

**Labor Management Procedures  
For  
National Dairy Support Project-Phase II**

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### Abbreviation

BMC	Bulk Milk Chillers
CMC	Community Milking Centre
CPSC	Central Project Steering Committee
DCS	Dairy Cooperative Society
DPR	Detailed Project Report
E&S	Environment & Social
EPF	Employee Provident Fund
ESI	Employees State Insurance
ESS	Environment & Social Standards
EVM	Ethno-Veterinary Medicine
GFP	Grievance Focal Point
GHG	Greenhouse Gas
GRM	Grievance Redress Mechanism
ICC	Internal Complaints Committee
ICT	Information and Communication Technology
ILO	International Labor Organisation
LMP	Labor Management Procedure

MPP	Milk Pooling Point
NDDB	National Dairy Development Board
NDSP	National Dairy Support Project
OHS	Occupational health and safety
PMU	Project Management Unit
POIs	Producer Owned Institutions
POSH	Prevention of Sexual Harassment at the Workplace
PSC	Project Sanctioning Committee
SEP	Stakeholder Engagement Plan
SHG	Self Help Group
SLTMC	State Level Technical Management Committee
SPD	Standard Procurement Document
SPPs	Sub-Project Plans
TMR	Total Mixed Ration
WB	World Bank

# 1. INTRODUCTION

## 1.1 Overview of NDSP Phase-II

The World Bank (WB) as a trusted partner aims to provide financing through a multiphase program approach for the implementation of the second phase of National Dairy Support Program (NDSP Phase-II) through the nodal agency National Dairy Development Board (NDDB). The development objective of this phase is to enhance institutional capacity and sustainability, strengthening the dairy market development, integrating the climate resilient practices in rearing practices and capacity building to strengthen the overall dairy supply chain in the country. The project will focus on less dairy developed States, which have been identified based on the supply infrastructure of functional Dairy Cooperative Societies (DCSs)/ Milk Pooling Points (MPPs) coverage, milk procurement shares and processing capacity and liquid milk marketing coverage.

The overall development of a country is dependent on the contribution of its rural economy to the socio-economic growth of that nation. In India, two-thirds of the country's population is dependent on agriculture for their livelihood, and one-third of rural India is still below the poverty line. To bridge this gap dairy sector can play a crucial role in the socio-economic development of the rural households. About 86% of the total farmers are small & marginal farmers and land less households, owning 1 to 2 milch animals. They account for the 60% of the farmland and 83% of the milch animals in the country.

By implementation of the NDSP Phase-II, Producer Owned Institution (POIs) can improve their performance by procuring quality milk transparently from their producer members, efficiently processing of milk into milk products following recommended food safety & quality standards, developing a robust forward market linkage with a strong network of cold chain infrastructure and improved brand building & sales promotion strategy. The project will address some of these challenges through various interventions such as dairy market development, ration advisory services, promotion of fodder production & conservation technologies, climate start interventions, etc. However, to address all challenges faced by the farmers, various schemes of Govt. of India need to be converged which will help in addressing the breed improvement and making available animal health services to farmers.

### Project Components

- Component A: Enhancing Institutional Capacity and Sustainability
- Component B: Strengthening Dairy Market Development
  - Sub-Component B1: Strengthening the Dairy Supply Chain System
  - Sub-Component B2: Strengthening the Sales and Marketing System
  - Sub-Component B3: Enhancing Food Safety and Quality
  - Sub-Component B4: Strengthening Dairy Business Operations through ICT support
- Component C: Productivity Improvement and Enhancing Climate Resilient Rearing Practices
  - Sub-Component C1: Promotion of Scientific Feeding Practices
  - Sub-Component C2: Demonstration of Fodder Production and Conservation Technologies
  - Sub-Component C3: Control of Bovine Mastitis & Ethno-Veterinary Medicine (EVM)
  - Sub-Component C4: Renewable energy solutions and GHG mitigation interventions
    - Manure Value Chain Development Programme
    - Renewable Energy Solutions in Dairy
    - Evolving Green House Gas (GHG) Mitigation Strategies
- Component D: Project Management and Learning

## 1.2 Context for the Labor Management Procedure

This labor management Procedure (LMP) has been developed to manage and regulate the standards of labor and working conditions for all categories of workers that will be directly or indirectly engaged in project execution by POIs, in alignment with the requirements of WB Environment Social Standards 2 (ESS2). Manpower are recognised under four broad categories as per ESS-2 and these are delineated below:

- **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 consultants and specialists to be hired by respective PM-NDDB and Project Facilitation Cell/ Technical Support Unit at DAHD for project implementation;
- **Contracted Worker:** is a worker employed or engaged by a third party to perform work or provide services related to the core functions<sup>1</sup> 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. In the context of NDSP Phase-II, workers required for installation of plant machinery, construction workers, daily wage labourer etc. would fall under the category of contracted workers;
- **Community Worker:** Projects may include the use of community workers in a number of different circumstances, including where the community as a contribution to the project provides labor, or where projects are designed and conducted for the purpose of fostering community-driven development, providing a social safety net or providing targeted assistance in fragile and conflict-affected situations. In the context of NDSP 2 project, engagement of community workers is not anticipated.
- **Primary Supply Workers:** is a worker employed or engaged by a primary supplier<sup>2</sup>, providing goods and materials that are core to the implementation of the project, over whom a primary supplier exercises control for the work, working conditions, and treatment of the person. As part of the definition, there is a requirement that the goods or materials be provided directly to the project for its core functions on an ongoing basis. This means that second, third, and further levels of the supply chain (sometimes referred to as Tier 2 and Tier 3 suppliers) are not covered by ESS2.

## 1.3 Overview of labor use for the project activities by POIs

This LMP will be applicable to all activities undertaken by the implementing agencies, including the POIs as part of project implementation.

Manpower engaged in regulation operation of POIs can be categorised under two major workforce category i.e. Direct Worker and Contracted Worker. Primary Supply workers in the context of the project would be the workforce of the agencies providing material for the plant and machinery being installed at the DCS, processing and feed/ ration plants as well as key construction material to be used for civil works under the project.

Maximum deployment of direct and contract workers at a given time across the Milk unions/ Milk Producer companies and other POIs not expected to be more than 120..

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<sup>1</sup> 'Core functions' of a project constitute those production and/or service processes essential for a specific project activity without which the project cannot continue.

<sup>2</sup> 'Primary suppliers' are those suppliers who, on an ongoing basis, provide directly to the project goods or materials.

### 1.3.1 Labor requirement in construction phase

POIs will require additional workforce for execution of approved SPPs, specifically during construction phase of certain SPPs under the project that are listed below;

**Table 1-1 NDSP Phase-II Project activities involving construction work**

Project Component	Sub-Project Plan (SPP)	Nature of labour work involved
<b>Component B 1-</b> Strengthening the Dairy Supply Chain System	<ul style="list-style-type: none"> <li>■ Setting up Bulk Milk Chillers (BMCs) at village level</li> <li>■ Establish Community Milking Centre (CMC) at village level</li> <li>■ Setting up village level pasteurisation and product manufacturing unit in remote areas</li> <li>■ Setting up new DCS/MPP centre at village level</li> </ul>	<ul style="list-style-type: none"> <li>■ Loading/unloading of machinery, equipment, construction material etc.;</li> <li>■ Installation of machinery and equipment;</li> <li>■ Civil works, electrical &amp; mechanical works</li> </ul>
<b>Component C 1-</b> Promotion of scientific feeding practices	<ul style="list-style-type: none"> <li>■ Establishing TMR Plant</li> </ul>	<ul style="list-style-type: none"> <li>■ Loading/unloading of equipment, construction material;</li> <li>■ Civil works, equipment installation,</li> <li>■ Construction of temporary facilities like material storage shed, labour camp etc.</li> </ul>
<b>Component C 2-</b> Demonstration of Fodder Production and Conservation Technologies	<ul style="list-style-type: none"> <li>■ Fodder Seed Processing Plant</li> <li>■ Large Silage Production Unit</li> <li>■ Small Silage Production Unit at village level</li> <li>■ Community level green fodder production at village level</li> </ul>	<ul style="list-style-type: none"> <li>■ Loading/unloading of machinery, equipment, construction material etc.;</li> <li>■ Construction of temporary facilities like material storage shed, labour camp etc., specifically for fodder seed processing plant construction;</li> <li>■ Installation of machinery and equipment;</li> <li>■ Civil works, electrical &amp; mechanical works</li> </ul>

Source: NDSP Phase-II Project DPR

Construction workers size for most of these specific SPPs is expected to very limited, and scattered across different locations and at one location are not expected to be deployed for more than a few weeks. TMR plant construction will require more workers, probably up to 50 during peak construction phase.

## 2. APPLICABLE STANDARDS AND REGULATORY PROVISIONS FOR LMP

### 2.1 Labour Regulations

The terms and condition of employment for all categories of workers in operation of POIs including construction workers and primary supply workers, will be primarily governed by applicable labor regulation of the country that are listed in table given below. These central government regulation and these will further supplemented by rules formed at state level and suitable applied by POIs.

**Table 2-1: Applicable Regulation & Guidelines**

S. No	Applicable labour regulation	Brief description
1	The contract labor (regulation and abolition) act, 1970 and rules	For engaging twenty or more labor on contract on any day, the Contractor shall also abide by the provisions laid down in the Contract Labor (Regulation & Abolition) Act, 1970. Under this Act, the Contractor shall secure a license from the Labor Commissioner after certification from the Employer i.e. POI. The contractor shall maintain wage sheet, attendance, PF, leave registers as applicable under the Act and shall keep them available for any inspection by the Employer;
2	Building and Other Construction Workers Act 1996	The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and Central Rules, 1998 made thereunder stipulates that all establishments employing more than ten (10) workers will have to meet the provisions of the act and rules made thereunder. Building and other Construction Workers Act and Chapter 28 of Central rules stipulate the basic welfare measures that are to be provided by the employer or establishment.
3	Factories Act, 1948, amended 1987	The Act standardize the health and safety measures required to be implemented in a factory and will be applicable for milk plants. The health provisions related to the cleanliness, disposal of effluents and wastes, ventilation and temperature, dust, and fume control, overcrowding, lighting, availability of sufficient latrines, urinals and spittoons, and availability of safe drinking water etc. shall be maintained according to the Act. Apart from that, many safety provisions are also mentioned in the act from worker's safety aspects.
4	The child labor (Prohibition and Regulation) Act, 1986	Child labor prohibition Act prohibits employing of any workmen/labor below the age of 14 years for any commercial activity. A child over the minimum age (14) and under the age of 18 may be employed or engaged in connection with the project only if the work is not likely to be hazardous or interfere with the child's education or be harmful to the child's health or physical, mental, spiritual, moral or social development;
5	The Bonded Labor System (Abolition) Act, 1976	This law is enacted with the objective of abolishing bonded labor system in India in order to prevent the economic and physical exploitation of the weaker sections of the society.  The Constitution of India under Article-23, also prohibits forced labor and considers it an offence punishable under the law.
6	Minimum Wages Act, 1948 The Payment of Wages Act, 1936, amended in 2005	This Act applies to wages payable to an employed person in respect of a wage period if such wages for that wage period do not exceed six thousand five hundred rupees per month or such other higher sum.



S. No	Applicable labour regulation	Brief description
7	Maternity Benefit Act, 1961 amended 2016	The Maternity Benefit Act is to regulate the employment of women in certain establishment for certain period before and after childbirth and to provide for maternity benefit and certain other benefits. The act ensure that women employees can take paid leave up to 12 weeks post the delivery of the new born. However, in the year 2016, the Maternity Act was amended after which the number of paid leaves was increased to 26 weeks.
8	Equal Remuneration Act, 1976	The Act ensures to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto.
9	Prevention of Sexual Harassment at the Workplace (POSH) Act, 2013	The POSH Act prevent and protect women from sexual harassment at the workplace and thereby ensure a safe working environment for women. The Act also requires employers to set up Internal Complaints Committee (ICC) in their organisation to address complaints of sexual harassment.
10	The E.P.F. and Miscellaneous Provisions act, 1952; Public Provident Fund Act, 1968 Employees State Insurance (Central) Amendment Rules, 2016	Provident fund is a welfare scheme for the benefits of the employees. Under this scheme both the employee & employer contribute their part but whole of the amount is deposited by the employer. The ESI Act inter alia applies to factories and commercial establishments and provides for social security insurance for employees in case of sickness, maternity, and employment injury.
11	Interstate Migrant Workmen Act 1979	The provisions of Interstate Migrant Workmen Act 1979 shall become applicable in case 5 or more interstate migrant workmen are engaged by the Contractor
12	Trade Union Act, 1926	The Indian Trade Union Act, 1926, is the principle act, which controls and regulates the mechanism of trade unions. Regulation of relations, settlement of grievances, raising new demands on behalf of workers, collective bargaining and negotiations are the other key principle functions that these trade unions perform.

## 2.2 WB ESS-2 requirements

The Environmental and Social Standard on Labor and Working Conditions (ESS2), requires Borrowers to:

- *Promote safety and health at work* – POIs will prioritise OHS aspects of the workers for During the construction, implementation, and operation phases of different sub-projects under NDSP Phase-II, safety and health at work shall be prioritize by incorporating the labor health and safety conditions in contractor/ sub-contractors' agreement.
- *Promote the fair treatment, non-discrimination, and equal opportunity of project workers* – To ensure the fair treatment, non-discrimination and providing equal opportunity to the project workers, applicable labor law provisions shall be implemented under various sub-projects of NDSP Phase-II.

- *Protect project workers, with emphasis on vulnerable workers* – Various sub-projects under NDSP Phase-II may involve labors from vulnerable communities. By implementing the various applicable national regulations their rights and benefits shall be safeguarded.
- *Prevent the use of all forms of forced labor and child labor* – Forced labor and child labors shall be strictly prohibited under various sub-projects under the NDSP Phase-II ensuring the provisions of national labor laws.
- *Support the principles of freedom of association and collective bargaining of project workers in a manner consistent with national law* – To strengthen the milk supply chain, formation of Dairy Co-Operative Societies (DCS) or Milk Unions are defined as one of the objectives of NDSP Phase-II. Following the national laws on freedom of association and collective bargaining throughout the different sub-projects of NDSP Phase-II will help to achieve the objective.

## 2.3 International labor standards

International Labor Organization (ILO) has set up the international labor standards in the form of global conventions or recommendations. These recommendations are non-binding and set of guidelines which orient the national policies and actions. By ratifying the Convention, a country enters into the legal obligation to implement it. India has so far ratified 47 Conventions of the ILO out of which 39 are in force. There are 10 fundamental Conventions of ILO and India have ratified six of them, and these are listed below;

### 3. ASSESSMENT OF KEY POTENTIAL LABOR RISKS

The main labor risks associated with the project are assessed to be related to key labor regulations of the country, associated risk of accidents, OHS, community health and safety, SEA/SH related issues etc. potential labor risks are explained below.

- **Non-compliance with key labor regulation:** Potential key risks could be in form of wage payment below prevailing minimum wage rate of the state, daily working hours exceeding the permissible limit, overtime payment not aligned with regulatory provision, lack of registration certificate of the contractors that may lead to unfair terms of employment, discrimination in conditions of work or wage payments or absence of adequate facilities at the worksite for the workers.;
- **Use of Child or Forced Labor:** During construction period of SPPs, there is a risk of engaging child labor in different tasks. Contractor will be prohibited to employ anyone under the age of 18 in this project and age proof documents of workers (like Aadhar card, birth certificate etc.) will be the basis to verify minimum age of workers eligible to be employed for the project work. POIs will conduct regular monitoring of construction workers in terms of their health, working conditions, hours of work and the other requirement as per ESS-2;

Likelihood of forced labor situation may be there w.r.t interstate migrant workers and other construction workers engaged by contractors and sub-contractors in construction phase of SPPs. POIs would be responsible to ensure avoidance of any form of forced labor scenario amongst different categories of workers engaged in their operation including primary supply workers.;

- **Gender-Based Violence (GBV including SEA/SH):** workers engaged in operation of POIs are mostly for local areas and therefore the GBV including sexual exploitation and abuse (SEA) and sexual harassment (SH) risk is expected to be low and manageable. The contractors mobilized during construction phase will need to ensure that workers are provided with the necessary GBV/SEA/SH training and Code of Conduct (CoCs) prior to commencement of works. Further guidance on managing GBH/SEA/SH risk can be obtained from the Gender Based Violence Action Plan that is prepared as part of this Gender and Social Inclusion Action plan of the ESMF document.
- **Occupational Health and Safety (OHS):** Potential OHS related hazard to the workers in the regulation operation of POIs and to the construction workers, are associated with key activities of POIs. For example, accident and injury risks may happen due to transportation of vehicle for milk

collection (from DCSs/MPPs to BMC/Chilling Centre to Milk plants), supply of finished goods from milk plant to wholesalers, and for construction material/equipment transportation during construction phase. Fall from height, trip hazard, lifting hazard are also anticipated as general construction hazard for the project. Specific hazard for workers employed in milk plant/ Village level Milk Pasteurization and product manufacturing could be in form of 'burn from hot water/hot surface/escaping steam, fall from ladder/stairs/elevated platforms etc. These risks may emerge from lack of awareness or training of the workforce on the safety and preventive measures or absence of equipment and gears for using during operation,

- **Absence of an effective Grievance Redress Mechanisms-** to look at the grievances and complaints of the workers

## 4. POLICIES AND PROCEDURES

NDDB will be required to formulate policies and procedures for catering to different categories of workforce engaged in the project operations in light of the key aspects as discussed below. The updated policies adopted for the project will contribute to the achievement of ESS2 objectives.

### Terms and Conditions of Employment

- Documented employment contract/appointment letters to all categories of workers including third workers and construction workers by their respective employer;
- Employment contract should include information as appropriate with applicable labour regulations such as worker's name, job title, date of joining, anticipated duration of the contract(for contract workers), place of work, housing and accommodation provisions, provisions regarding food and payment required (if any), hours of work, rest breaks, leave entitlements & other related matters, overtime compensation, timing of payment & deductions, applicable labor welfare arrangement, notice period etc.

### Non-discrimination & Equal opportunity

- Policy on fair treatment, non-discrimination, and equal opportunity of project workers in the process of recruitment;
- The project workers will be recruited and assessed based on their competence and professional achievements.
- Gender, birth, language, race, colour, age, health condition, and/or disablement, ethnic origin, religion, marital status, family obligations, sexual orientation, political or other belief, social background, membership in political organisations, trade unions, or any other personal characteristic unrelated to inherent job requirements cannot be ground for making any decision regarding employment and the employment relationship.

### Protecting the workforce

- Clear policy on minimum age of recruitment to ensure compliance w.r.t applicable regulatory provision on this matter;
- Policy statement on prohibition of forced labor in any form in project related activities.
- Occupational health & safety (OHS) plan specifying potential risk & hazard and corresponding safety measures. OHS plan should also highlight the requirement of specific PPEs for workers, necessary training, mock drills, TBT etc.

### Worker's organisation

- Freedom to the workers for joining a trade union or any other worker organization of their choice;

- The principle of free association and collective bargaining will be strictly respected.
- The third party must not condition the participation of a project worker in the project, his/her status, remuneration or entitlements on the project worker's membership or activity in any organization.

### **Accommodation arrangement**

Where accommodation arrangement is necessitated by POIs for their workers or for the construction workers by their contractor/sub-contractors during construction phase of any SPPs, POIs will be recommended to adopt the following approach to handle the issues of worker's accommodation and it should be dealt systematically in following manner:

- Assessment of the type and number of workers who will be requiring accommodation facility;
- Impact assessment of workers accommodation on local community and accordingly plan mitigation measures;
- Identify applicable regulatory requirements on establishment of workers colony; and
- Determining the standards to apply to the location of facilities, the construction of housing and provision of facilities;
- Managing accommodation.

The contractor should ensure following described standards at a minimum while establishing accommodation arrangement/ labor camps for their workers;

- Labor camp location should at reasonable distance from site location, with adequate transport arrangement (if necessitated);
- Adequate space, ventilation, natural lighting and artificial lighting arrangement should be ensured;
- Separate camps for women workers and for workers living with family;
- Drinking water arrangement, proper drainage & waste water discharge arrangement;
- Adequate number of toilets, separate for male & female workers, with regular cleaning arrangement;
- Adequate number of bathroom and hand wash facilities;
- Canteen and/or cooking arrangement, with adequate space for separate cooking along with facilities for fuel for cooking, cleaning/disinfecting/storage of cooking utensils and equipment
- Adequate safety arrangement like availability of fire extinguisher, display of emergency contact number etc.

## **5. AGE OF EMPLOYMENT**

In accordance with the Constitution of India, no child below the age of fourteen years shall be employed to work in any factory or mine or engaged in any other hazardous employment. Employment of child under 14 years of age is strictly prohibited in any establishment. Adolescents between the age of 14 – 18 years cannot be employed in any hazardous occupation as per the Child Labor (Prohibition and Regulation) Amendment Act, 2016. Consultation with POIs in select districts across the five states indicates that minimum age of employment in their operations is 18 years.

Contractors will be required to verify and identify the age of all workers. This will require workers to provide official documentation, which could include a birth certificate, ratio card, Aadhar card and other national identification cards, passport, or medical or school record. If a minor under the minimum labor eligible age is discovered working on the project, measures will be taken to immediately terminate the employment or engagement of the minor in a responsible manner, taking into account the best interest of the minor.

POIs will also be required to identify primary suppliers for their respective operations and ensure that requirement of minimum wage of employment is followed and forced or bonded labour is not engaged by primary suppliers.

## 6. TERMS AND CONDITIONS

The terms of employment of the direct project workers of regular category is governed by the All India Service rules/ State specific service rules, the terms of employment of the contractual staffs at the POIs is governed by their terms of contract as mentioned above and in all cases the principles of non-discrimination and equal opportunity apply.

### 6.1 Specific Wages

#### **Specific wages of Direct Workers**

The wages and emoluments for direct workers like consultants and specialist hired by PMUs of NDDDB/DAHD for NDSP Phase-II project, would be in conformity to their Rules and Regulations that are being followed for their other direct workers.

#### **Specific wages of contracted workers**

The wages of contracted workers engaged in project execution (such as workers engaged for plant machinery installation, daily wagger, construction worker etc.) will be governed by the provisions of Minimum Wages Act, 1948 and prevailing minimum wage rate for different workers category in the respective states. There will not be any discrimination of wages paid to male and female workers and same wages will be paid for equivalent work to all workers in conformity with the Provisions of Equal Remuneration Act, 1976.

### 6.2 Working hours

The Direct workers at the PMU of NDDDB and PFC/TSU at DAHD will work as per State/Central Government Rule and therefore will comply with requirements of the rule.

The work hours for contracted workers will not be more than 48 hours per week and 9 hours per day. Any contracted made to work in excess of the same will be entitled to overtime in accordance with the national legal requirements

### 6.3 Specific Terms and Conditions

- No contracted will be required or allowed to work continuously for more than five hours unless he had an interval of rest of not less than half an hour;
- The working day of contracted workers will be so arranged that inclusive of the intervals of rest, if any will not spread over more than twelve hours on any day;
- Subject to provisions of the Building and Other Construction Workers (Regulation of Employment and Conditions Of Service) Act, 1996, every worker will be allowed a day rest every week, which will ordinarily be Sunday, but the contractor may fix any other day of week as the rest day;
- No worker will be made to work on any day, which is declared as National Holiday;
- Any denial in and/or untimely payment of wages to workers will render the contractor liable to an action before the relevant Labour court/Industrial Tribunals under the Legislations mentioned above;

- Conditions of employment for skilled and unskilled workers will conform to the rules framed by respective states under Building and Other Construction Workers (Regulation of Employment and Conditions of Services) Act 1996;
- Under no circumstances, child labour or forced labour (in any form) shall be engaged, as these are prohibited under National and State Government Norms.
- Contractor will also be liable to be prosecuted in his personal capacity under the provisions of Indian Penal Code 1860 and other Penal legislations before criminal courts in case of gross negligence and dereliction of duty or contraventions of any such statute resulting in death or injury of the workers.

## 7. GRIEVANCE MECHANISM FOR THE WORKERS

ESS-2 requires that a grievance mechanism should be provided for all direct workers and contracted workers to raise workplace concerns. Workers should be informed of the grievance mechanism at the time of recruitment and the measures put in place to protect them against reprisal for its use. Measures should also be put in place to make the grievance mechanism easily accessible to all such project workers. In view of this, the project will be required to assess exiting procedures to address workplace concerns of worker and ensure that their procedure gets aligned with ESS-2 requirements and any gaps or shortfalls are bridged through additional measures. At the minimum, grievances mechanism of POIs for workers should:

- Specify to whom the employee should lodge the grievance;
- Refer to the time frame allowed for the grievance to be dealt with;
- Allow the employee to refer to a more senior level within the organization if the grievance is not resolved at the lower level;
- Have transparency in redress process;
- Include right to representation;
- Guarantee non-retribution practice;
- Not impede access to other judicial or administrative remedies that might be available under the law or through existing arbitration/dispute resolution procedures, if the grievance is not resolved within the organization;
- Provide for anonymous complaints to be raised and addressed.

The project workers should be informed on available grievance mechanisms at the time of recruitment as well as in staff induction training. The existing grievance mechanism for project workers should include access to GRM process and GROs that will be set up as part of SEP implementation. Additional channel for receiving and addressing of project workers at POI level, could be in form of maintaining grievance register, placement of complaint boxes at work sites, constitution of grievance redressal committees (GRCs) at the site or POI level etc., as deemed appropriate for the POIs. Information about the existence of the grievance mechanism will be made readily available to all project workers (direct and contracted) through notice boards, the presence of “suggestion/complaint boxes”, and other means as needed.

### **GRM for construction worker during construction phase**

Construction workers to be engaged during construction phase for any specific Sub-Project Plan (SPP) will be allowed to access to formal GRM established by POIs for their workers. In addition to this, it will be the contractual obligation of the contractors to establish a Grievance Mechanism for the workers that



covers all work sites'. It shall include site specific Grievance Focal Point (GFP), a Grievance Redressal Committee (GRC) with representation from the implementing agencies and workers (including women workers), community members.. The GFP assigned by the Contractor will facilitate the filing of the grievances and appeals of contracted workers, if they require support, and will also be responsible for their redress. If the issue cannot be resolved at contractor's level within 7 working days, then it will be escalated to site supervising authority on behalf of POI and then to POI Management for final decision.

The GFP will register the grievances in a formal manner in register or in electronic format to be easily tracked for its resolution. Details of all site specific worker grievances will be captured and reflected in the project level GRM. The GRM will include the process of screening, investigation, resolution of grievances, documentation, and reporting of grievances as the steps mentioned below.

**Step 1:** Raising and registering the grievances using various mechanism including through written or verbal complaints and registered in grievance logbook at the construction site of the specific SPP;

**Step 2:** Grievance raised is screened by the GFP and forward to concern site in-charge of the contractor/sub-contractor for redress;

**Step 3:** Grievance discussed at the GFP/ respective contractor/ sub-contractor level, and addressed

**Step 4:** If not addressed in stipulated period it is escalated to next level at POI's site supervising authority and then to POI Management for final decision site;

**Step 5:** Once addressed, feedback is given/ sent to the complainant;

**Step 6:** If not satisfied, appeal to the other public authorities.

## 8. CONTRACTOR MANAGEMENT

Any Contractor selected by POIs for the construction phase or for the activities involved in regular operation (like contracting with manpower supply agency, transportation agency for milk collection & finished goods from milk plants etc.) must be a legitimate and reliable entity and must have practices materially consistent with the requirement of ESS2. POIs will be recommended to use WB's 2017 Standard Procurement Document (SPD) for solicitations and contracts, and these include labor and occupational, health and safety requirements.

The contractors selected for project activities execution will be required to prepare code of conduct (CoC) for their workers, with following steps to be followed for effective implementation of COC;

- Making labor aware of conduct with all the provisions, do's and don'ts, penalties for non-compliances, etc.
- Displaying CoC at prominent locations of working area; and
- Signing of CoC by workers.

For managing SEA/SH related risks, Contractors would be required to take some preventive measures such as provision of lighting, separate toilet areas for men and women, increased vigil and security arrangement for community sensitive SEA/SH hotspots,. Contractors will also be to conduct sensitization and awareness camps for labors on GRM and SEA/SH risks including penalties and legal action against offenders.

The requirement of ESS2 will be incorporated in the bidding documents and contractual agreement and will include non-compliance remedies. Any subcontractors engaged will also have similar requirements

in their agreement including non-compliance remedies. As part of selection of bidders for contract floated, POIs will need to consider the following;

- Information in public records, for example, corporate registers and public documents relating to past violations of applicable labor law, including reports from labor inspectorates and other enforcement bodies;
- Business licenses, registrations, permits, and approvals related to use of labour;
- Documents relating to a labor management system, including OHS procedures adopted by the bidder ;
- Availability of Workers' certifications/permits/training to perform required work;
- Records of safety and health violations, and responses;
- Systems of Accident and fatality records and notifications to authorities;
- Records of legally required worker benefits and proof of workers' enrolment in the related programs by the bidder in past contracts;

The contracts with selected contractors will include provisions related to labor and occupational health and safety, as provided in the World Bank SPD and applicable Indian regulations.

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

Contractors' labor management records and reports will need to include:

- Availability at site of records relating to grievances received and their resolution;
- Reports relating to safety inspections, including fatalities and incidents and implementation of corrective actions;
- Records of training/ drills provided for contracted workers to explain labor and working conditions and OHS for the project.
- Documentation of measures taken to ensure workers safety at the site

The contract condition for each Contractor shall include the right to terminate the Contract, should the Contractor fail, within the reasonable time given, to comply with any notice to correct non-compliance issue with applicable regulation of India, OHS laws & regulations and this LMP requirements.

## **9. RESPONSIBLE STAFF AND IMPLEMENTATION ARRANGEMENT**

The PMU-NDDDB will be responsible for the operationalization and overall implementation of this LMP. PMU-NDDDB will have a dedicated Environment and Social (E&S) Cell, who will act as Nodal Officer for implementation of E&S management system. E&S Cell will seek LMP implementation update on predefined KPIs from POIs of respective states in the monthly, quarterly and annual project implementation update report.



**Table 9-1 Roles and Responsibilities for LMP Implementation**

S. No	Entity	Responsibility in SEP implementation
1	E&S Cell, NDDB	<ul style="list-style-type: none"> <li>■ Nodal agency for implementing E&amp;S action plan including LMP implementation;</li> <li>■ Updating LMP on regular basis based on feedback received from line agencies like CPSC, PSC, SLTMC, POIs;</li> <li>■ Supervision of LMP implementation by POIs</li> </ul>
2	State Level Technical Management Committee (SLTMC)	<ul style="list-style-type: none"> <li>■ Monitor LMP implementation by respective POIs of the state;</li> <li>■ Provide feedback to NDDB on LMP related matters, including periodic data on implementation</li> </ul>
3	Producer Owned Institutions (POIs)	<ul style="list-style-type: none"> <li>■ Implement actions as proposed in LMP with the guidance from NDDB;</li> <li>■ Dedicate competent workforce at Site to ensure effective implementation of project specific LMP;</li> <li>■ Maintain records of monitoring at their offices.</li> <li>■ Provide periodic monitoring and worker grievance updates on LMP implementation to NDDB;</li> </ul>
4	Contractors/sub-contractors	<ul style="list-style-type: none"> <li>■ Adhere to terms of contract on LMP aspects</li> <li>■ Deploy required staff to ensure accomplishment of LMP objectives at their respective sites;</li> <li>■ Ensure alignment of working conditions of the contractor workers deployed at site with the objective and requirement of this LMP;</li> <li>■ Adhering to safe working practices and other provisions of LMP;</li> <li>■ Maintains records at site on applicable regulatory requirements (license, permit, insurance, registration certificate etc.), wage payment, OHS, worker's grievance etc.</li> </ul>

## CHECKLIST FOR LABOR MANAGEMENT MONITORING AND REPORTING

**Checklist for Labor Management - Monitoring and Reporting**

POI	Purpose of Monitoring	Aspects to be covered	Monitoring Mechanism	Timeline for Monitoring
E&S head at POI level	<ul style="list-style-type: none"> <li>■ Ensure Contractor's compliance to labor laws /requirements</li> <li>■ Monitor Contractor's EHS performance</li> </ul>	<ul style="list-style-type: none"> <li>■ Worker Accommodation</li> <li>■ PPE usage by Workers for decontamination works</li> <li>■ Following safety protocols in tasks</li> <li>■ Maintenance of Documentation</li> <li>■ Toolbox talks</li> <li>■ Fire safety emergency preparedness drills</li> </ul>	■ Accident Register Review	■ Weekly and Monthly
			■ Visual observation	■ At least weekly
			■ Discussion with Workers	■ Monthly
			■ Discussion with Contractor	■ Monthly
			■ Review of grievances (if any)	■ Monthly
			■ Toolbox talks /trainings (as applicable)	■ Daily and quarterly training
			■ Register of Migrant workers	■ Daily
			■ Records/ Registers of wage payments and overtime	■ Monthly
			■ Review of identification documentation of workers	■ At the time of contractor signing and renewal

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