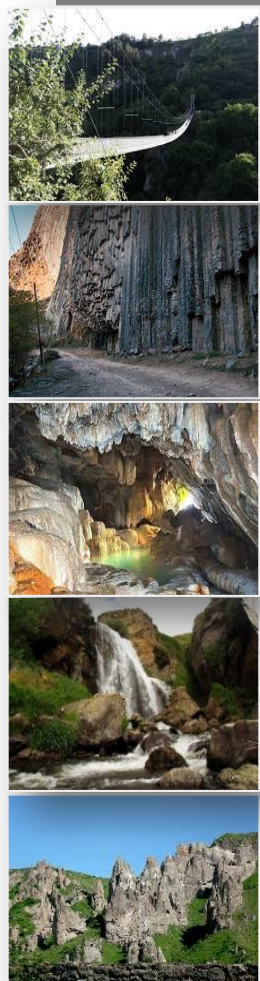




ARMENIA TOURISM AND REGIONAL INFRASTRUCTURE PROJECT

LABOR MANAGEMENT PROCEDURES





ARMENIAN TERRITORIAL DEVELOPMENT FUND

**ARMENIA TOURISM AND REGIONAL INFRASTRUCTURE
PROJECT**

LABOR MANAGEMENT PROCEDURES

[BORROWER APPROVAL AND DISCLOSURE DATE]

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Acronyms

ATDF	Armenian Territorial Development Project
CDP	Cluster Development Plan
CERC	Contingent Emergency Response Component
EIA	Environmental Impact Assessment
EIEC	Environmental Impact Expertise Center
EPMIB	Environmental Protection and Mining Inspection Body
ESA	Environmental and Social Assessment
ESIA	Environmental and Social Impact Assessment
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESHS	Environmental, Social, Health and Safety
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standards
EU	European Union
FGRM	Feedback and Grievance Redress Mechanism
FS	Feasibility Study
GBV	Gender-Based Violence
GIIP	Good International Industry Practices
GoA	Government of Armenia
GRC	Grievance Redress Committee
HLIB	Health and Labor Inspection Body
HMC	Hydrometeorology and Monitoring Center
HR	Human Resources
H&S	Health and Safety
IA	Implementation Agency
ILCS	Integrated Living Conditions Survey
ILO	International Labor Organization
IPF	Investment Project Financing
LEID	Local Economy and Infrastructure Development Project
LMP	Labor Management Procedures
MoE	Ministry of Economy
MP	Monitoring Plan
MSIP	Management Strategies and Implementation Plans
MTAI	Ministry of Territorial Administration and Infrastructures
OHS	Occupational Health and Safety
PEA	Project Execution Agency
POM	Project Operation Manual
PPP	Public-Private Partnership
PT	Project Team
RA	Republic of Armenia
RPF	Resettlement Policy Framework
SEA	Sexual Exploitation and Abuse
SEF	Stakeholder Engagement Framework
SEP	Stakeholder Engagement Plan
SH	Sexual Harassment
SME	Small and Medium-Sized Enterprises
SNCO	State Non-Commercial Organization
SRD	Sustainable Regional (Tourism) Development

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TA	Technical Assistance
TC	Tourism Committee
TRIP	Tourism and Regional Infrastructure Improvement Project
USAID	United States Agency for International Development
WB	World Bank

1. PROJECT DESCRIPTION

Armenia Tourism and Regional Infrastructure Project (or hereafter “TRIP”) would support activities and interventions for sustainable, inclusive, and climate and natural-disaster resilient tourism in six prioritized clusters of **Areni, Dilijan, Dvin, Yeghegis, Goris, Gyumri, Jermuk** and **Yeghegis**. The development objective of the Project is to improve access to sustainable, resilient and climate smart infrastructure services for increased tourism contribution to the local economy of project-supported clusters in Armenia. The main Project interventions would seek to address the key constraints to tourism development in each of the clusters, including a lack of basic and quality infrastructure and services, and a need to diversify the offerings and develop the respective main niches identified under the GoA cluster approach. The proposed Project will also follow-on and build on the investments, experience, and lessons learned under the ongoing Local Economy and Infrastructure Development Project (LEIDP).

TRIP consists of four integrated components that will collectively contribute to improving the access to climate-resilient infrastructure for the benefit of local communities and visitors, enhancing the attractiveness of selected sites, enabling job creation, and increasing the contributions to the local economy from the tourism sector.

Component 1: Fostering Integrated and Sustainable Cluster Development will finance technical assistance (TA), consultancy services, goods and equipment, for, inter alia, the preparation of Cluster Development Plans (CDPs) and the associated analytical and technical studies to develop and implement the CDPs. The CDPs will help facilitate integrated and sustainable development and comprise the overall vision for the cluster over a 10-year planning horizon, including the detailed development plans covering the short, medium, and long term for capitalizing on each cluster’s potential for tourism development and job creation. The CDPs will be approved by the Project Steering Committee (PSC)¹ and will serve as the guiding document for prioritizing interventions under the respective clusters, including their overall management, and operations and maintenance provisions. The following main technical assistance activities are envisioned under this component include:

- (a) Development and finalization of CDPs for Dilijan, Dvin, Goris, Jermuk, and Yeghegis to be approved by the Project Steering Committee². The CDPs will consider green, resilient, and inclusive development approaches and ensure coherence with existing regional and other municipal development plans. Demand assessments and economic analysis will be undertaken as part of the CDP development, and the priorities for cluster development will be selected through participatory approaches engaging with the local communities, businesses, and other stakeholders. The CDPs will be informed by Climate-Smart Action Plans that identify low-carbon and adaptation investment options for the clusters³. The CDPs will also aim to maximize the employment potential of the clusters within the tourism and tourism-related sectors. Prioritized interventions from the CDPs will be undertaken under Component 2.
- (b) Preparation of climate and disaster resilient zoning and master plans, investment planning studies, and other analytical work (e.g. feasibility studies) as required to inform preparation, development and finalization of CDPs.
- (c) Public awareness campaigns and associated citizen engagement activities during and after preparation of CDPs to foster local ownership, inform future urban and spatial planning, and support decision-making.

¹ The PSC is chaired by the Deputy Prime Minister and further described in “Section III. Project implementation.”

² The CDP for Areni was developed under LEIDP, and the potential investments will be designed under TRIP once it is effective. For Gyumri, TRIP will utilize the existing strategies and development plans already developed, and a new CDP will not be developed.

³ See also Section IV: Project Appraisal Summary. Paris Alignment of the PAD.

- (d) Development of site management and/or operational and maintenance plans for selected tourism assets and cultural heritage sites to support natural, cultural and social asset monitoring and preservation for long-term sustainable operations and management of the touristic assets.
- (e) Conducting surveys and other tourism data acquisition activities for the collection of anonymized information and reporting of local tourism statistics through tourism stakeholders, such as the Tourism Committee, local Destination Management Offices (DMO)'s, and other tourism stakeholders.
- (f) Support to the establishment and/or operations of DMOs in Areni, Dilijan, Yeghegis and Jermuk clusters through provision of trainings and capacity building, goods and equipment.
- (g) Leadership training activities and promoting local participation of women to assume leadership roles in decision-making bodies within the tourism value chain, including through increased representation in Local Working Groups (LWG) under the Project⁴ and supporting women with the necessary capacity building and skills enhancement.

Component 2: Supporting climate-resilient infrastructure and promoting private sector participation in local economies aims at closing the identified gaps across all seven clusters and tackling no-regret improvements to basic infrastructure, tourism and service delivery from the regional and tourism development perspectives across the seven project-supported priority clusters. Selection of the activities under this component will be informed by the CDPs developed and completed under component 1. The component will finance feasibility studies, engineering and technical site surveys, management and supervision consultant services, and other technical assessments, architectural and detailed engineering designs, and civil works. The component includes the following sub-components:

Subcomponent 2.1: Rehabilitating and upgrading infrastructure and services will finance consultant services and civil works for improving basic and tourism-relevant infrastructure, and urban upgrading to improve access to touristic sites and surrounding areas. All the infrastructure will be designed and implemented to withstand climate and disaster risks, including earthquakes, in accordance with Armenia's norms and building standards, and considering global best practice. The investments under the component will include, but are not limited to, the following activities⁵:

- (a) Improving the quality and condition of roads and transport-related infrastructure, including promoting the adoption of green and eco-friendly alternative modes of transportation (e.g., public transport systems such as ropeways, electric buses, cycling, etc.). This activity will include construction, rehabilitation/improvement, and/or maintenance of roads and bridges, expansion of pedestrian zones, streets caping and installation of light-emitting diode (LED) street lighting, and use of other green infrastructure elements for climate resilience and enhancing the attractiveness of streets, access roads, and parking areas. The investments will be designed in accordance with national standards and consider global best practices for disability inclusion as well as improving climate and disaster resilience (e.g., introducing flood mitigation and erosion control measures). The improvements will also include facilities for public transportation to improve access to the tourism facilities and the sites, parking, and pedestrian connectivity to encourage more non-motorized access to key attractions.
- (b) Upgrading of basic infrastructure and services and rehabilitation of municipal infrastructure, including improving existing local water supply connections; rehabilitation and upgrading of sewerage systems, and

⁴ For more information on the LWGs, please see "Institutional and Implementation Arrangements" under Section III: Project Implementation.

⁵ The potential list of interventions in each cluster and their readiness is provided in Annex 2.

wastewater collection and discharge systems; and improvements for proper storm water management. The subcomponent will also seek to support the rehabilitation and/or upgrading of telecommunications infrastructure to improve digital access and connectivity of local communities and businesses.

- (c) Enhancing the attractiveness of public areas and spaces, including rehabilitation and/or expansion of green spaces, public park upgrading, streetscaping, and the provision of related urban amenities for satisfactory touristic experiences.
- (d) Provision of tourism-related infrastructure and services, including the construction or rehabilitation of tourism facilities, such as destination management offices and museums, and the preservation and improvement of cultural heritage assets. The rehabilitation of facilities will prioritize energy efficiency improvements, and all newly constructed buildings will adhere to energy efficiency standards at least equivalent to Excellence in Design for Greater Efficiencies Standards (EDGE-Level) 1. The designs will also include considerations for reducing waste, using low-carbon materials, and enhancing water use efficiency.
- (e) Support for Public-Private investments (PPI), which includes the provision of complementary public infrastructure improvements to attract private investments. This activity would provide public infrastructure required to ensure the viability of commercial investments, such as new or rehabilitated adjacent public facilities, roads and streets, water and sanitation, and telecommunications⁶. Based on demonstrated interest and commitment by the private sector entities, this activity will aim to contribute to the enabling environment for wider economic development and crowding in of commercial investments. The specific procedures for identifying, selecting and processing of PPI investments will be elaborated in the POM.

Finalizing the CDPs is not a pre-requisite for initiating activities under component 2. While the CDPs are being prepared, the type of eligible sub-projects for component 2 is limited to investments that would be beneficial to the community and tourism development, regardless of the final outputs of the CDPs—i.e., ‘no regret’ investments. The potential no-regret investments are described included in Annex 2.

Subcomponent 2.2: Fostering private sector participation, enhancing professional skills, and enabling job creation (US\$5 million) will finance consultant services for promotion of the clusters and increasing the participation of local firms and individuals in the tourism sector for local economic development. Proposed activities will include:

- (a) Branding, marketing, and promotion activities within the tourism value chain.
- (b) Promoting public private partnerships (PPPs), including the assessment, design, and preparation of potentially viable PPPs to be identified under the CDPs e.g., the need for long-term arrangements for operations and maintenance of tourism-related public transport systems (e.g., proposed ropeway system under consideration in Dilijan).
- (c) Providing professional skills development in the HoReCa (Hotel, Restaurant, and Catering) sector for local workers involved in tourism and tourism-related businesses, with priority given to vulnerable and disadvantaged groups (e.g., women, youth and vulnerable groups who may lack the necessary skills, financial ability, and employment opportunities). This will also include the development and implementation of upskilling programs for a targeted number of tourism professionals.

⁶ Proposal submission, selection procedures and criteria for approval will be specified in the Project Operations Manual.

- (d) Providing on-the-job training (e.g. restaurant and culinary training) and formal learning (e.g. HoReCa certification programs) to be developed and implemented with selected partners active in the sector⁷.
- (e) Delivering trainings and other capacity building activities for local tourism firms and entrepreneurs that incorporate women's preferences, needs and design contributions through a participatory gender-inclusive process.
- (f) Developing studies and analytical work to design, support implementation, and/or monitor activities for fostering the creation of job opportunities in the tourism sector across the clusters, including identifying potential interventions that could be supported through the Project.
- (g) Development and/or promotion of digital tools, such as software applications for providing real-time information on transportation options, events, calendars of festivals, available amenities, hiking trails, and tour builders, for example.

Component 3: Program Management and Operational Support (US\$4.5 million) will finance overall project management costs, including operational costs, consulting services, non-consulting services, vehicles, goods, communications, outreach, audits, and training. It will finance the costs of the project implementing agency to carry out project management functions and ensure all project activities meet the Bank requirements related to environmental, social, fiduciary, and technical standards, as well as a monitoring and evaluation consulting firm to support and augment the capacities of the implementing agency's existing internal M&E systems. The component will also seek to enhance capacities of the project implementing agency, the Armenian Territorial Development Fund (ATDF), through training and knowledge sharing activities.

Component 4: Contingent Emergency Response Component, CERC (zero allocation). This zero-dollar, ex-ante mechanism will allow for the rapid reallocation of uncommitted project funds towards urgent needs in the event of a disaster (geophysical, climate-related, or man-made), or public health emergency. Such events may include floods, earthquakes, droughts, wildfires, and disease outbreaks. An agreed trigger for the CERC would enable reallocation of the uncommitted project funds to support immediate response and recovery needs from other project components. The positive list of eligible activities will be specified in the CERC Manual, and disbursements would be made against a positive list of critical goods, civil works, and consulting services required to support the immediate response and recovery needs.

2. OBJECTIVE AND SCOPE

Labor Management Procedure (LMP) have been prepared to establish an approach and set out requirements in which project workers will be managed in accordance with the national law and the World Bank Environmental and Social Standards (ESSs), in particular ESS2 on Labor and Working Conditions. These include procedures relating to working conditions and terms of employment, nondiscrimination and equal opportunity, grievance mechanisms and occupational health and safety. The LMP will set out roles and responsibilities on labor management, including monitoring, to promote consistent application of the national law and ESS2.

The LMP will be implemented throughout the project cycle as soon as the project is declared effective as further detailed in the project's Environmental and Social Commitment Plan (ESCP).

⁷ Please refer to "Project Description", subsection "E. Role of Partners" for further details on the proposed activities with partners for providing professional and skills training programs.

3. OVERVIEW OF LABOR USE ON THE PROJECT

Types of project workers: the project will involve two broad groups of activities, covering technical assistance and infrastructure investments. The project anticipates involvement of the following category of workers to deliver the proposed activities:

- a. **Direct workers.** People employed or engaged directly by the Project implementing agency to works specifically in relation to the Project. The Armenian Territorial Development Fund (ATDF) will have a dedicated team - the Project Team (PT) to run the Project day-to-day activities.
- b. **Contracted workers.** People employed or engaged through third parties⁸ to perform work relate to core functions of the project. The ATDF will select through bidding procedures of the World Bank and will sign contracts with:
 - individual consultants to develop CDPs and to provide TA for Institutional strengthening and capacity enhancement under Component 1;
 - design companies to elaborate designs for different sub-projects under the Components 2, to conduct environmental and social studies including preparation of Environmental and Social Impact Assessment (ESIA) reports, Resettlement Plans (RPs) as needed, Site-Specific ESMPs, etc.;
 - construction companies to implement civil works in compliance with the requirements of ESMPs and the LMP;
 - technical supervision companies to oversee the Contractors' operations, the compliance of the works with technical, environmental, social, health and safety requirements.

There may be sub-contractors whose workers will fall into the same category and fall under the responsibility of the hiring contractors.

- c. **Primary Supply workers:** Primary suppliers are suppliers who, on an ongoing basis, directly provide goods or materials essential for the core functions of the Project. A primary supply worker is a worker employed or engaged by a primary supplier.
- d. **Community workers:** These include local community members providing community labor as a voluntary contribution to the project. Local Working Groups (LWG) will also be established at the community level by the municipality heads and will comprise local representatives, including heads of communities, representatives from the municipality, representatives of local NGOs, nominated active residents and the private sector. The LWGs
 - Will be coordinated by Community Liaison of that particular cluster,
 - Members will have at least 1-year experience of municipal work or activity in NGO,
 - Members will be involved exclusively on volunteer principle,
 - Members' age will be over 18.

Number of workers: During project preparation, an estimate of project workers was conducted based on the required direct workers, including part-time staff for project implementation and supervision engineers. This estimate considered the potential scale of civil works, their geographical distribution, and engineering solutions. Human resource requirements for technical assistance activities will be confirmed once the exact

⁸ Third parties may include contractors, subcontractors, brokers, agents, or intermediaries.

interventions are determined. The following table (Table 1) outlines the projected number of project workers for each group of activities. At this stage, it is not feasible to estimate the number of contracted workers, even tentatively. Therefore, the table will be updated in later stages as new contractors and subcontractors are engaged for the implementation of various sub-components.

Table 1: Project Workers

Activity	Direct Workers	Contracted Workers	Community Workers
Project Management (PT)			
<ul style="list-style-type: none"> Project day-to-day management and supervision 	Project Team (PT) of the ATDF (TBD.) ⁹ 18	-	-
Technical Assistance			
<ul style="list-style-type: none"> Design studies, including feasibility and detailed designs 	ATDF	Companies contracted for elaboration of feasibility and detailed designs	LWG
<ul style="list-style-type: none"> Policy and regulatory development 	ATDF	An individual consultant	LWG
<ul style="list-style-type: none"> Capacity building, including Operations and Maintenance (O&M) support 	ATDF	An individual consultant	-
Activities with Works			
Rehabilitation of basic infrastructure and services			
<ul style="list-style-type: none"> improving access to tourism sites (access roads, parking, street lighting, etc.) 	ATDF	Contracts for civil works	LWG
<ul style="list-style-type: none"> better tourism services and improved municipal infrastructure such as the provision of portable/clean water 	ATDF	Contracts for civil works	LWG
<ul style="list-style-type: none"> upgrading of sewage systems, storm water management 	ATDF	Contracts for civil works	LWG
<ul style="list-style-type: none"> improving street lighting and safety 	ATDF	Contracts for civil works	LWG
Improvement and delivery of tourism attractions			

⁹ The proposed number of personnel of the Project Team suggested by the ATDF

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<ul style="list-style-type: none"> support the green facilities 	ATDF	Contracts for civil works	LWG
<ul style="list-style-type: none"> rehabilitation of museums and the assets of cultural heritage nature 	ATDF	Contracts for civil works	LWG

Characteristics of Project Workers: All workers must be at least 18 years old, and an age verification mechanism will be established as part of the hiring process.

The RA Labor Code allows for hiring individuals under the age of 18 (between 14 and 18) under specific conditions. Key provisions include:

- No probation period for those under 18 (Article 91);
- Reduced working hours: a maximum of 24 hours per week for 14- and 15-year-olds, and 36 hours for 16- and 17-year-olds (Article 140);
- No overtime work (Article 144);
- No night shifts (Article 148);
- An additional 30-minute break after 4 hours of work (Article 153);
- Written consent from parents required for workers under 16 (Article 89).

Some migrant workers, both domestic and international, may be employed in skilled and unskilled positions. The nature and number of these workers will be confirmed during project implementation.

The project will actively promote the employment of women, people with disabilities, representatives of national minorities, and individuals from low-income households.

Timing of Labor Requirements: Key personnel assigned to the implementation of TRIP by the ATDF are expected to be engaged for the duration of the project. Other categories of workers, including contracted workers, will be hired for specific activities at the sub-project level.

There may be interruptions in civil works during the colder months, particularly in areas like Gyumri and Goris, where harsh winter conditions from November 10 to March 20 (or even longer) make certain tasks difficult. Some civil works, such as laying asphalt, require temperatures above +5°C. These limitations primarily affect the civil works under Component 2. Meanwhile, activities under Component 1, as well as institutional strengthening and capacity-building efforts under Component 2, will continue throughout the year.

During the winter season, the number of seasonal or casual workers will be minimal due to the limited interventions possible in cold weather. According to Article 152 of the RA Labor Code, workers engaged in outdoor civil works are entitled to extra breaks when temperatures fall below -10°C or rise above +40°C.

Article 100 of the RA Labor Code allows for the signing of seasonal contracts for work that cannot be carried out year-round due to climate conditions. These contracts are limited to a maximum of 8 months. The list of seasonal works, as defined by RA Government Decree #1480-N (25/08/2005), includes tasks such as road construction, asphalt laying, infrastructure improvements like underground cable installation, and engineering explorations such as drilling and topography, which cannot be performed in freezing temperatures.

The Labor Code does not provide for the signing of day-pay casual contracts. Instead, temporary contracts can be signed for a period of up to 2 months, with payment conducted on a daily basis by mutual agreement. However, in practice, construction contractors often hire so-called 'daily paid' casual workers for non-skilled tasks without officially registering them, which frequently leads to the violation of these workers' rights.

There may also be other workers engaged on an intermittent basis to provide expert advice and supervision as needed.

4. ASSESSMENT OF KEY POTENTIAL LABOR RISKS

Project sites: The project will include 7 clusters: Areni, Dilijan, Dvin, Yeghegis, Goris, Jermuk and Gyumri.

Areni: Areni cluster is located in Vayots Dzor Marz in Armenia and is 12 km southeast of Yeghegnadzor and 110 km away from the capital city of Yerevan. The climate of the village is dry, winter is moderately cold, not long, spring is warm, long and humid, and summer is hot, dry and long. Constant clear weather prevails, autumn is warm, and days are less cloudy.

Dilijan: Dilijan cluster is located in Tavush Marz of Armenia. Dilijan has a height of 1,500 meters (4,921 feet) above sea level. The climate in Dilijan is cool during summer and cold with snowfalls in winter. With its montane climate, Dilijan is a town-resort with favorable oxygen regimen, unique landscape features and curative mineral water.

Dvin: The ruins of the medieval Dvin capital of Armenia are located in the territories of Verin Dvin, Hnaberd, Verin Artashat, Norashen, Aygestan villages, about 30 km south of Yerevan. The works planned by the project will be carried out in the administrative area of Hnaberd. Hnaberd village is located in Artashat region of Ararat Marz (Province) of the Republic of Armenia, about 5 km northeast of the city of Artashat. The climate is very dry. Winters begin in mid-December, with average January temperatures ranging from -3 to -5°C. Summer is long, from May to October, the average monthly air temperature reaches 24 to 26 °C, and the maximum - 42 °C. Often there are niches that cause significant damage to agriculture. The amount of annual atmospheric precipitation is 250-300 mm. Natural landscapes are steppes, which have been transformed into cultivated-irrigable landscapes.

Yeghegis: Yeghegis cluster is located at the southeast of the country, in Vayots Dzor Marz of Armenia. The community consists of a group of settlements, its administrative centre is the village of Shatin. The community is on elevation of 1640-1690m above sea level. Annual average precipitation is 63mm, average temperature in January is -8°C, in July +29°C. The settlements are located on 4-23km distance from the community center Shatin. Shatin is on distance of 12 km from the Marz center Yeghegnadzor and on 127km from capital Yerevan. rural community (municipality) and.

Goris: Goris is a town in the north-eastern part of Syunik Marz (Province), in the south of Armenia. Located in the valley of the river Goris (Vararakn) it is 235 km away from the capital Yerevan and 67 km from the regional center Kapan. The town has an average elevation of 1398 meters above sea level. The river Goris is one of the largest left-bank tributaries of the Vorotan River. The length of the Goris River is 29 km, the drainage basin area is 146 km². Goris originates in the upper slopes of the Mets Ishkhanasar mountain range, at an altitude of 2800 m. It has 26 tributaries (the largest is Vararak). Stable snow cover is formed from December 20, the snow melting period begins from March 20. The climate is moderately mountainous,

severe in the high altitudes, with long winters. The average annual air temperature is 4 °C. The average air temperature in January ranges from –2 °C (in lowland areas) to –10 °C (in the upper part of Ishkhanasar), and in July, respectively, from 22 °C to 10 °C. The maximum air temperature is 28 °C, the minimum is –30 °C. The average relative humidity is 70%. Annual evaporation is 375 mm.

Gyumri: Gyumri is an urban municipal community and the second largest in Armenia, serving as the administrative center of Shirak Marz (Province) in the northwestern part of the country. Gyumri is 126 kilometers (78 miles) north of the capital Yerevan at the central part of the Shirak plateau. It has an approximate height of 1,550 metres (5,090 feet) above sea level, the high altitude line being 1,500 metres (4,900 feet). The Akhurian River passes through the western suburbs. The Shirak plateau is surrounded with the Pambak Mountains from the east and Aragats volcanic range from the south. The surrounding lands near the city are rich in tufa, basalt and clay. Gyumri has a humid continental climate, characterized by freezing and snowy winters where the minimum temperature in extreme spells can plummet to –41 °C or –41.8 °F. On the other hand, summer in Gyumri is relatively hot with temperatures reaching up to 38 °C. The annual precipitation averages 486 millimeters.

Jermuk: Jermuk is a mountain spa town and the centre of the Jermuk Municipality of the Vayots Dzor Marz in southern Armenia, at a road distance of 53 km (33 mi) east of the provincial capital Yeghegnadzor. The town is known for its hot springs and mineral water brands bottled in the town. It is attractive for its fresh air, waterfall, artificial lakes, walking trails, the surrounding forests and mineral water pools.

The town is located at a height of 2,080 meters above sea level, within the mountains of Vayots Dzor, among thick forests, on a plateau divided into two parts by the gorge of Arpa River, 170 km (110 mi) south-east of Yerevan. The town is dominated by the Vardenis mountain range from the north and the Vayk range from the south. The height of the surrounding mountains ranges between 2500 and 3500 meters, all covered with forests and alpine meadows.

Inherent risks: The implementation of civil works under Component 2 may involve common labor risks, including occupational health and safety (OHS) hazards, which may be exacerbated by several factors. These risks include exposure to hazardous materials and physical hazards that pose potential threats of accidents, injuries, or illnesses due to repetitive mechanical actions or work activities. A single exposure to such hazards can result in a wide range of injuries, from minor incidents requiring only medical aid to disabling, catastrophic, or even fatal outcomes. Prolonged exposure to multiple hazards can lead to severe, long-term injuries with significant consequences.

Additional risks are linked to working conditions, such as extreme heat or cold, and potential encounters with snakes in hot weather or wild animals near construction sites located close to forests.

These risks will be thoroughly assessed as part of the feasibility studies and detailed designs. Mitigation measures will be incorporated into the design, including work specifications, scheduling, site selection, and personnel qualifications.

Project-specific risks: Labor risks associated with the project activities can be mitigated through Good International Industry Practices (GIIPs) as established in the project's Environmental and Social Management Framework (ESMF).

Risks for Direct workers: The labor risks associated with direct workers are expected to be low, as the project implementing entities, particularly ATDF, have a strong awareness of national labor legislation and the provisions of the Labor Code. Additionally, the type of work assigned to direct workers does not involve significant vulnerability to labor rights abuses or occupational health and safety (OHS) risks.

Risks for Contracted Workers: The risks are associated and/or heightened by the following factors:

- Poor housekeeping,
- Demolition and removal of existing infrastructure,
- Installation of wires, cables, generators, and transformers,
- Use of heavy equipment,
- Working at height,
- Exposure to noise and dust,
- Exposure to physical hazards (e.g., falling objects),
- Exposure to hazardous materials (such as cement, fuels, paints, solvents, and particularly asbestos), and
- Exposure to electrical hazards from tools, machinery, and electrical works.

Common labor risks associated with the project activities under Component 2, which include the construction of access roads and parking lots, provision of potable/clean water, upgrading of sewage systems, stormwater management, installation of lighting, and the rehabilitation of buildings and museums, are summarized below.

Rotating and Moving Equipment: Injury or death can occur if workers are trapped, entangled, or struck by machinery parts due to unexpected equipment starts or unanticipated movement during operations.

Noise: No employee should be exposed to noise levels exceeding 85 dB(A) for more than 8 hours per day without hearing protection. Additionally, no unprotected ear should be exposed to peak sound pressure levels above 140 dB(C).

Vibration: Workers may experience hand-arm vibration from tools or whole-body vibration from surfaces they stand or sit on, which can lead to injury.

Electrical Hazards: Exposed or faulty electrical devices such as circuit breakers, panels, cords, or hand tools pose serious risks. Overhead wires can be struck by metal objects like poles, ladders, or vehicles with booms, potentially causing arcing even without direct contact.

Eye Hazards: Solid particles from industrial operations or chemical sprays may strike the eye, causing injury or permanent blindness.

Welding/Hot Work: The intense light from welding can cause serious eye damage or blindness. Additionally, exposure to welding fumes can lead to chronic illnesses with prolonged exposure.

Industrial Vehicle Driving and Site Traffic: Poorly trained drivers of industrial vehicles face increased risks of accidents involving other vehicles, pedestrians, or equipment. On-site traffic, including delivery and private vehicles, presents further collision risks.

Working Environment Temperature: Exposure to extreme hot or cold conditions in indoor or outdoor environments can lead to temperature-related injuries or even death.

Ergonomics, Repetitive Motion, Manual Handling: Injuries from repetitive motion, overexertion, or manual handling typically develop over time and may require extended recovery periods.

Working at Heights: Fall prevention measures should be in place when workers are exposed to the risk of falling more than two meters, or into operating machinery, water, hazardous substances, or openings in work surfaces.

Illumination: The light intensity in work areas should be sufficient for the task at hand, with additional lighting provided at workstations as necessary.

Air Quality: Poor air quality caused by the release of contaminants can result in respiratory irritation, discomfort, or illness among workers.

Fire and Explosions: Fires or explosions resulting from igniting flammable materials or gases can cause property damage, injuries, or fatalities.

Asbestos-Containing Materials (ACM): The use of asbestos-containing materials should be avoided in new constructions and during renovation activities to prevent health risks.

Table 2. Labor Risks and Recommendations for Avoidance

Labor Risk	Project Activity	Recommendation for avoidance
Rotating and Moving Equipment	Civil works under Components 2	Turning off, disconnecting, isolating, and de-energizing (Locked Out and Tagged Out) machinery with exposed or guarded moving parts.
Noise	Demolition of infrastructures, prolonged use of noisy equipment, excavation	The use of hearing protection should be enforced actively when the equivalent sound level over 8 hours reaches 85 dB(A), the peak sound levels reach 140 dB(C), or the average maximum sound level reaches 110dB(A). Hearing protective devices provided should be capable of reducing sound levels at the ear to at least 85 dB(A).
Vibration	Civil works requiring use of hand and power tools.	It should be controlled through choice of equipment, installation of vibration dampening pads or devices, and limiting the duration of exposure.
Electrical	During all civil works requiring use of electrical devices; work with wires, cables	Marking all energized electrical devices and lines with warning signs: locking out (de-charging and leaving open with a controlled locking device) and tagging-out (warning sign placed on the lock) devices during service or maintenance, checking all electrical cords, cables, and hand power tools for frayed or exposed cords and following manufacturer recommendations for maximum permitted operating voltage of the portable hand tools, double insulating / grounding all electrical equipment used in environments that are, or may

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		become, wet; using equipment, with ground fault interrupter (GFI) protected circuits, protecting power cords and extension cords against damage from traffic by shielding or suspending above traffic areas.
Eye Hazards	Civil works under Components 2	Use of machine guards or splash shields and/or face and eye protection devices, such as safety glasses with side shields, goggles, and/or a full-face shield. Specific Safe Operating Procedures (SOPs) may be required for use of sanding and grinding tools and/or when working around liquid chemicals.
Welding/Hot work	Works requiring welding	Provision of proper eye protection such as welder goggles and/or a full-face eye shield for all personnel involved in, or assisting, welding operations.
Industrial Vehicle Driving and Site Traffic	Transportation of materials, movement and exploitation of equipment	Industrial vehicle driving and site traffic safety practices include: training and licensing industrial vehicle operators in the safe operation of specialized vehicles such as forklifts, including safe loading/unloading, load limits, ensuring drivers undergo medical surveillance.
Working Environment Temperature	Civil works under Components 2, indoors and outdoors activities	Use of personal protective equipment (PPE) to protect against other occupational hazards can accentuate and aggravate heat-related illnesses. Extreme temperatures in permanent work environments should be avoided through implementation of engineering controls and ventilation. Where this is not possible, such as during short-term outdoor work, temperature-related stress management procedures should be implemented.
Ergonomics, Repetitive Motion, Manual Handling	Civil works under Components 2	These OHS problems should be minimized or eliminated to maintain a productive workplace.
Working at Heights	Rehabilitation of buildings/museums	Fall prevention and protection measures should be implemented whenever a worker is exposed to the hazard of falling more than two meters; into operating machinery; into water or other liquid; into hazardous substances; or through an opening in a work surface.

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		Fall prevention / protection measures may also be warranted on a case-specific basis when there are risks of falling from lesser heights.
Illumination	Indoors rehabilitation activities	Work area light intensity should be adequate for the general purpose of the location and type of activity, and should be supplemented with dedicated work station illumination, as needed.
Air Quality	Indoors rehabilitation activities	Employers should take appropriate measures to maintain air quality in the work area.
Fire and Explosions	Civil works under Components 2, indoors and outdoors activities	Prevention and control strategies include storing flammables away from ignition sources and oxidizing materials.
Asbestos Containing Materials (ACM)	Dismantling and demolition activities under Components 2	Existing facilities with ACM should develop an asbestos management plan which clearly identifies the locations where the ACM is present, its condition (e.g. whether it is in friable form with the potential to release fibers), procedures for monitoring its condition, procedures to access the locations where ACM is present to avoid damage, and training of staff who can potentially come into contact with the material to avoid damage and prevent exposure. The plan should be made available to all persons involved in operations and maintenance activities. Repair or removal and disposal of existing ACM in buildings should only be performed by specially trained personnel following host country requirements, or in their absence, internationally recognized procedures.

As the construction activities will involve hazardous work, persons under the age of 18 will not be employed by the Project.

The Project risk of **Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH)** risk is assessed as low. The assessment is based on a review of national legislation and available information on SEA/SH aspects in the country.

In addition, based on the experience with construction projects in Armenia, the majority of workers' complaints and violations of the Labor Code were associated with extended working hours, non-payments of wages, unsafe practices. Where activities involve employment of workers between the ages of 15 and 18, a

risk assessment of working conditions and provisions of OHS measures and their enforcement may also be limited.

Primary supply workers: If during project implementation significant risks related to project suppliers are identified, in cases of complaints, the supervision company will be responsible for conducting due diligence on the primary supply workers (those providing key materials for construction, in particular raw materials), to ensure there is no forced and/or child labor (as per the Labor Code of Armenia). In conducting due diligence, the supervision company will:

- Inform the provider, that they will not engage a provider who has forced and/or child laborers;
- When possible, visit the company/factory, and conduct interviews with key personnel about their working conditions, as well as informal random interviews with workers.

Community workers: The LWG will be engaged throughout the preparation of the CDPs under Component 1 as a consultative group to advise and guide the development of the CDPs, prioritize the interventions, and increase local ownership of the final CDPs developed. The LWG will also serve as the focal point for local communities to provide feedback or voice concerns regarding the preparation, technical design, and implementation of civil works under Component 2, as well as issues related to work quality in collaboration with ATDF, contractors, and other stakeholders. Additionally, the LWG will be responsible for regularly informing the community about the progress of activities within the clusters and managing grievances at the local level.

5. BRIEF OVERVIEW OF LABOR LEGISLATIONS

Armenia's Labor Code (2001) is generally aligned with international good practices and comprehensive with some gaps summarized in Table . Specific provisions where strengthening are warranted include protection of disadvantaged and vulnerable groups. These include foreign workers, women workers, workers at risk of sexual harassment, workers of differing sexual orientation.

At the institutional level, the main institutions with responsibility to enforce and supervise the Labor Code and other relevant regulations pertaining to labor include the Ministry of Labor and Social Affairs and the Health and Labor Inspection Body (HLIB) of the Republic of Armenia. However, recent reforms in the labor inspection services led to changes in their respective mandates and organizational capacity. Following merging of the labor and health inspection functions in 2013, labor inspectors do not have the mandate to conduct unannounced inspections. Since 2015, labor inspections have been restricted to cases where there are complaints on OHS violations. HLIB must inform employers of an upcoming inspection three business days in advance, thus limiting their capacity to detect all labor-related violations. Areas subject to inspections are also limited to a legally pre-determined checklist of issues which do not comprehensively cover issues related to non-discrimination, child and forced labor. As of 2022, HLIB employed 95 inspectors.

An assessment of specific areas relevant to the project is outlined as follows:

Table 3: Regulatory Analysis on Labor and Working Conditions

Areas of Concern	Provisions	Analysis	Additional Measures
Working conditions and management of worker relationships			
Terms and conditions of employment	Parties to the labor relationships shall enter a labor agreement, covering applicable terms and conditions of employment as specified below. The employer is obliged to properly inform the hired individuals about the working conditions, internal rules and regulations, and other conducts prior to employment.	Armenia's Labor Code is aligned with international good practices.	
Non-discrimination and equal opportunity	The Law on Equal Rights and Opportunities for Men and Women (2013) prohibit discrimination in employment and occupation based on gender.	The Labor Code does not explicitly require equal pay for equal work and does not include definitions of direct and indirect discriminations which are further governed in other laws.	Enforcement mechanisms to ensure compliance with equal pay and anti-discrimination for Project workers
Working hours	40 hours per week. The Labor Code prohibits compulsory overtime more than four hours on two consecutive days and limits overtime to a total of 180 hours in a year.	Armenia's Labor Code is aligned with international good practices.	
Wage	Minimum salary requirements are regulated under the Law on Minimal Monthly Salary (updated in 2022), covering basic salary and additional remuneration for the works performed. The salary shall also include hardship allowances for hazardous works (between 30 – 50 percent of the basic salary). Salary deductions or charges from the salary include the advance payment, overpayments due to calculation errors, unspent and untimely refunds of advance payments for business trips or transfers, and compensation for employer-related damages caused by the employee (salary deduction should not exceed fifty percent of the employee's	Armenia's Labor Code is aligned with international good practices.	

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	monthly salary).		
Overtime pay	<p>For each hour of overtime, an additional payment off the top of the salary shall be provided, not less than 50 percent of the hourly rate and for each hour of night work, not less than 30 percent of the hourly rate.</p> <p>Works performed on holidays shall be remunerated at least double the amount of hourly (daily) rate.</p>	Armenia's Labor Code is aligned with international good practices.	
Rest periods	<p>The Labor Code includes provisions of two rest days for those who work five days a week and at least one day in a six-day week. Un-interrupted daily rest should not be less than 11 hours.</p> <p>Weekly rest should not be less than 35 hours.</p> <p>Extended rest periods may be provided under specific circumstances, such as extreme weathers and/or workplace hazards.</p>	Armenia's Labor Code is aligned with international good practices.	
Leave	<p>Paid annual days are stipulated to be at least 20 days for those working for five days a week and 24 days for those working six days a week.</p> <p>Maternity leave is at least 140 days and additional days are provided under specific circumstances (i.e., hard delivery, delivery of more than one child). At the request of the mother (stepmother), father (stepfather), grandmother, grandfather, or other family relative (including the person appointed as the child's guardian), childcare leave is provided for the person who is actually taking care of the child until the child reaches three years of age.</p>	Armenia's Labor Code is aligned with international good practices.	
Insurance	<p>Although Armenia has ratified the core labor conventions of the International Labor Organization (ILO), the Labor Code does not contain provisions for compulsory health</p>	Armenia's Labor Code has a gap with international good practices in regard with health insurance.	

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	insurance as the country has not adopted compulsory health insurance system yet.		
Collective bargaining	Workers have the right to form and join independent unions and permit collective bargaining.	Armenia's Labor Code is aligned with international good practices.	
Termination of employment	Specific conditions for termination are governed by the Labor Code. Arbitrary termination by employers is prohibited.	While the Labor Code requires a notice on the employment termination and statutory payments to be paid to the employee on or before the date of termination, specific timelines are not fully stipulated for all grounds of termination.	Provide detailed guidelines for employers on how to handle termination procedures for different circumstances, reducing ambiguity
Protecting the Workforce			
Minimum age	The minimum working age for fulltime employment is 16 years and the law prohibits all of the worst forms of child labor.	Armenia's Labor Code is aligned with international good practices.	
Child Labor	Armenia has ratified international conventions concerning child labor. Children ages between 14 and 16 years can work with the written consent of a parent or legal guardian. The maximum duration of the workweek is 24 hours for children between 14 and 16 and 36 hours for children between 16 and 18. Children under 18 years shall not work overtime, in harmful, strenuous, or dangerous conditions, at night or on holidays. When signing an employment contract with underage citizens, the employer is required to request a certificate of health status.	The Labor Code does not explicitly require employers to conduct an appropriate risk assessment when employing a child between the ages of 14 and 18 on aspects such as OHS and nature of work and supervision by employers.	A risk assessment will be required if the project activities anticipate involvement of children between 14 and 18 years, supplemented by close supervision by the ATDF and/or third-party consultants hired by the ATDF. An age verification mechanism will be applied prior to hiring of all categories of workers.
Forced Labor	Armenia has ratified the ILO Convention No. 291 on Forced or Compulsory Labor and ILO Convention No. 1052 on Abolition of Forced Labor. The Labor Code prohibits forced labor and	Armenia's Labor Code is aligned with international good practices.	

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	compulsory labor and provides definitions of forced labor that are aligned with the ILO Convention on Forced Labor.		
Protection to vulnerable groups		While the Labor Code is applicable to all citizens of Armenia and other individuals working in the country, including foreigners and stateless persons, the Code is not applicable to foreign workers entering an employment relationship with a foreign entity abroad but operating in Armenia. This gap is relevant if the project will involve foreign contractors employing workers from abroad.	Worker GRM should be introduced to give a chance to the workers to raise their concerns and complaints related to their employment and receive support in solving them. The GRM for direct and contract workers will be used to address complaints from workplace concerns. Worker GRM will be sensitized for receiving and addressing grievances related to SEA/SH.
Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH)	Prohibition of conducts that constitute SEA/SH at the workplace is stipulated in the Law on Equal Rights and Opportunities for Men and Women and the revised Labor Code (introduced in May 2023). The Labor Code recognizes SEA/SH as a gross violation of labor disciplines which warrants disciplinary sanctions. Survivors of SEA/SH at the workplace are granted annual leave at their request, regardless of the period of employment.	<p>The existing legal framework does not incorporate quid pro quo¹⁰ elements at the workplace. Further, the Criminal Code (2021) does not criminalize sexual harassment as a punishable act.</p> <p>The Labor Code does not offer additional mechanisms for the protection of survivors.</p>	<p>The GRM for direct and contract workers will be Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) (SEA/SH) sensitive. The objective of deployment of these measures is SEA/SH prevention and response to complaints.</p> <p>The measures apply to procurement of Works in Projects assessed as high-risk for SEA/SH.</p>

¹⁰ A Latin phrase meaning “something for something”

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			The new measures hold Contractors and Sub-contractors accountable for implementing the SEA/SH prevention and response obligations in their contracts.
Occupational Health and Safety			
Safe work practices	The Labor Code in general includes OHS provisions in line with the ESS2, including among others: safe and healthy work environments, OHS risk assessments and plans, provisions of safety training and PPEs, sanitary and rest facilities. The Criminal Codes stipulates penalties for violations of OHS laws and regulations. Employers are responsible to establish procedures for monitoring compliance with OHS requirements, including internal approvals, recruitment of safety experts, appoint OHS committees, and provisions of information to workers on OHS risks.	While in general OHS aspects are covered, in practice, only workers with legal employment contracts are protected. Further, the Labor Code does not explicitly prohibit retaliation against workers reporting unsafe work practices nor provide provisions to enable workers to leave unsafe work situations. The Labor Code does not include explicit requirements on provisions of first aid kits in workplaces, separate washrooms for men and women, and maintenance of training records.	The identified gaps are addressed as part of policy and procedures of the LMP. This includes provisions of i) confidential workers' grievance redress mechanism; ii) suspension of works where unsafe practices are reported and/or observed; iii) provisions of PPE including first aid kits at all times; iv) separate facilities for men and women where applicable, such as washrooms, sleeping areas, etc.
Accidents and Incidents	The Labor Code includes provisions for reporting accidents and incidents to the employer and the police.	An official investigation is conducted to find out the causes of occupational diseases and accidents at the work place. Occupational diseases and accidents are subject to mandatory registration by the employer. This refers to officially registered personnel.	The Bank should be promptly notified of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers including without limitation any allegations of gender-

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			<p>based violence and/or sexual exploitation and abuse/sexual harassment (GBV/SEA/SH), project-related occupational accidents or fatalities, or labor strikes and social unrest; indicating immediate measures taken or that are planned to be taken to address it.</p> <p>The Bank should be notified within 48 hours after learning of the incident or accident in line with the World Bank Environment and Social Incidence Response Toolkit (ESIRT). An incident report would be provided within a timeframe acceptable to the Bank, as requested.</p>
Grievance Redress Mechanism			
Complaint Handling and Labor Disputes	<p>Workers can pursue remedy through various judicial mechanisms if they believe that their rights are violated. Labor disputes are subject to court resolution according to the Code of Civil Procedure. Labor disputes may also be resolved through a collective agreement and/or arbitration. Civil servants may pursue resolution through the Ethics Committee under the Administrative Court as specified in the Law of Civil Servants.</p>	<p>The Labor Codes does not provide grievance resolution at the employer level nor provisions to maintain confidentiality and protection to complainants against retaliation.</p>	<p>The workers will be informed of the grievance mechanism at the time of recruitment and the measures put in place to protect them against any reprisal for its use. The project will establish a step-by-step GM procedure for the Project workers consistent with the ESS2 before the Project Effectiveness and describe</p>

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			<p>them in the Project Operations Manual (POM). Grievance procedures should be tailored to meet the needs of the project, culture and workforce composition. The Grievance procedures may be included in collective agreements.</p> <p>The GM will be accessible to all employees through various means (written, telephone, fax, social media etc.).</p>
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6. RESPONSIBLE STAFF

The LMP serves as a guidance for the management of labor risks across the project's components. Sub-project instruments under Components 2, such as site-specific Environmental and Social Management Plans (ESMPs), codes of conduct, Human Resource (HR) guideline, etc. shall refer to the provisions of the LMP.

At the project level, the ATDF will assume overall responsibility for ensuring the integration of LMP provisions into the appropriate tools and instruments and for their proper implementation. This includes ensuring that the project's hiring practices align with the policies and procedures outlined in the LMP, and that third-party providers, including civil works contractors, fully comply with LMP requirements throughout the execution of the works. The Project Coordinator is accountable for the overall implementation of the LMP.

As the implementation of TRIP is led by the ATDF, it will hold primary responsibility for institutional arrangements, as well as for the implementation and monitoring of the LMP. The ATDF will identify sub-project interventions under each component, procure consultants and contractors, prepare subproject designs and bidding documents, and procure contractors for civil works and technical supervision. It will also be responsible for contractor and site supervision, technical quality assurance, certification, and payment for works.

The ATDF will ensure that labor management procedures are integrated into the procurement and bidding processes. It will conduct or assist consultants with the environmental and social (E&S) screening process where necessary, approve screening results, and develop subsequent Environmental and Social Management Plans (ESMPs). The ATDF will monitor and supervise the implementation of all E&S risk mitigation measures, including those outlined in the LMP. The responsibility for monitoring and supervising the implementation of the LMP will rest with the Social Specialist within the E&S team of the ATDF.

The Social Specialist and Environmental Specialist will analyze labor-related risks related to the project and will oversee the implementation of the LMP.

On procurement for contractors, the ATDF will avail the E&S instruments including LMP to the aspiring contractors so that contractors include the budgetary requirements for OHS and community health and safety measures in their respective bids. The contractor will develop and maintain an OHS management system that is consistent with the scope of work, duration of contract and IFC/WB General Environmental Health and Safety Guidelines (EHSGs) on Occupational Health and Safety. Contractor will adopt all E&S risk mitigation measures proposed for the subproject. Before submitting a bid for any contract, the contractor shall incorporate the requirements of the ESMF, including the LMP, and ensure all workers sign a Code and Conduct. Where appropriate, the ATDF may withhold contractor's payment until corrective action(s) is/are implemented on significant noncompliance of the LMP.

In case of having primary suppliers the contractors should ensure that labor-related risks, especially child and forced labor as well as serious safety issues to the project from primary supply workers are managed in line with the requirements of ESS2. The ATDF and all contractors/implementers will procure supplies from legally constituted suppliers. The legal registration ensures that the company is legally obliged to comply with all applicable labor laws in Armenia, which makes it possible to assume mainstreaming of the labor laws within the supplier's company.

The ATDF and contractors will adhere to the following guidelines when managing workers:

1. **Non-Discrimination:** There will be no discrimination in any aspect of the employment relationship, including recruitment and hiring, compensation (wages and benefits), working conditions, terms of employment, or disciplinary practices.
2. **Prevention of Harassment, Intimidation, and Exploitation:** Harassment, intimidation and/or exploitation will be prevented or addressed appropriately. a. Special protection and assistance measures to address discrimination or job selection will not be considered discriminatory. b. Vulnerable project workers will receive special protection.
3. **Grievance Redress Mechanism for all Workers:** All workers will have access to the Project's Grievance Redress Mechanism (GRM) to register any work-related grievances. Workers are encouraged to resolve issues with their employer where possible. However, all workers, regardless of their type, can use the Project GRM at any time, especially when grievances involve the contractor, and these can be submitted directly to the ATDF.

The following diagrams illustrates the institutional arrangement of the LMP across implementation levels and implementation arrangements of LMP:

Figure 1: Institutional Arrangement of LMP

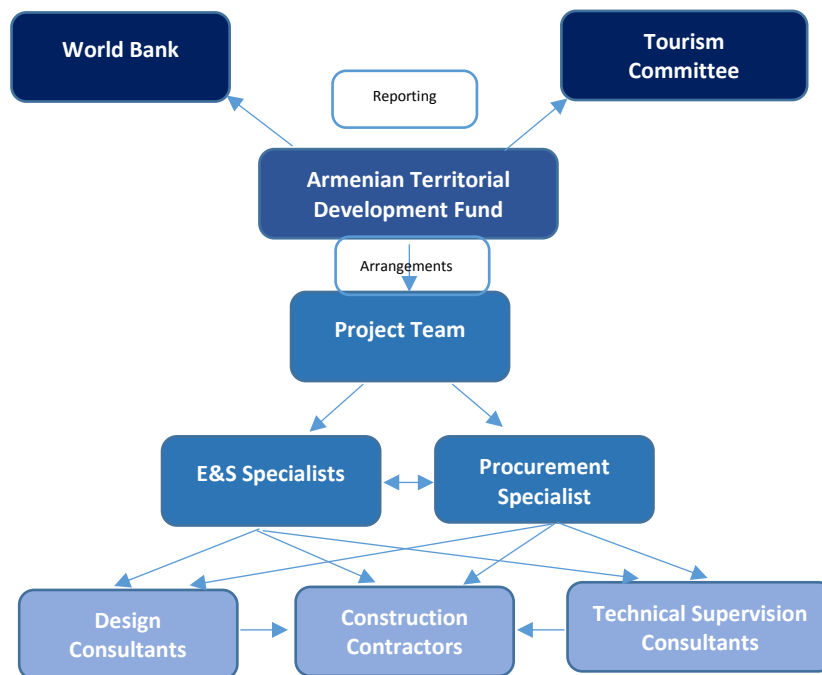
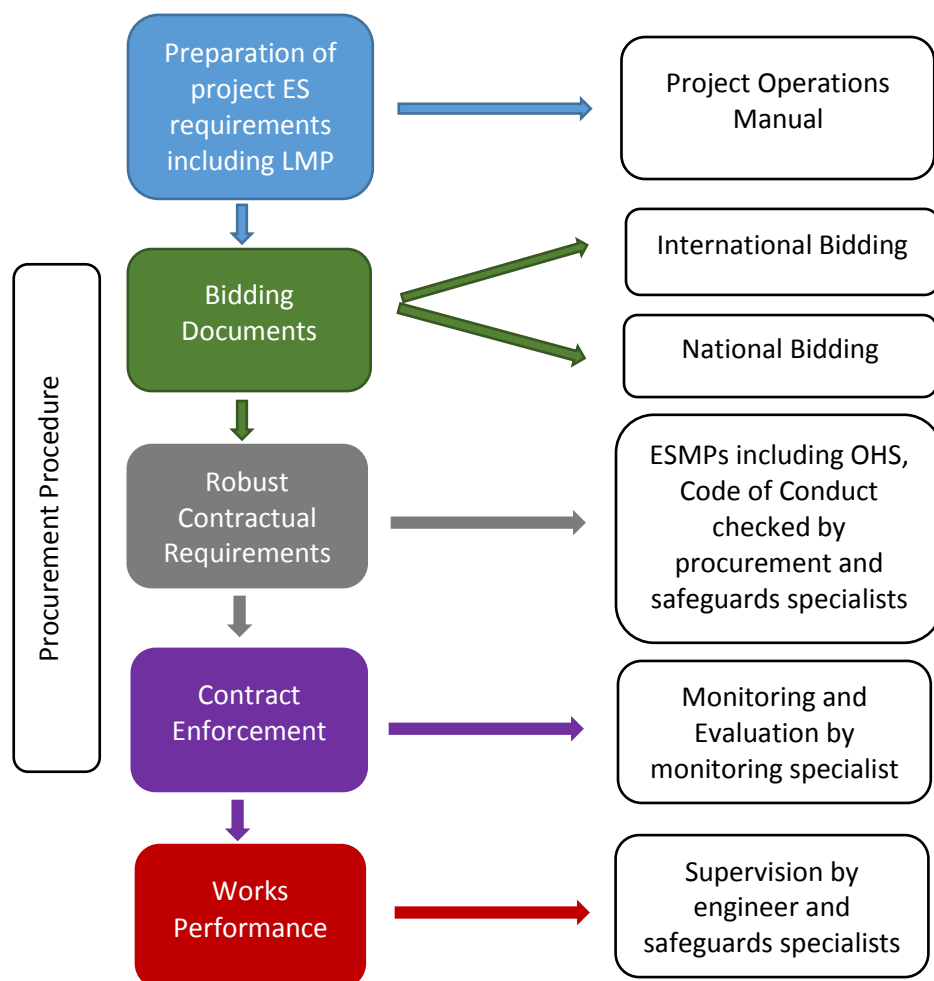


Figure 2. LMP Implementation Arrangement

Based on the institutional arrangement above, specific roles and responsibilities are summarized as follows:

Table 2: Roles and Responsibilities under the LMP

PICs	Roles and Responsibilities	Project Phases
Project level		
ATDF Coordinator	<ul style="list-style-type: none"> Ensure adoption of the LMP across components and their consistent implementation throughout the project. Enforce disciplinary actions in the event of violations and/or lead investigations with relevant agencies for any allegations related to labor. Coordinate with relevant agencies and/or ministries responsible for the 	Throughout project implementation, as soon as project is declared effective

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	implementation of the Labor Code, Labor Inspection, Ombudsman, etc.	
Soft Component Lead	<ul style="list-style-type: none"> Responsible for coordination of soft materials development activities 	
Hard Component Lead	<ul style="list-style-type: none"> Responsible for coordination of activities under Component 2 	
Social Specialist and Environmental Specialist	<ul style="list-style-type: none"> Establish project-specific procedures, including toolkits, guidelines for the operationalization of the LMP. Establish a coordination mechanism and monitoring process of the LMP implementation. Ensure consistent application of workers' codes of conduct. 	
Evaluation and Monitoring Specialist	<ul style="list-style-type: none"> Monitoring of contracts enforcement by the contractors. Regular monitoring of indicators on employment rates (by gender), generated new jobs and inclusion of implementation data in progress reports. 	
Procurement Officers	<ul style="list-style-type: none"> Include LMP in bidding documents along with other safeguard documents 	
Technical Engineers	<ul style="list-style-type: none"> Will be enrolled in a training on LMP to oversee its implementation during civil works. 	
Sub-project level		
Contractor manager	<ul style="list-style-type: none"> Ensure LMP implementation in his/her company 	
Contractor ESHS officer	<ul style="list-style-type: none"> Introduce the LMP and GRM to the contractor personnel. Oversee the LMP implementation in the company. 	
Supervision engineers	<ul style="list-style-type: none"> Will be enrolled in a training on LMP to oversee its implementation during civil works. 	

7. POLICIES AND PROCEDURES

The project requires the full implementation of the Labor Code and other relevant labor management regulations. Where gaps exist in the national system in relation to ESS2, or where specific areas are not regulated, the LMP establishes policies and procedures to ensure full compliance with ESS2 provisions. Key project-specific provisions include:

- a. Minimum age requirements
- b. Terms and conditions of employment
- c. Occupational Health and Safety (OHS)
- d. Addressing vulnerability
- e. Non-discrimination

The LMP prepared for the TRIP will be attached to all contracts signed with contractors, including those for design preparation, civil works, and technical supervision. Additionally, bidders will be required to submit their company's Environmental, Social, Health, and Safety (ESHS) policy, implementation plan, and Code of Conduct. E&S specialists will conduct regular monitoring visits to construction sites to ensure compliance with ESHS requirements, terms and conditions, and the general worksite environment.

The TRIP will also organize a labor management workshop to address key issues such as minimum age, terms and conditions, OHS, equal opportunity employment, grievance mechanisms (including SEA/SH-sensitive measures), prioritizing the recruitment of women and vulnerable groups, and managing nonconformities related to ES and OHS requirements. Remedies for noncompliance may include withholding payments to contractors or requesting changes in ESHS personnel.

8. WORKER GRIEVANCE MECHANISM

A grievance mechanism is a procedure that provides a clear and transparent framework for addressing grievances related to the recruitment process and in the workplace. This typically takes the form of an internal procedure for complaints, followed by consideration and management response and feedback.

A grievance mechanism (GM) will be provided for all direct workers and contracted workers to raise workplace concerns. Such workers will be informed of the grievance mechanism at the time of recruitment and the measures put in place to protect them against any reprisal for its use.

The project will establish a step-by-step GM procedure for the Project workers consistent with the ESS2 before the Project Effectiveness and describe them in the Project Operations Manual (POM).

Essentially, this GM is not the same as the grievance mechanism to be established for project affected stakeholders. The GM will not prevent workers to use judicial procedure. Grievance procedures should be tailored to meet the needs of the project, culture and workforce composition. The Grievance procedures may be included in collective agreements. A clause in a contractor-level collective agreement that establishes a mechanism for individual employees to bring an employment-related grievance, potentially through their trade union and/ or with trade union assistance, will be sufficient to meet ESS2.

The GM will be accessible to all employees through various means (written, telephone, fax, social media etc.). Grievance logbook will be maintained in ATDF office. To mitigate the risks related to direct workers a GM for Direct Workers will be established.

GM structure for TRIP

First level. Project coordinator/Human Resources Unit of the ATDF depending on nature of the issue raised will be responsible to receive, consider and address in a timely manner the grievances, including the concerns on unaccounted working hours and lack of compensation for overtime, delay in/non-payment of salaries. If the issue cannot be resolved at first level within 7 working days, then it will be escalated to the next level.

Second level. The ATDF Director is a second level GM for direct workers if there is a situation in which there is no response from the HR or if the response is not satisfactory then complainants and feedback providers have the option to appeal directly to the ATDF Director to follow up on the issue. The complaints should be considered and feedback provided within next 7 working days.

GM structure for contracted workers

Contractors should develop their own GM and to resolve the grievances of contracted workers. Grievance Focal Point (GFP) assigned by the Contractor will file the grievances and appeals of contracted workers and will be responsible to facilitate addressing the grievances.

First level: Social specialist of the Contractor will serve as Grievance Focal Point (GFP) to file the grievances and appeals of the project workers. The specialist will be responsible to coordinate with relevant departments/organization and persons to facilitate addressing these grievances. If the issue cannot be resolved at the Contractor's level within 7 working days, then it will be escalated to the ATDF level.

Second level: If there is a situation in which the Contractor is unable to support the complainant the grievance will be send to the HR Unit at the ATDF. .

The GM for direct and contract workers will be used to address complaints from workplace concerns and will be Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) (SEA/SH) sensitive. The objective of deployment of these measures is SEA/SH prevention and response to complaints.

These new measures create an incentive for Contractors and their Sub-contractors to strengthen their performance in preventing SEA/SH and improving how they respond to SEA/SH incidents in the event that they occur. The measures apply to procurement of Works in Projects assessed as high-risk for SEA/SH.

The new measures hold Contractors and Sub-contractors accountable for implementing the SEA/SH prevention and response obligations in their contracts. If the Contractor/Sub- contractor does not comply with their SEA/SH prevention and response obligations, they are disqualified from being awarded a Bank-financed contract for a period of 2 years.

The GRM will have special procedures for responding to allegations of SEA/SH that are made against a project actor. However, for any complaint that is reported to the GRM (including complaints involving other forms of GBV that are not related to the project), the GRM will also have procedures in place to refer the individual to GBV service providers.

Guiding principles of effective GMs Key principles include the following:

A. Confidentiality and Anonymity:

- Have multiple channels through which complaints can be registered.
- Allow safe and confidential reporting: survivors should be able to report SEA/SH without being identified publicly.
- Protect information about the complainants.
- Log cases information in a complainant logbook and stored in a locked cabinet, documenting only limited anonymous information about the incident.

B. Survivor-Centricity and Safety

- Support the creation of a supportive, dignified, and protective environment for the SEA/SH survivor, and full respect of his/her rights, wishes and choices.

- Be based on the survivor's informed consent, which needs to be guaranteed throughout the GM.
- Maintain confidentiality and anonymity as a fundamental way to guarantee survivors' safety: survivor files should not be discussed with anyone.
- Prioritize the safety of the survivor at all times
- Provide feedback on the case to the survivor only and exercise strong caution before communicating any results beyond the survivor.

9. CONTRACTOR MANAGEMENT

Environmental and social specialists within the E&S team of the ATDF shall collaborate closely with the project's technical specialists and procurement officers and/or relevant department managing procurement processes to ensure that labor-related risks are assessed as part of the development of detailed designs, which will need to be reflected in the Terms of Reference (ToR) and contract clauses for works. Prior to bidding, relevant provisions in the LMP shall be integrated into the procurement documents, specifying work requirements and schedules, personnel qualifications, Environmental Social Health, and Safety (ESHS) risk management, hiring practices, etc.

Bidders shall demonstrate that their Management Strategies and Implementation Plans (MSIPs) or their equivalents are consistent with the LMP work requirements as specified in the bidding document. The MSIPs may include an organogram of project management, including ESHS key personnel, corporate codes of conduct, system, and procedures for maintaining and overseeing OHS on sites, etc.

Selection process for civil work contractors may also consider the following:

- 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. This may include accident and fatality records and notifications to authorities.
- Business licenses, registrations, permits, and approvals.
- ESHS management plans from similar projects to demonstrate past performance.
- Worker payroll records, including hours worked and pay received,
- Copies of previous contracts with sub-contractors and suppliers, showing inclusion of provisions and terms reflecting ESS2.

Supervision engineers will monitor the performance of contractors and their sub-contractors in relation to contracted workers, focusing on compliance by contractors with their contractual agreements (obligations, representations, and warranties). This may include periodic 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 may include: (a) a representative sample of employment contracts or arrangements between third parties and contracted workers; (b) records relating to grievances received and their resolution; (c) reports relating to safety inspections, including fatalities and incidents and implementation of corrective actions; (d) records relating to incidents of non-compliance with national law; and (e) records of training provided for contracted workers to explain labor and working conditions and OHS for the project.

According to Article 260 of the RA Labor Code, an employee suffering from an accident at the workplace or while performing work duties, suffering from an acute occupational disease (if he/she is able), as well

as the person who witnessed the accident or its consequences, are obliged to immediately report it to the head of the department, the employer, to the employer's health and safety service.

In case of death of an employee at the workplace, the employer is obliged to immediately inform the insurance company, the RA Police and the inspection body.

According to Article 261 of the RA Labor Code, an official investigation is conducted to find out the causes of occupational diseases and accidents at the work place. Occupational diseases and accidents are subject to mandatory registration by the employer. The procedure for registration and official examination of occupational diseases and accidents is defined by the Government of the Republic of Armenia (RA Government Decree #458, March 23, 2006).

The Bank should be promptly notified of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers including without limitation any allegations of gender-based violence and/or sexual exploitation, abuse and harassment (GBV/ SEA/SH). Project-related occupational accidents or fatalities, or labor strikes and social unrest. Enough detail regarding the incident or accident should be provided indicating immediate measures taken or that are planned to be taken to address it, and any information provided by any contractor and supervising entity, as appropriate while ensuring confidentiality especially for GBV/ SEA/SH related incidents. Subsequently, a report on the incident or accident will be prepared as per the Bank's request.

The Bank should be notified within 48 hours after learning of the incident or accident in line with the World Bank Environment and Social Incidence Response Toolkit (ESIRT). An incident report would be provided within a timeframe acceptable to the Bank, as requested.

Annex 1: Sample Code of Conduct

CODE OF CONDUCT FOR CONTRACTOR'S PERSONNEL

We are the Contractor, [enter name of Contractor]. 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 and abuse and gender-based violence.

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, laborers 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 “**Contractor's Personnel**” and are subject to this Code of Conduct.

This Code of Conduct identifies the behavior that we require from all Contractor's Personnel.

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:

1. carry out his/her duties competently and diligently.
2. 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 Contractor's Personnel and any other person.
3. maintain a safe working environment including by:
 - a. ensuring that workplaces, machinery, equipment, and processes under each person's control are safe and without risk to health.
 - b. wearing required personal protective equipment.
 - c. using appropriate measures relating to chemical, physical and biological substances, and agents; and
 - d. following applicable emergency operating procedures.
4. 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.
5. treat other people with respect, and not discriminate against specific groups such as women, people with disabilities, migrant workers, or children.
6. not engage in any form of harassment, including sexual harassment, abuse, and sexual exploitation, with other Contractor's or Employer's Personnel or any member of surrounding communities.
7. in World Bank financed projects/operations, sexual exploitation occurs when access to or benefit from Bank financed Goods, Works, Consulting or Non-consulting services is used to extract sexual gain.
8. complete relevant training courses that will be provided related to the environmental and social aspects of the Contract, including on health and safety matters, and sexual exploitation, abuse and harassment.

9. report violations of this Code of Conduct; and
10. 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 [Project 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 Contractor's Social Expert with relevant experience in handling sexual exploitation and abuse/sexual harassment, or if such person is not required under the Contract, another individual designated by the Contractor to handle these matters] in writing at this address [] or by telephone at [] or in person at []; or
2. Call [TBD] to reach the Contractor'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 Contractor's Personnel may result in serious consequences, up to and including termination and possible referral to legal authorities.

FOR CONTRACTOR'S PERSONNEL:

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 Contractor's contact person with relevant experience in handling gender-based violence*] requesting an explanation.

Name of Contractor's Personnel: [insert name]

Signature: _____

Date: (day month year): _____

Countersignature of authorized representative of the Contractor:

Signature: _____

Date: (day month year): _____