primary suppliers.

Direct workers

Direct workers would include PMU director, procurement specialist, financial management specialist, Environmental & Social Focal Staff (E&S Focal Points), Interpreter, Accountant, and others who are employed directly by PMU or appointed by the Lao Airlines and concerned departments including the Public Works and Transport Institute (PTI) under the MPWT. The estimated number of direct workers would include approximately 15 staff including current PMU staff, focal points who will be assigned to work on this project. The PMU will leverage on the existing Procurement and FM Specialists to manage procurement and financial requirements. Where needed, procurement and financial management assistants may be hired to support the Procurement Specialist. This project is under the ESF, therefore a focal point for the Environmental and Social under the QV office will be appointed and he/she would work with the support of the E&S focal point from PTI. As the overall E&S risk of this project under the project is moderate, hiring an E&S specialist may not be necessary at this time. However, if the need arises, an E&S specialist can be hired later.

Table 2: Number of Direct Workers and characteristics.

Staff position	Total number of staff	Characteristics of workers
PMU Director and PMU Project Coordinator	2	National
Procurement Specialist and assistant	2	National
Financial Management Specialist and Audit	2	National
Environmental and Social Focal Point from PTI	1	National
Environmental and Social Focal Point from QV	1	National
Commercial and Marketing Officers	4	National
Accountant	1	National
Administrators	2	National
Total	15	National

Contracted workers

It is expected that workers would also include independent consultants, who are specialized in certain disciplines. These consultants are hired under individual contracts, on full-time and part-time basis, with specific definition of the assigned tasks and responsibilities. These consultants will be hired among local as well as foreign workers. In total there are 3 experts and 1 specialist and it is estimated that at least 4 individual consultants will be recruited on an open and competitive bidding process by PMU. The table

2 below gives an overview of the direct workers.

Table 3: Number of Contracted Workers and characteristics.

International Airline Management Expert	1	National/International
Executive-level Airline Financial Expert	1	National/International
Airworthiness Maintenance Expert	1	National/International
Passenger Service System (PSS) Specialist	1	National/International
Total	4	-

Primary supply workers

Primary supply workers are individual and groups who will be employed by formal businesses who are required to supply procured materials and/or produce materials to the project based on agreed procurement standards. As part of the environmental and social assessment, any new supplier will be vetted regarding compliance with taxes, certification, licensing, and certificate.

Primary supply workers will be those employed by the PMU supplying consulting services, ICT equipment. No significant civil works or construction are envisaged as the project will mostly finance technical assistance types of work and the installation of and upgrading IT equipment and systems and works necessary for that installation. Any labor for minor equipment installation and related minor rehabilitation will be included in the installation contracts or as direct work hired by the project for that purpose.

The expected number of primary suppliers of IT equipment to be involved in this project are not known as of now. This will become known as and when implementation begins. Where there is a significant risk of child labour or forced labour related to primary supply workers, the Ministry of Finance through the PMU will require the primary supplier to identify those risks. The labour management procedures will set out roles and responsibilities for monitoring primary suppliers. If child labour or forced labour cases are identified, the PMU will require the primary supplier to take appropriate steps to remedy them. Furthermore, where there is a significant risk of serious safety issues related to primary supply workers, the PMU will require the relevant primary supplier to introduce procedures and mitigation measures to address such safety issues. Such procedures and mitigation measures will be reviewed periodically to ascertain their effectiveness.

Foreign workers

The project is expected to hire individual foreign consultants/experts as part of its implementation under all components, though primarily under Component 2. The project will sign contracts directly with these workers. Additionally, the recruitment of consulting services will be open internationally, and in such cases, the foreign workers will be considered contracted workers.

Women workers and marginalized workers

It is estimated that women would represent about 30 percent of the workforce, and those would likely be technical and/or staff working at the PMU in Vientiane. The project will pay special attention to gender equality and women's participation as direct beneficiaries of project components. This includes promoting female employment and representation in executive positions through gender policies, which will be tracked by intermediate indicators. The project will promote gender balance in training programs provided by the project.

2.2. Timing of Labor Requirements

The direct workers at PMU will generally be required full time which consists of 8 hours day work per national legislation of Lao PDR, and around the year for the project duration. Other experts/consultants will be hired on demand basis throughout the project period. Timing for involvement of contracted workers will be known at later stages.

3. ASSESSMENT OF KEY POTENTIAL LABOR RISKS

Given the nature of the project activities, there are no significant labor risks anticipated. The work to be performed by both direct, consultants and primary supply workers does not involve a high vulnerability to the abuse of labor rights or operational health and safety (OHS) risks, primarily due to the small number of workers and the office-based workplace environment. Persons under the age of 18 will not be permitted to work on the project. Primary suppliers will be obligated to maintain a written contract with their workers that aligns materially with the objectives of ESS2.

The Project is assessed as Low on labor risks including Labor influx, forced and child labor (CFL) and associated Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) risks. The ongoing QV Project did not experience any labor influx issues or issues related to the presence of migrant workers. However, if other labor risks arise during project implementation, PMU will develop procedures to prevent further impacts. Nonetheless, the project workers (staff, consultants and suppliers) will be required in the contract to sign codes of conducts and commit to ensure prevention of SEA/SH/ Forced and child labor. PMU staff in charge of project workers' supervision will monitor and report compliance.

All workers will have access to the project specific Grievance Mechanism (GM) with a dedicated window for workers' complaints. From the anticipated project activities, potential labor risks have been identified, which must be monitored closely by the PMU and project workers during project implementation to avoid any escalation. These are summarized in Table 3 below.

Table 3: Summary of potential labor risk and proposed project mitigation measures

S/No.	Potential Labor Risk	Mitigation Measures
1	Occupational risks and hazards (incidents and accidents)	<p>Low risk</p> <ul style="list-style-type: none"> • Mainly related to proper handling of electric equipment, long-sedentary activities and disposal of IT-equipment • All contactors will be required to have a written contract with their workers materially consistent with objective of ESS2 • Ensure full compliance with the OHS Management plan • Provide regular OHS training to staff • Ensure appropriate use of good quality and sufficient office equipment and facilities • Ensure full compliance with SMS manuals and procedures
2	Risk of Contacting COVID-19 or other communicable diseases	<ul style="list-style-type: none"> • Continue to raise awareness on best practices for among workers • Use shift system to decongest workers from highly congested areas/ rooms • Enforce national COVID-19 and other relevant national protocols and measures are adhered • Provide appropriate nose masks and PPEs • Encourage vaccination of all staff

3	Sexual exploitation and abuse/sexual harassment (SEA/SH)	<p>Risks related to sexual exploitation and abuse/sexual harassment (SEA/SH) are expected to low and insignificant and the national legal and institutional frameworks are adequate for addressing and managing the risks.</p> <ul style="list-style-type: none"> • The SEA/SH criteria for business practices will be provided to project participants and the project will include Codes of Conduct for project workers and bidding documents for primary suppliers and contracts for consultants. • Project Workers are informed on SEA/SH risks and GRM procedures including contact detail of responsible persons during the stakeholder consultations. • Establishing effective GM on SEA/SH related complaints with responsible persons appointed.
4	Risk of contracting HIV and AIDS and other STIs; risk extended to both workforce and the local community	<p>No risks related to HIV/AIDS</p> <ul style="list-style-type: none"> • Ensure full compliance with public awareness about the HIV/AIDS
5	Labor influx	<p>No labour influx is expected as the project will not finance civil work.</p>
7	Noncompliance with labour laws	<ul style="list-style-type: none"> • Intensive monitoring to ensure compliance to national labour laws • Include clauses in contracts to ensure workers comply with national labour laws
9	Discrimination and exclusion of Women and other vulnerable groups	<ul style="list-style-type: none"> • Development of Grievance Mechanism (GM) which is accessible, and confidentiality of personal information is ensured • Implement all related national policies for gender equality. • Develop deliberate mechanisms to monitor participation of vulnerable groups in all activities • Provide related information ensure equal opportunity for all regardless of gender, ethnic and social status.

4. BRIEF OVERVIEW OF LABOR LEGISLATION: TERMS AND CONDITIONS

4.1. Lao PDR National Labor Legislation

Labor related legislation in Laos consists of the Constitution of the Lao PDR, Labor Code, and other legal and regulatory instruments and international treaties supported by the Lao PDR. The Labor Management Procedures for the QV Project are consistent with principles, regulations, measures provisions of:

- Labor Law of Lao PDR (No.43/NA/24 December 2013)
- Law on Civil servant (NA/74/18/12/2015)
- The National Strategy for the Advancement of Women, Mothers, and Children (2016-2025)
- The 4th National Plan of Action on Gender Equality (2021-2025)
- The Plan of Action for advancement of Women 2010-2025
- The 2nd National Plan of Action on Preventing and Elimination of Violence Against Women and Violence against Children (2021-2025)
- Law on Preventing and Combating Violence Against Women and Children, (amended 2022)
- Decree on Labor Dispute Resolution (No.76 of 2018)

- Decree of the President of the LPDR on the promulgation of the Labor Law (No.068 of 2014)
- Resolution of the National Assembly of the Lao PDR on the Approval of the Labor Law (Amended) (No.21 of 2012)
- Decree on COC for public servants The Decree 184/26/06/2019
- ILO Convention of which Lao PDR is a signatory
- Principle 4 on “Community Relations and Worker’s Rights” of the Forest Stewardship Council, specifically Criterion 4.2 of Principle 4 and is in line with the ESS2 on Labor and Working Conditions.

Lao PDR pursues a purposive policy of creating a legal framework for the protection of human rights and freedoms in accordance with international standards. Having joined the world community, the Republic has constitutionally sealed the priority of universally accepted norms of international law. As a fully-fledged member of the United Nations Organization, Lao PDR accedes to international human rights acts thus assuming an obligation to comply with them and apply them in its state and legal practice. The universal significance of international human rights acts means that its provisions should be embodied in national legislation. The Main Law of the Lao PDR includes all the provisions of the Universal Declaration of Human Rights.

4.2. The World Bank Environmental and Social Standards: ESS 2

The projects financed by the World Bank need to comply with the World Bank’s Environmental and Social Framework (ESF), effective from October 2018, comprising, inter alia, the Environmental and Social Standards (ESS)⁷. The ESF specifies the mandatory requirements in the form of 10 ESSs that borrowers must apply based on the specificity of each project.

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 ensuring safe and healthy working conditions, borrowers can promote sound worker-management relations and enhance the development benefits of a project. Key objectives of the ESS 2 are to:

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

ESS2 applies to project workers including full-time, part-time, temporary, seasonal, and migrant workers. Where government civil servants are working in connection with the project, whether full-time or part-time, they will remain subject to the terms and conditions of their existing public sector employment agreement or arrangement, unless there has been an effective legal transfer of their employment or engagement to the project.

PMU will implement internal labor management procedures applicable to the project. These procedures will set out the way in which project workers will be managed, in accordance with the requirements of national law and ESS2. The procedures will address the way in which ESS2 will apply to different categories of project workers including direct workers. Project workers will be provided with

⁷ <https://www.worldbank.org/en/projects-operations/environmental-and-social-framework/brief/environmental-and-social-standards>

information and documentation that is clear and understandable regarding their terms and conditions of employment. The information and documentation will set out their rights under national labor and employment law (which will include any applicable collective agreements), including their rights related to hours of work, wages, overtime, compensation and benefits, as well as those arising from the requirements of this ESS. This information and documentation will be provided at the beginning of the working relationship and when any material changes to the terms or conditions of employment occur.

5. RESPONSIBLE STAFF

The employment of project workers will be based on the principle of equal opportunity and fair treatment, and there will be no discrimination with respect to any aspects of the employment relationship, such as recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, job assignment, promotion, termination of employment or retirement, or disciplinary practices.

The human resources officer assigned by the MPWT and Director of the Human Resource Management and Inspection Divisions (HR) will be responsible for the following within their responsibility area:

- implementing these labor management procedures;
- ensuring that workers comply with this labor management procedure;
- monitoring to verify that project workers/experts/consultants and suppliers are meeting labor and OHS obligations toward contracted as required by Lao legislation and ESS2;
- monitoring project workers' implementation of labor management procedures;
- monitoring compliance with occupational health and safety standards at all workplaces in line with the national occupational health and safety legislation;
- monitoring and implement training on LMP and OHS for project workers;
- ensuring that the grievance redress mechanism for project workers is established and implemented and that workers are informed of its purpose and how to use it;
- have a system for regular monitoring and reporting on labor and occupational safety and health performance; and
- monitoring implementation of the worker code of conduct. The content and template of the code of conduct are given in attachment 1.

The primary supplier will be responsible for the following:

- obey requirements of the national legislation and this labor management procedure;
- maintain records of recruitment and employment process of hired workers;
- communicate clearly job description and employment conditions to hired workers;
- have a system for regular review and reporting on labor, occupational safety, and health performance.

When primary supply worker(s) is known, this labor management procedure can be updated to include additional details about companies, hired workforce, etc., as necessary.

6. POLICIES AND PROCEDURES

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, including recruitment, compensation, working conditions and terms of employment, access to training, promotion or termination of employment. The following measures will be followed by project workers and monitored by the MPWT and PMU to ensure fair treatment of all employees:

- Recruitment procedures will be transparent, public and non-discriminatory, and open with respect to ethnicity, faith/religion, disability, sexuality and gender;
- 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;
- Depending on the origin of the employer and employee, employment terms and conditions will be communicated in a language that is understandable to both parties;
- In addition to written documentation, an oral explanation of conditions and terms of employment will be provided to workers who may have difficulty understanding the documentation;
- Normal working time should not exceed 40 hours per week. With a five-day working week, the duration of daily work is determined by the internal work regulations approved by the employer after prior consultation with the representatives of the workers, in compliance with the established working week duration.

Monitoring

Monitoring of the above-mentioned measures will be conducted directly by PMU employees such as the Project Director, HR specialist, E&S focal point, and Lawyer, as well as by the contracted Consultants: International Airline Management Expert, Executive-level Airline Financial Expert, Airworthiness Maintenance Expert, Passenger Service System (PSS) Specialist.

7. TERMS AND CONDITIONS

Terms and conditions of direct workers are determined by their individual contracts. Terms and conditions should include provisions set out in the “HR Regulations” approved by the Labor Law of the Lao People’s Democratic Republic No.43/NA/24 December 2013. Purpose of Law. The purpose of this Law is to regulate relations in the field of labor protection. Labor protection legislation consists of this Law and other legislative acts. If an international treaty of the Lao People’s Democratic Republic establishes rules other than those provided by the legislation of the Lao PDR on labor protection, then the rules of the international treaty are applied.

Permanent project staff will have individual agreements (labor contract or service contract) with fixed monthly wage rates. All the recruiting procedures should be documented and filed in the folders in accordance with the requirements of labor legislation of the Lao PDR.

The primary supplier’ labor management procedure will set out terms and conditions for the contracted and subcontracted workers. These terms and conditions will be in line, at a minimum, with this labor management procedure, and General Conditions of the World Bank Standard Procurement Documents.

Wages and other benefits

- The Project shall include contract provisions with private actors on worker wages and other benefits and related compensation that are fair and consistent with prevailing local standards.

Non-discrimination and Equal Opportunity

- The employment of project workers will be based on equal opportunity and fair treatment, and there will be no discrimination with respect to any aspects of the employment relationship, such as recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment based on gender, ethnicity, etc.
- The project will promote gender and ethnic equality in hiring, providing opportunity for training, study tour, capacity building opportunities according to the article 12 and 18 of the Labor Law.

Article 12. Professional and Skills Development: Professional and skills development focuses on creating conditions for women to receive professional training, to acquire skills and

experience, and to have employment discipline so that women can have the same employment [opportunities] in society as men.

Article 19. Rights and Interests in Employment: Women have rights and interests in the context of employment, such as [the rights] to work in safe conditions and environments, to social security, and to remuneration and other benefits as provided by laws and regulations.

Resolution of Labor Disputes

Labor disputes arise when an employer and its employees cannot reach consensus on a labor issue. Labor disputes are divided into two types: (1) Disputes concerning the implementation of the Labor Law, internal regulations of the labor unit, labor regulations, employment contracts, or other legislation relating to labor; (2) Disputes relating to benefits, which refers to disputes relating to claims by employees for new rights and benefits which they request their employer to resolve.

Resolution of labor disputes will be undertaken according to the methods prescribed in the Article 148, 149, 150, 151, 152 and 153 of the Amended Labor Law, No.43/NA/24 December 2013 and consisting in: compromise, administrative resolutions, resolution by the committee for labor dispute resolution, court rulings or dispute resolution consistent with international protocols.

Emergency Preparedness and Response (ERP)

Emergency event is an unanticipated incident, arising from both natural and man-made hazards. In case of emergency events which may occur for a variety of different reasons, including failure to implement operating procedures that are designed to prevent their occurrence.

Where possible, ERP actions foresee emergencies that are likely to occur and pre-plan key components of a response. Though plans will need to be revised if the event happens, preparedness makes it possible to respond faster, more appropriately and efficiently, and to make decisions on the basis of more reliable information.

Staff at every level are likely to respond more effectively if training, analysis, planning, pre-positioning, and information collection have occurred, coordination mechanisms have been established, and simulation exercises held.

When an emergency occurs, the first priority is always life safety. The second priority is the stabilization of the incident. There are many actions that can be taken to stabilize an incident and minimize potential damage.

- **Fire.** In case of a local fire, all people shall cease all other activities in a safe manner immediately and take actions to extinguish the fire with the available firefighting equipment. If the people are unable to extinguish the fire, they should call the competent authorities for assistance, while taking actions to secure the access ways to the burning site and prevent spreading of the fire inside and outside the site. In case of fire outbreak in buildings, fire extinguisher should be available and each exit must be clearly visible and marked by a sign reading "Exit."
- **Disease outbreak.** In case of disease outbreak or pandemic (such as Covid 19), the project will contact each stakeholder and provide directives in line with National protocol. Notification measure include phone, what's app, messenger, project website, official letter.
- The project will develop a **list of contact** information in case of various emergency scenarios. The list should include the name, description, location, and contact details (telephone, email) for each of the resources, and be maintained annually.

- Environment Protection Law No, 29, NA, 18/12 /2012. Disaster management plan or law article 62 natural disaster, 63 mitigations and 64 prevention through raising awareness to grassroots and under the leadership of national disaster preparedness under MONRE.

8. GRIEVANCE REDRESS MECHANISM (GRM)

8.1. Description of GRM

The main objective of a GRM is to assist to resolve complaints and grievances that may be raised by project workers in a timely, effective, and efficient manner that satisfies all parties involved. Specifically, it provides a transparent and credible process for fair, effective, and satisfactory outcomes. It also builds trust and cooperation that facilitates corrective actions. Specifically, the GM:

- Provides Project Affected People (project workers) with avenues for making a complaint or resolving any dispute that may arise during the implementation of project;
- Ensures that appropriate and mutually acceptable redress actions are identified and implemented to the satisfaction of complainants; and
- Avoids the need to resort to judicial proceedings.

The PMU will operationalize a project-specific GRM to address all project workers complaints and requests related to the project. Day-to-day implementation of the GRM and reporting to the World Bank will be the responsibility of the PMU. The HR officer under the Commercial and Marketing Department's staff and the E&S focal point will be in charge of GRM in the PMU. The system and requirements (including staffing) for the grievance redress chain of action – from registration, sorting, and processing, and acknowledgment and follow-up, to verification and action, and finally feedback – are incorporated in the GRM. The more sensitive grievances such as Gender-Based Violence (GBV) including Sexual Exploitation and Abuse / Sexual Harassment (SEA/SH) are described in section 8.4 separately. To ensure management oversight of grievance handling, the PMU will be responsible for monitoring the overall process, including verification that agreed resolutions are implemented.

8.2. Grievance Resolution Process

Information about the GRM will be publicized as part of the communication with project workers (e.g., through websites, and social media). Brochures and posters will be displayed in project offices, MPWT outlets and notice boards, etc. Information about the GRM will also be posted online on the MPWT website. The overall process for the GRM will be comprised of six steps, as described in figure 1 below.

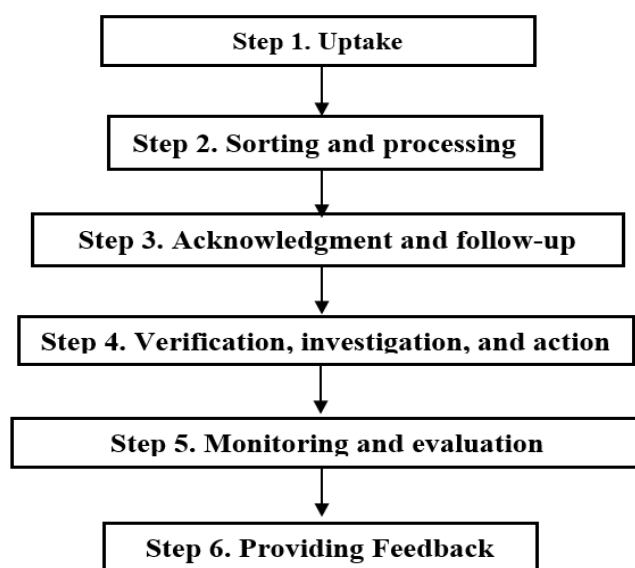


Figure 1: Grievance resolution process

Step 1: Uptake. Project workers will be able to provide feedback and report complaints through several channels: contacting PMU by mail, telephone, email, social media, and SMS to the E&S focal points (appointed QV), and the HR officer of QV.

Step 2: Sorting and processing. Complaints and feedback will be compiled by the HR officer and E&S focal point at PMU and recorded in a register. These are assigned to the PMU and MPWT to address. They are expected to discuss/ deliberate with the complainant and arrive at a resolution, within 15 days of receipt.

Step 3: Acknowledgement and follow-up. Within seven (7) days of the date a complaint is submitted, the responsible person/ agency will communicate with the complainant and provide information on the likely course of action and the anticipated timeframe for resolution of the complaint. If complaints are not resolved within 15 days, the responsible person will provide an update about the status of the complaint/question to the complainant and escalate the pending grievance to the next level, such as the ministerial entity.

Step 4: Verification, investigation, and action. This step involves gathering information about the grievance to determine the facts surrounding the issue and verifying the complaint's validity and then developing a proposed resolution, which could include changes of decisions concerning eligibility for mitigation, assistance, changes in the program itself, other actions, or no actions. Depending on the nature of the complaint, the process can include site visits, document reviews, a meeting with the complainant (if known and willing to engage), and meetings with others (both those associated with the project and outside) who may have knowledge or can otherwise help resolve the issue. It is expected that many or most grievances would be resolved at this stage. All activities taken during this and the other steps will be fully documented, and any resolution logged in the register.

Step 5: Monitoring and evaluation. Monitoring refers to the process of tracking grievances and assessing the progress that has been toward resolution. The PMU will be responsible for consolidating, monitoring, and reporting on complaints, inquiries, and other feedback that have been received, resolved, or pending. This will be accomplished by maintaining the grievance register and records of all steps taken to resolve grievances or otherwise respond to feedback and questions.

Step 6: Providing Feedback. This step involves informing those to submit complaints, feedback, and questions about how issues were resolved or providing answers to questions. Whenever possible, complainants should be informed of the proposed resolution in person (communicating by telephone or other means).

If the complainant is not satisfied with the resolution, she/he will be informed of further options, which would include pursuing remedies through the World Bank, as described below, or through avenues afforded by the Lao PDR legal system. On a monthly basis, the PMU will report to MPWT on grievances resolved since the previous report and on grievances that remain unresolved, with an explanation as to steps to be taken to resolve grievances that have not been resolved within 30 days. Data on grievances and/or original grievance logs will be made available to World Bank missions on request, and summaries of grievances and resolutions will be included in periodic reports to the World Bank. Grievance Logs will include at least the following information:

- 1) Individual reference number;
- 2) Name of the person submitting the complaint, question, or other feedback, address and/or contact information (unless the complaint has been submitted anonymously);
- 3) Details of the complaint, feedback, or question/her location and details of his/her complaint;
- 4) Date of the complaint;
- 5) Name of the person assigned to deal with the complaint (acknowledge to the complainant, investigate, propose resolutions, etc.);

- 6) Details of the proposed resolution, including person(s) who will be responsible for authorizing and implementing any corrective actions that are part of the proposed resolution;
- 7) Date when the proposed resolution was communicated to the complainant (unless anonymous);
- 8) Date when the complainant acknowledged, in writing if possible, being informed of the proposed resolution;
- 9) Details of whether the complainant was satisfied with the resolution, and whether the complaint can be closed out;
- 10) Date when the resolution is implemented (if any).

The MPWT will offer its External and Internal channels. The PMU will enable (i) Internal level offices as GM focal points (QV HR officer), (ii) External level (MPWT, Public Works and Transport Institute (PTI)). By this arrangement, the project will be able to address effectively and efficiently all grievances raised. To manage the project GRM, it will include the following successive tiers of extra-judicial grievance review and resolution:

- The first tier will be the Internal level offices at the grassroots, who are responsible for helping members of the project and other social work (conflict resolution, overall community upkeep, etc.). They have the primary responsibility for identifying the individuals requiring social assistance. Unresolved grievances will be elevated to a Grievance Redress Commission (GRC) which will be established by MPWT and QV.
- PAPs will have an option of submitting grievances to the PTI/MPWT directly. This will be the second tier, which will form a GRC under the leadership of (PTI) and includes one or more senior Internal level offices, and External level. GRC will resolve issues that could not be resolved by the government or those that came directly. The GRC will deal with issues before referring to the legal recourse.

To promote the transparent and efficient implementation of the project, the PMU will accept and investigate queries from any Project-affected parties, including anonymous queries.

8.3. Monitoring and Reporting on Grievances

The PMU will be responsible for:

- Analyzing the qualitative data on the number, substance, and status of complaints and uploading them into the project databases established by PMU;
- Monitoring outstanding issues and proposing measures to resolve them;

Biannual reports to be submitted to the WB shall include a section related to GM which provides updated information on the following:

- Status of GRM implementation (procedures, training, public awareness campaigns, budgeting, etc.);
- Qualitative data on the number of received grievances (applications, suggestions, complaints, requests, positive feedback), highlighting a number of resolved grievances;
- 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 pending grievances, correction measures taken and plan to settle the outstanding cases.

Handling of sensitive grievances related to

GBV including SEA/SH) issues require some additional measures:

- A victim/survivor-centered approach will be implemented to address GBV, including SEA/SH issues. The Lao Women Union (LWU), possessing a local presence and is in all government agencies, will be engaged. The LWU is trained in managing the risks associated with SEA/SH, ensuring a sensitive and effective response to incidents.
- In addition to the socio-cultural characteristics and non-violent communication ways in the training of workers, GBV will also be on the agenda. Worker training will include the following information on GBV:
 - Definition of violence against women in national and international documents,
 - Types of violence (physical, sexual, economic, emotional),
 - Legal sanctions.
- The grievance mechanism will be accessible and ensure the confidentiality of personal information.
- Information activities will be carried out to inform women about the mechanism. The following types of information are presented in these studies:
 - Women's rights
 - Self-protection in cases of violence and sexual abuse
 - Emergency phone numbers
 - Contact information of the institutions and organizations they can apply to
 - Grievance mechanism and privacy policy
- The confidentiality principle of the grievance mechanism will be repeated in all information materials.

The project will utilize additional mitigation measures proportional to risk. Primary supply workers will be required in the contract to commit against the use of child and forced labor, introduce mitigation measures against SEA/SH, and MPWT/PMU staff in charge of primary supply worker supervision will monitor and report the absence of forced labor and cases of SEA/SH. All personal data and complaints received by the GRM will be treated in a confidential manner unless the complainant consents to the disclosure of their personal information. Especially, the confidentiality of sensitive issues and complaints related to SEA/SH raised by communities will be followed.

8.4. GBV including SEA/SH Grievances

According to the ESCP, the project is required to apply Gender-Based Violence (GBV), Violence Against Children (VAC) and Sexual Exploitation and Abuse (SEA) risk management measures designed to manage the risks of project activities exacerbating gender-based violence, including violence against children, sexual abuse and risk of exclusion of disadvantaged groups on the basis of gender or ethnicity.

To avoid, reduce or minimize such risks, Codes of Conduct (CoC) for GBV and VAC were developed in line with the national legislation on preventing and combating violence against women and children (2014) and are attached as ATTACHEMNT 1. The CoC's will be handed out and explained to all project staff, consultants and others, and are expected to be signed to acknowledge/ commit to it.

The GRM established by the project will facilitate and ensure that GBV and VAC related complains and issues can be reported and addressed in a timely and accountable manner. Focal staff and a representative of Lao Women's Union (LWU) and Lao Youth Union (LYU) from the QV office will be responsible for receiving, facilitating and managing SEA/SH and GBV incidents and complaints that may be received from affected people and victims. The focal staff and agencies involved including Lao Women Union and Lao Youth Union who will receive specialized training to be able to handle these types of sensitive grievances.

The GRM system will include special pathways for the GBV complaints and grievances, including grievances on sexual harassment and sexual exploitation and abuse, and labor-related grievances. Channels to accept and respond to GBV grievances, while ensuring high confidentiality, will be

communicated to the project’s affected parties during the consultation meetings and throughout project implementation. Training will also be provided by a GBV expert for the E&S officer on detection of cases of gender-based violence and handling of inquiries, complaints, and grievances related to GBV.

8.5. Existing GRM at MPWT and PMU

Along with the World Bank requirements on the development and implementation of grievance mechanism for each Bank finance project, a grievance redress procedure is also required according to national legislation. The MPWT and PMU provide a GRM for physical and legal entities to raise reasonable workplace concerns.

Table 6. Channels for accessing information and submitting grievances

Description	Contact details
Grievance Redress Committee – 1 st tier	Internal level (QV HR Office) Mr. Khamviengkhone INTHAVONG Mobile: +856 20 2201 8863 Office: +856 21 513 150
Grievance Redress Committee – 2 nd tier	External level - MPWT: hotline= 1458 - PTI: Mrs. Vanida LUANGTHEPXAYAVONG Mobile: +856 20 5456 5324 Office: +856 21 818 020
GBV and VAC Grievances	Head of QV Lao Women’s Union Mrs. Phoutthasone Vannachak Mobile: +856 20 5569 9060 Head of QV Lao Youth’s Union Mr. Chitdavady Silakhoun Mobile: +856 20 5443 086
Address:	Wattay International Airport, Sikhottabong District, Vientiane Capital, Lao PDR. P.O. Box 6441
Web-platform:	www.laoairlines.com
Social media platforms:	Lao Airlines Facebook Page
Anonymous complaints are also accepted by any of the above channels	

8.6. Workers’ Grievance Mechanism Chanel

The MPWT shall provide clear grievance mechanisms for partners, workers, employees, and primary supply workers including consultants and experts who will be employed or engaged in connection with the Project. The MPWT will inform the workers about the available tools to lodge grievances such as telephone numbers and email. The E&S officer will receive, and handle complaints related to workers’ grievances. The E&S officer staff will be responsible for managing and sorting complaints related to workers and employees (contracted and long-term employees) and for recording and tracking the resolution of grievances in the complaints log.

The worker’s 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;
- a register to record and track the timely resolution of grievances;
- an assigned staff to receive, record, and track the resolution of grievances.

The worker’s grievance mechanism will be described in staff induction trainings, which will be provided to all project workers. Information about the existence of the grievance mechanism will be readily

available to all project workers (direct and contracted) through notice boards, the presence of “suggestion/complaint boxes”, and other means as needed. MPWT will monitor the registration and resolution of grievances, and report these in the progress reports.

8.7. World Bank Grievance Redress System

Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may also complaints directly to the Bank through the Bank’s Grievance Redress Service (GRS) (<https://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>). A complaint may be submitted in English, although additional processing time will be needed for complaints that are not in English. A complaint can be submitted to the Bank GRS through the following channels:

- By email: grievances@worldbank.org
- By fax: +1.202.614.7313
- By mail: The World Bank, Grievance Redress Service, MSN MC10-1018, 1818 H Street Northwest, Washington, DC 20433, USA
- Through the World Bank Laos Country Office in Vientiane: Xieng Ngeun Village, Chao Fa Ngum Road, Vientiane, Tel: (+856-21) 266 200. laos@worldbank.org

The complaint must clearly state the adverse impact(s) allegedly caused or likely to be caused by the Bank-supported project. This should be supported by available documentation and correspondence to the extent possible. The complainant may also indicate the desired outcome of the complaint. Finally, the complaint should identify the complainant(s) or assigned representative/s and provide contact details. Complaints submitted via the GRS are promptly reviewed to allow quick attention to project-related concerns.

In addition, project-affected communities and individuals may submit complaints to the World Bank’s independent Inspection Panel, which will then determine whether harm occurred, or could occur, as a result of the World Bank’s non-compliance with its policies and procedures. Complaints may be submitted to the Inspection Panel at any time after concerns have been brought directly to the World Bank’s attention, and after Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

9. PRIMARY SUPPLY WORKER MANAGEMENT

Any contracts will include provisions related to labor and occupational health and safety as provided in the World Bank Environmental and Social Framework, Standard Procurement Documents and Lao PDR legislation.

The PMU will use the Bank’s 2017 Standard Procurement Documents for solicitations and contracts, and these include labor and occupational, health and safety requirements and will make reference to this LMP. The PMU shall ensure that the primary supplier is legitimate and reliable entities, and that any written labor procedures the primary supplier have in place are in compliance with this Procedure. As part of the selection process the PMU may review the following information:

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

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

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

PMU will manage and monitor the performance of suppliers and their workers in relation to contracted workers, focusing on compliance by suppliers 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 any suppliers.

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.

ATTACHMENT 1. The content and template of code of conducts

CODE OF CONDUCT

MINIMUM REQUIREMENTS FOR THE CODE OF CONDUCT

A minimum requirement for the Code of Conduct should be set out, taking into consideration the issues, impacts, and mitigation measures identified in:

- project reports e.g. ESRS, ESCP
- consent/permit conditions
- required standards including World Bank Group EHS Guidelines
- national legal and/or regulatory requirements and standards (where these represent higher standards than the WBG EHS Guidelines)
- relevant standards e.g. Workers' Accommodation: Process and Standards (IFC and EBRD)
- relevant sector standards e.g. workers accommodation
- grievance redress mechanisms.

The types of issues identified could include risks associated with: labor influx, the spread of communicable diseases, sexual harassment, gender-based violence, illicit behavior and crime, and maintaining a safe environment etc.

The minimum Code of Conduct requirement may be based on the following:

CODE OF CONDUCT REQUIREMENTS

A satisfactory code of conduct will contain obligations on all project workers including contracted workers or consultants and primary suppliers that are suitable to address the following issues, as a minimum. Additional obligations may be added to respond to particular concerns of the region, the location and the project sector or to specific project requirements. The issues to be addressed include:

- Compliance with applicable laws, rules, and regulations of the jurisdiction
- Compliance with applicable health and safety requirements (including wearing prescribed personal protective equipment, preventing avoidable accidents and a duty to report conditions or practices that pose a safety hazard or threaten the environment)
- The use of illegal substances
- Non-Discrimination (for example on the basis of family status, ethnicity, race, gender, religion, language, marital status, birth, age, disability, or political conviction)
- Sexual harassment (for example to prohibit use of language or behavior, in particular towards women or children, that is inappropriate, harassing, abusive, sexually provocative, demeaning or culturally inappropriate)
- Violence or exploitation (for example the prohibition of the exchange of money, employment, goods, or services for sex, including sexual favors or other forms of humiliating, degrading or exploitative behavior)
- Avoidance of conflicts of interest (such that benefits, contracts, or employment, or any sort of preferential treatment or favors, are not provided to any person with whom there is a financial, family, or personal connection)
- Respecting reasonable work instructions (including regarding environmental and social norms)
- Protection and proper use of property (for example, to prohibit theft, carelessness or waste)
- Duty to report violations of this Code
- Non retaliation against workers who report violations of the Code, if that report is made in good faith.

The Code of Conduct should be written in plain language and signed by each worker to indicate that they have:

- received a copy of the code;
- had the code explained to them;
- acknowledged that adherence to this Code of Conduct is a condition of employment; and
- understood that violations of the Code can result in serious consequences, up to and including dismissal, or referral to legal authorities.

Letter of Appointment and Code of Conducts

This Annex includes Letter of Appointments for Project Staff, Consultants and primary supplier.

Letter of Appointment for Project Staff

The Project staff (direct workers), consultants and primary suppliers (indirect workers) are personally and collectively responsible for upholding and promoting the highest standards of ethical and professional conduct. The Project capacity to ensure the protection of and assistance to the women and children that we work with, depends on the ability of all stakeholders to uphold and promote the highest standards of ethical and professional conduct.

The purpose of this policy is to provide advice on the standards of behavior that are required of project staff, consultants and primary suppliers. It provides guidance, promotes ethical behavior and sets expectations across all locations.

Applicability

- Where government civil servants are working in connection with the project, whether full time or part time, they will remain subject to the terms and conditions of their existing public sector employment agreement or arrangement, unless there has been an effective legal transfer of their employment or engagement to the project.

Ethical considerations

- Government staff should commit and respect the article 54 and 55 of the section 2 on responsibility of government staff; article 56, 57 and 58 of the section 3 on obligations of government staff and article 59 to 63 of the section 4 on ethical considerations of government staff (Law on Government staff, NA/No.74/18/12/2015).
- Government staff shall be committed to the Decree on Code of Conduct (26/06/2019) for civil servants, representatives from the Lao Front for National Construction, Mass Organizations from central level to the grassroots, etc. The article 9 on ethical concerns related to citizen and society is of particular importance as it emphasize transparency, exemplary behavior and principle of equality in the service of the population.

Violence against women and children

- All people should commit to the principles, rules and measures for preventing and combating violence against women and children embedded in the Law on Preventing and Combatting Violence against Women and Children, Na No. 56, 23/12/2014
- All people should commit to the principles, rules and measures relating to the Law on the Protection of the Rights and Interests of Children No.4, NA, 27/12/2006

Name: _____

Signature: _____

Position: _____

Date: _____

CODE OF CONDUCT TO BE ADHERED BY CONSULTANTS AND PRIMARY SUPPLY WORKERS

We are the Primary Supply Worker, [enter her/his name]. We have signed a contract with [enter name of Employer] for [enter description of the Works]. These works will be carried out at [enter the Site and other locations where the Works will be carried out]. Our contract requires us to implement measures to address environmental and social risks related to the Works, including the risks of sexual exploitation, sexual abuse and sexual harassment.

Note:

The minimum content of the Code of Conduct form as set out by the Employer shall not be substantially modified. However, the Contractor may add requirements as appropriate, including to take into account Contract-specific issues/risks.

This Code of Conduct is part of our measures to deal with environmental and social risks related to the Works. It applies to all our staff, labourers and other employees at the Works Site or other places where the Works are being carried out. It also applies to the personnel of each subcontractor and any other personnel assisting us in the execution of the Works. All such persons are referred to as project 's workers' and are subject to this Code of Conduct.

This Code of Conduct identifies the behavior that we require from all Project's Workers

Our workplace is an environment where unsafe, offensive, abusive or violent behavior will not be tolerated and where all persons should feel comfortable raising issues or concerns without fear of retaliation.

REQUIRED CONDUCT

Contractor's Personnel shall:

- carry out his/her duties competently and diligently;
- comply with this Code of Conduct and all applicable laws, regulations and other requirements, including requirements to protect the health, safety and well-being of other project workers and any other person;
- maintain a safe working environment including by:
 - ensuring that workplaces, machinery, equipment and processes under each person's control are safe and without risk to health;
 - wearing required personal protective equipment;
 - using appropriate measures relating to chemical, physical and biological substances and agents; and
 - following applicable emergency operating procedures.
- report work situations that he/she believes are not safe or healthy and remove himself/herself from a work situation which he/she reasonably believes presents an imminent and serious danger to his/her life or health;
- treat other people with respect, and not discriminate against specific groups such as women, people with disabilities, migrant workers or children;
- not engage in Sexual Harassment, which means unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature with other Project Workers or Employer's Personnel;
- not engage in Sexual Exploitation, which means any actual or attempted abuse of position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another;

- not engage in Sexual Abuse, which means the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions;
- not engage in any form of sexual activity with individuals under the age of 18, except in case of pre-existing marriage;
- complete relevant training courses that will be provided related to the environmental and social aspects of the Contract, including on health and safety matters, Sexual Exploitation and Abuse (SEA), and Sexual Harassment (SH);
- report violations of this Code of Conduct; and
- not retaliate against any person who reports violations of this Code of Conduct, whether to us or the Employer, or who makes use of the grievance mechanism for project workers or the project's Grievance Redress Mechanism.

RAISING CONCERNS

If any person observes behavior that he/she believes may represent a violation of this Code of Conduct, or that otherwise concerns him/her, he/she should raise the issue promptly. This can be done in either of the following ways:

1. Contact [enter name of the E&S Focal Point with relevant experience in handling sexual exploitation, sexual abuse and sexual harassment cases, or if such person is not required under the Contract, another individual designated by the PMU to handle these matters] in writing at this address [] or by telephone at [] or in person at []; or
2. Call [] to reach the Focal Point's hotline (if any) and leave a message.

The person's identity will be kept confidential, unless reporting of allegations is mandated by the country law. Anonymous complaints or allegations may also be submitted and will be given all due and appropriate consideration. We take seriously all reports of possible misconduct and will investigate and take appropriate action. We will provide warm referrals to service providers that may help support the person who experienced the alleged incident, as appropriate.

There will be no retaliation against any person who raises a concern in good faith about any behavior prohibited by this Code of Conduct. Such retaliation would be a violation of this Code of Conduct.

CONSEQUENCES OF VIOLATING THE CODE OF CONDUCT

Any violation of this Code of Conduct by Project Workers may result in serious consequences, up to and including termination and possible referral to legal authorities.

FOR Project Workers:

I have received a copy of this Code of Conduct written in a language that I comprehend. I understand that if I have any questions about this Code of Conduct, I can contact [enter name of contact person(s) with relevant experience] requesting an explanation.

Name of Project Worker: [insert name]

Signature: _____

Date: (day month year): _____

Countersignature of authorized representative of the PMU:

Signature: _____

Date: (day month year): _____