National Treasury

Kenya Mortgage Refinance Company

State Department for Lands and Physical Planning

Housing Finance, Lands and Sustainable Investments Project

(P513352)

Labour Management Procedures

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Official Use Only

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List of Abbreviations and Acronyms

Abbreviation	Meaning
ADB	African Development Bank
AML	Anti-Money Laundering
C-ESMP	Contractor's Environmental and Social Management Plan
CBK	Central Bank of Kenya
CoC	Code of Conduct
DOSHS	Directorate of Occupational Safety and Health Services
E&S	Environmental and Social
EACC	Ethics and Anti-Corruption Commission
EHS	Environmental, Health and Safety
EHSGs	Environmental, Health and Safety Guidelines
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESIRT	Environmental and Social Incident Response Toolkit
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESS	Environmental and Social Standard
FY	Financial Year
V	Gender-Based Violence
GoK	Government of Kenya
GM	Grievance Mechanism
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
HOFLASI	Housing Finance, Lands and Sustainable Investments Project
ICT	Information and Communication Technology
IDA	International Development Association
IFIs	International Financial Institutions

ILO	International Labour Organization
KAHFP	Kenya Affordable Housing Finance Project
KES	Kenya Shillings
KGRS	Kenya Geodetic Reference System
KMRC	Kenya Mortgage Refinance Company
LMP	Labour Management Procedures
M&E	Monitoring and Evaluation
MoH	Ministry of Health (where applicable in referenced provisions)
NLIMS	National Land Information Management System (Ardhi Sasa)
NT	National Treasury
OHS	Occupational Health and Safety
OSHA	Occupational Safety and Health Act
PDO	Project Development Objective
PMT	Project Management Team
PMU	Project Management Unit
PML	Primary Mortgage Lenders
PWD	Person with Disability
SEA	Sexual Exploitation and Abuse
SEP	Stakeholder Engagement Plan
SH	Sexual Harassment
SRC	Salaries and Remuneration Commission
SDLPP	State Department for Lands and Physical Planning
TA	Technical Assistance
VMGs	Vulnerable and Marginalized Groups
WBG	World Bank Group
WGRM	Workers Grievance Redress Mechanism
WIBA	Work Injury Benefits Act
TA	Technical Assistance
VMGs	Vulnerable and Marginalized Groups

WBG	World Bank Group
WGRM	Workers Grievance Redress Mechanism
WIBA	Work Injury Benefits Act

1. INTRODUCTION

The Kenya Affordable Housing Finance Project (KAHFP)-(P165034) closed on June 30, 2025, made significant strides in expanding access to affordable housing finance in Kenya, primarily through the support and operationalization of the Kenya Mortgage Refinance Company (KMRC). As of December 2025, KMRC had refinanced approximately KES 25 billion in mortgages, representing 5,148 loans. Repayment tenor lengthened from 8.3 (2021) to 13.1 years (2025) signaling enhanced affordability. Notably, nearly 49 percent of KMRC-refinanced mortgages were issued to women, highlighting significant progress in gender inclusion. KMRC's portfolio now accounts for about 5.0 percent of the banking sector's mortgage book by value and 12.8 percent by number of loans. Additionally, the share of refinancing through SACCOs within KMRC's portfolio grew from 7 percent in 2022 to 15 percent by December 2025, indicating a strengthened role for non-bank lenders in the affordable housing finance sector, and growing financial inclusion.

KAHFP implemented by the State Department for Lands and Physical Planning (SDLPP) focused on assessing the land sector and developing a comprehensive Land Reform Plan and Capacity Building Plan to enhance land governance, service delivery, and support affordable housing objectives. Conducted through extensive stakeholder engagement and institutional analysis, the study found that while Kenya has a strong constitutional and policy foundation for land reform, the sector is constrained by outdated legal frameworks, fragmented and manual land records, weak inter-agency coordination, capacity gaps in human resources and infrastructure, and slow digitization processes. These challenges contribute to inefficiencies, tenure insecurity, bureaucratic delays, and limited public access to land services. The project therefore recommended targeted legal reforms, full digitization of land administration systems, institutional strengthening, and sustained capacity building as critical pathways to achieving efficient, transparent, and modern land management systems aligned with national development goals.

Building on the strong foundation and lessons learned from the first phase, a second phase of the Housing Finance, Lands & Sustainable Investments Project (HOFLASI) is both timely and essential to address the persistent gaps in access to housing finance for low- and middle-income households. To truly expand financial inclusion and meet the GoK's ambitious goal of delivering 250,000 affordable housing units annually, HOFLASI must innovate beyond conventional mortgage financing. This means developing and scaling products that make homeownership more accessible, addresses affordability and improves property transactions, and can de-risk lending to lower-income and informal sector borrowers. Innovative housing finance solutions, while critical for expanding access and affordability, can only be effective if households can build or improve homes on land that is titled and legally secured and connected to basic services.

The project also seeks to support the State Department of Lands and Physical Planning (SDLPP) in making property registration faster, cheaper, and more reliable as a precondition for mortgage market development. The component focuses on enabling a harmonized, digitally enabled legal and regulatory framework to support end-to-end digital land transactions, advancing the digitization of spatial and alpha-numeric land records alongside improvements to the Kenya Geodetic Reference System (KGRS), and strengthening the Ardhi Sasa land administration management system through business process reengineering, automation, and enhanced functionality. Collectively, these interventions are intended to reduce transaction inefficiencies, strengthen tenure security, and create a more efficient and transparent land administration system that supports the functioning of land and mortgage markets and accelerates affordable housing delivery.

The state department for land and physical planning digitization of Land Registries supports Kenya's land reform agenda and the Housing Finance Programme through nationwide digitization of land records and workflows using Ardhi Sasa (NLIMS) and Kenya Geodetic Reference System (KGRS). The project modernizes land administration to enhance tenure security, transparency, efficiency, and investment confidence in high-growth corridors.

The project accelerates digitization of land registries in Nairobi, Murang'a, Isiolo, Mombasa, Marsabit, and Baringo, and initiates full-scale digitization in Machakos (Machakos Registry), Kiambu (Ruiru, Thika, Kiambu Registries), and Kajiado (Kajiado Central, Ngong, Kisamis, Kajiado South Registries). These registries lie within Kenya's most active land administration corridor, with high transaction volumes and concentration of HOFLASI projects.

The overall Environmental and Social (E&S) risk of the project is assessed as Moderate and identifies potential environmental and social risks associated with digitization, institutional reform, ICT deployment, and capacity building, and provides mitigation, monitoring, and institutional arrangements consistent with the World Bank Environmental and Social Framework (ESF) and Kenya's legal framework. Overall E&S risk is Moderate, manageable, localized, and reversible with proposed measures.

Meaningful workers' engagement is particularly critical to HOFLSI given the breadth of populations it affects and the complexity of reforms it pursues. Particularly vulnerable and marginalized groups where the Ardhi Sasa land administration platform is concerned, as well as risks of gender-based violence (GBV), sexual exploitation and abuse/sexual harassment (SEA/SH). and inadequate public participation and engagement.

To mitigate these risks, the project's legal framework requires that a Stakeholder Engagement Plan (SEP), Labor Management Procedures (LMP), and a GBV-SEA/SH Prevention and Response Action Plan be prepared, publicly disclosed, and implemented within 90 days of project effectiveness all overseen under the Environmental and Social Commitment Plan (ESCP).

This plan is developed to meet the requirement of Environmental Social Standard 2 (ESS2) Labour and Working Conditions of the World Banks Environmental and Social Framework. The main objective of this ESS2 is as follows:

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

The Constitution of Kenya (2010) is the supreme law of Kenya; and binds all persons and all state organs at both the National and County Government levels. Kenya is one of the Countries that has ratified International Labour Organization (ILO) Conventions, therefore, it has integrated the ILO principles into its national labour laws.

1.1. Scope and Structure of the LMP

This document is organized into the following key areas: overview of labour use for the project, assessment of key labour risks, brief overview of labour legislation, responsible staff, policies and procedures, age of employment, terms of conditions, grievance mechanism and contract management.

2. OVERVIEW OF LABOR USE ON THE PROJECT

It is expected that the Project will engage the following categories of **project workers** as defined by ESS2:

Direct workers. Direct workers are hired specifically to work in relation to the project and are integrated into the project implementation unit (PMU). The PMU has managerial, administrative and coordination roles. They include direct staff under KMRC, State Department of land, National Treasury and Technical Assistance Consultants working on the project with the job positions and responsibilities along the line of the following: Project Management, Environmental and Social Specialists, Sub-Project Coordinators, Financial Specialist, Procurement Specialists, Administrative services etc. While the Employment Act of 2007 as well as several public service laws and Human Resources Manuals will help regulate government workers, consultants will be governed by a set of mutually agreed contracts. In a limited number of cases government civil servants will be working in connection with the project, whether full-time or part-time, they will remain subject to the terms and conditions of their existing public sector employment agreement or arrangement, unless there has been an effective legal transfer of their employment or engagement to the project. Such transfer, if any, will be conducted in accordance with all legal requirements and transferred workers will be subject to all requirements of these LMP.

Contracted workers: Contracted workers will be engaged or employed by third parties' i.e. contractors, sub-contractors[1] and service providers/consultants needed for project implementation, and these imply professionals and support staff provided by the Contractor or Consultants or by any Sub-Consultants assigned to perform the Services or any part thereof.

Primary supply workers might be engaged on the project as certain supply of materials (i.e. aggregate and crushed stone, geotextile, gravel, sand etc.) will be required within the project. However, these impacts are not subject to ESS2 but will be looked through the lens of ESS1 and ESS4 and the area covered by relevant management plans (i.e. the Project level ESMS, Sub-Project specific ESMPs and any Contractors management plan as required by the ESMS).

Community workers will not be engaged on the project.

Table 1: - Labour requirements of the project

Category of workers	Description	Timing of engagement
Direct workers	Individuals employed or engaged directly by the Government of Kenya (GoK), including implementing agencies such as KMRC, National Treasury, and SDLPP, specifically to support HOFLASI activities (e.g., project coordination, E&S specialists, finance and risk teams, ESMS oversight). This may also include contracted staff to KMRC & Lands to support project Implementation.	Throughout the entire project lifecycle – from project preparation, implementation, supervision, to closing.
Contracted workers	Workers engaged through third parties (consultants, contractors, subcontractors, firms, IT vendors, surveyors, etc.) to perform core project functions such as land digitization, registry modernization, valuation, or technical assistance. These	Time-bound engagements, aligned to specific project components or contracts (e.g., during system development, surveys, or capacity building phases)

1 Sub-Consultant/Contractor means any person or entity to whom/which the Contractor or Consultant subcontracts any part of the Works or Services.

	include service providers delivering essential project activities.	
Primary Supply Workers	Workers employed by suppliers provide goods and materials essential for project operations (e.g., ICT hardware, land registry equipment, construction inputs, or documentation systems).	Engaged as needed during procurement and delivery phases, depending on supply chain requirements.
Vulnerable Workers	Includes women, persons with disabilities, youth, migrant workers, and other marginalized groups. ESS2 requires special provisions to ensure non-discrimination, equal opportunity, protection from exploitation, and safe working conditions.	**Across all phases** – applies to all worker categories continuously throughout the project.

3. ASSESSMENT OF KEY POTENTIAL LABOR RISKS

The labour risks for the project can be defined based on the nature and location of the project. Incidences of labor-related discrimination based on e.g., gender, disability, as well as inadequate mechanisms or responses to address labor-related grievances raised by project workers, including those engaged as Technical Assistance (TA) providers.

This section accesses labour risks firstly to direct project workers followed by those risks to contracted workers. clearance of right of way;

3.1 Direct Project Workers

The risk of exacerbating or introducing sexual exploitation and abuse (SEA) and sexual harassment (SH) associated with Technical Assistance activities, such as feasibility studies, capacity building, and land legal/regulatory reforms, although anticipated labor influx from TA providers is limited. To address these risks and ensure that all parties are aware of and accountable for preventing and responding to SEA/SH throughout project. In addition, SEA/SH management provisions will be incorporated into all contracts for TA providers, and all project workers will be required to sign and understand codes of conduct.

Other risks related to direct project workers can be summarized as below:

- Discrimination based on gender, marital status, age, corruption/nepotism/elite capture.
- Sexual harassment.
- Physical and verbal harassment and workplace bullying.
- Discrimination in relation to opportunity/access for training and self-development.
- Discrimination on pay based on nationality, gender or any other aspect not related to experience or education. This has become particularly a major issue in some private sector industries and when hiring consultants in Kenya. Often the local equivalent is paid much less than the foreign national.
- Non-adherence to contract terms and conditions
- Employing staff without a valid work permit. This is particularly an issue in the construction industry, not within the government.
- Overworking employees can lead to exhaustion, loss of interest, depression and other serious health complications.
- OHS hazards are associated with office equipment and life, fire and safety.

3.2 Contracted Workers

At Project Work Site

- Risk of falling and falling objects while working at heights. This involves physical construction work and also when undertaken maintenance and inspections.
- There is risk of accidents related to vehicles used in the project, if the vehicles are not road worthy, if the vehicles used are not handled by trained personnel.
- Employing staff without a valid work permit. This is particularly an issue in the construction industry
- Discrimination is based on gender, marital status, age, or any other physical or mental attribute.
- Not adhering to contract terms
- Potential Insecurity especially when workers travel to marginalized counties

4. LABOR LEGISLATION AND ASSESSMENT OF THE NATIONAL FRAMEWORK: TERMS AND CONDITIONS

This Policy has been prepared to ensure compliance with both GoK and the World Bank Group (WBG) requirements. This Chapter presents the relevant requirements that will guide labour management in the Project. It commences with the GoK requirements, both laws and policy. Thereafter are the international requirements, starting with WBG requirements followed by conventions and protocols Kenya has ratified and are in force.

4.1 Constitution of Kenya (2010)

Kenya has a comprehensive legal system governing labour and working conditions. Several pertinent provisions are included in the CoK 2010, notably Article 2, which acknowledges ratified treaties as being a component of Kenyan law. Article 41 (on Labor Relations) explains the rights and protections that employees, employers, and unions have access to and can use within Kenya's employment system. These privileges are founded on fundamental freedoms and rights for people, such as Article 28's right to human dignity, Article 30's prohibition on all forms of slavery and Article 31's guarantee that everyone is right to privacy be maintained. Article 27 on non-discrimination provides for equality and prohibits discrimination on various grounds including race, sex, pregnancy, marital status, health status, ethnic or social origin, color, age, disability, religion, conscience, belief, culture, dress, language, or birth.

Kenya's defining legislative enactment for employment rules is the *Employment Act* of 2007. It focuses on regulating the multi-dimensional relationship between employers, employees, and the government, as well as the State's duty as a mediator to protect both parties' rights. The Act, which has undergone numerous amendments, outlined the fundamental rights of workers and lays out the prerequisites for employment, including rules on the hiring of minors. As a result, this Act most closely adheres to the fundamental requirements stated in the World Bank's *ESS2* Standard. The Act has a single subsidiary legislation titled the *Employment (General) Rules*, 2014 that largely expounds on the terms and conditions of work - aside from other procedural aspects; with an entire schedule outlining the minimum rights bestowed upon employees, and another dedicated to the requisite elements of the *Policy Statement on Sexual Harassment*.

Article 10: National Values and Principles of Governance: Of the named values and principles, those most relevant to this LMP, (and which binds all individuals, organisations
agencies and groups with a role in implementation of the Project), are:

(1) Participation of the people.
(2) Human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalised.
(3) Good governance, integrity, transparency, and accountability; and
(4) Sustainable development.

Article 21 - Implementation of Rights and Fundamental Freedoms: Of relevance to this LMP, as provided for under 21(3), the Project has the duty to address the needs of vulnerable groups among the Project Workers, including women, older persons, persons with disabilities, children, youth, members of minority or marginalised communities, and members of particular ethnic, religious or cultural communities.

Article 27 - Equality and Freedom from Discrimination: Through this Article, every potential or recruited Project Worker is equal before the law and has the right to equal protection and equal benefit of the law. Subsequently, as provided for under 27(4), and is relevant to this LMP, the Project shall not discriminate directly or indirectly against any potential or recruited Project Worker on any ground, including race, sex, pregnancy, marital status, health status, ethnic or social origin, colour, age, disability, religion, conscience, belief, culture, dress, language or birth.

Article 28 - Human Dignity: Through this Article, every Project Worker has inherent dignity and the right to have that dignity respected and protected.

Article 30 – Slavery, Servitude and Forced Labour: By this Article, a Project Worker shall not be required to perform forced labour.

Article 32 – Freedom of Conscience, Religion, Belief and Opinion: Through this Article, every Project Worker has the right to freedom of conscience, religion, thought, belief, and opinion. This includes the right to either individually or in community with other, in public or private to manifest any religion or belief through worship, practice, teaching or observance, including observance of a day of worship. And a Project Worker cannot be compelled to act or engage in any act that is contrary to their belief or religion.

Article 36 – Freedom of Association: By the Article, every Project Worker has the right to freedom of association, which includes the right to form, join or participated in the activities of an association of any kind. And a Project Worker shall not be compelled to join an association of any kind.

Article 37 – Assembly, Demonstration, Picketing and Petition: Through this Article, every Project Worker has the right, peacefully and unarmed, to assemble, to demonstrate, to picket, and to present petitions to public authorities.
Article 41 – Labour Relations: Through this Article, every Project Worker has the right to fair labour practices. Subsequently, as provided for in Article 41(2), every worker has the right to:
fair renumeration; reasonable working conditions; form, join or participate in the activities and programmes of a trade union; and to go on strike. And, as provided for in Article 41(5), the workers union, employer's organisation, and employer have the right to engage in collective bargaining.

Article 43 – Economic and Social Rights: Through this Article, every Project Worker has the right to, among others: a) highest attainable standard of health; b) accessible and adequate housing, and to reasonable standards of sanitation; c) be free from hunger, and to have adequate food of acceptable quality; and d) clean and safe water in adequate quantities.

Article 47 – Fair Administrative Action: With respect, every Project Worker has the right to administrative action that is expeditious, efficient, lawful, reasonable, and procedurally fair. Subsequently, as provided for in Article 47(2), if a right or fundamental freedom of a worker has been or is likely to be adversely affected by administrative action, the worker has the right to be given written reasons for the action.

Article 53 – Children: As provided for in Article 53(1)(d), the Project is obligated to comply with the right to protect children from among others, abuse, inhuman treatment, and punishment, and hazardous or exploitative labour.

Article 54 – Persons with Disabilities: Through this Article, the Project is obligated to treat persons with disability with dignity and respect and to be addressed and referred to in a manner that is not demeaning. And, as Article 54(2) indicates, the Project is encouraged to implement the principle of at least five percent of its workers are persons with disability.

Article 55 – Youth: This Article provides for among others, affirmative action to ensure youth access employment; and are protected from harmful exploitation. This, the Project is obliged to implement.

Article 56 – Minorities and Marginalised Groups: As Sub-Section 1.1.1 above describes, the region targeted under the Project has been underserved over years, remote, fragile and exhibits a high incidence of poverty thereby subjecting the local population to elevated levels of vulnerability. And one of the development objectives of the Project is employment of persons from the local community of the Project Area. This is an affirmative action put in place and complies with Article 56(c) which, provides that the GoK shall put in place affirmative action programmes designed to ensure that minorities and marginalised groups are provided with special opportunities for access to employment.

Article 159 – Judicial Authority: This Article provides for the promotion of alternative dispute mechanisms, which the Project's Labour Grievance Redress Mechanism falls under. These however will be promoted, while complying with the purpose and principles of the Constitution. That is, judicial authority is derived from the people and vests in, and shall be exercised by, the courts and tribunals established by or under the Constitution. In exercising judicial authority, as provided for in Clause (2) of the Article, the courts and tribunals shall be guided by the following principles:

(a) Justice shall be done to all, irrespective of status.
(b) Justice shall not be delayed.
(c) Alternative forms of dispute resolution including reconciliation, mediation, arbitration, and traditional dispute resolution mechanisms shall be promoted, subject to clause (3) of the Article.
(d) Justice shall be administered without undue regard to procedural technicalities; and
(e) The purpose and principles of this Constitutions shall be protected and promoted.

Clause (3) of the Article provides that "traditional dispute resolution mechanisms shall not be used in a way that:

(a) Contravenes the Bill of Rights.
(b) Is repugnant to justice and morality or results in outcomes that are repugnant to justice or morality; or
(c) Is inconsistent with the Constitution of Kenya or any written law.

The above-mentioned articles provide for the minimum requirements under the Constitution of Kenya (2010). And they cover all the four principles and rights of work in labour management.

4.2 Employment Act 2007

All persons who fit the descriptions of 'employer' and 'employee' are governed by this law. The Act declares and defines the fundamental rights of employees, provides for the basic conditions of employment of employees, regulates employment of children, and provides for matters connected with the foregoing. The following general principles guide implementation of the Act[2]:

(1) Prohibition against forced labour, whereby provided is that no person shall use or assist other person in recruiting, trafficking, or using forced labour. A person that contravenes this commits an offence. This principle is described in detail under Section 4 of the Act.
(2) Discrimination in employment, whereby provided is that the state and employer shall promote equal opportunity in employment and strive to eliminate discrimination in any employment policy or practice. Additionally, it is provided that the state shall promote and guarantee equality of opportunity for a person who is a migrant worker or a member of the family of the migrant worker, lawfully within Kenya. The nature of discrimination considered unlawful is direct or indirect: a) on ground of race, colour, sex, language, religion, political or other opinion, nationality, ethnic or social origin, disability, pregnancy, marital status or HIV Status; and b) in respect of recruitment, training, promotion, terms and conditions of employment, termination of employment or other matters arising out of the employment. Additionally, an employer is obligated to pay his employees equal renumeration for work of equal value. The Act, through Section 5(4) provides it is however not discrimination to:
    (a) Take affirmative action measures consistent with the promotion of equality or the elimination of discrimination in the workplace.
    (b) Distinguish, exclude, or prefer any person based on an inherent requirement of a job.
    (c) Employ a citizen in accordance with the National employment policy; or
    (d) Restrict access to limited categories or employment where it is necessary in the interest of state security.
(3) Sexual harassment, whereby an employee is sexually harassed if the employer or a representative of the employer or a co-worker:
    (a) Directly or indirectly requests that employee for sexual intercourse, sexual contract or any other form of sexual activity that contains an implied or express: i) promise of preferential treatment in employment; ii) threat of detrimental treatment in employment; or iii) threat about the present or future employment status of the employee.
    (b) Uses language whether written or spoken of a sexual nature.

[2] Employment Act - Kenya Law; The Employment (General) Rules - Kenya Law

(c) Use visual material of a sexual nature; or
(d) Shows physical behaviour of a sexual nature which directly or indirectly subjects the employee to behaviour that is unwelcome or offensive to that employee and that by its nature has a detrimental effect on that employee's employment, job performance, or job satisfaction.

Further, an employer who employs twenty or more employees shall, after consulting with the employees or their representatives if any, issue a policy statement on sexual harassment, and this shall be brought to the attention of each employee. This statement may contain any term the employer considers appropriate and shall contain the definition of sexual harassment as specified in the Section 6(1) of the Act, and a statement:

(i) That every employee is entitled to employment that is free of sexual harassment.
(ii) That the employer shall take steps to ensure that no employee is subjected to sexual harassment.
(iii) That the employer shall take such disciplinary measures as the employer deems appropriate against any person under the employer's direction, who subject any employee to sexual harassment.
(iv) Explaining how complaints of sexual harassment may be brought to the attention of the employer; and
(v) That the employer will not disclose the name of a complainant, or the circumstances related to the complaint to any person except where disclosure is necessary for the purpose of investigating the complaint or taking disciplinary measure in relation thereto.

Other employment matters an employer is obliged to comply with and are provided for under the Act relate to: Employment relationship; Protection of wages; Rights and duties in employment; Termination and dismissal of employees; Protection of children; Insolvency of employer; Employment records that each employer shall keep; Employment management; Foreign contracts of service; and Dispute settlement procedures.

Overall, the laws and standards are aligned with the ESS2, save for the requirement that the primary suppliers be compliant with the laws in addition to establishing a responsive grievance redress mechanism, for this project.

4.3 Occupational Health and Safety ACT OSHA, 2017

This is an Act of Parliament to provide for the safety, health and welfare of workers and all persons lawfully present at workplaces, to provide for the establishment of the National Council for Occupational Safety and Health and for connected purposes. A workplace, as defined in the Act, means any land, premises, location, vessel, or thing, at, in, upon, or near which, a worker is, in the course of employment. A premise, by the Act includes any place and, in particular: any vehicle; any installation on land; and any tent or movable structure 3.

The provisions of this Act shall be applied to all workplaces where any Project Worker is at work, whether temporarily or permanently. The purpose of the Act, as provided for under Section 3(2) is to:

1. Secure the safety, health, and welfare of persons at work; and
2. Protect persons other than persons at work against risks to safety and health arising out of, or in connection with, the activities of persons at work.

Following, as provided for in Part II (General Duties) of the Act, both the Employer and Employee have duties. Sections 6 provides on the duties of the employer (Contractor), while Section 13 provides on the duties of the employee (Project Worker). Respectively, the employer shall ensure the safety, health, and welfare at work of all persons working in his workplace. This is by applying among others, the following measures:

[3] https://new.kenyalaw.org/akn/ke/act/2007/15/eng@2022-12-31

a. The provision and maintenance of plant and systems and procedures of work that are safe and without risks to health.
b. Arrangements for ensuring safety and absence of risks to health in connection with the use, handling, storage and transport of articles and substances.
c. The Provision of such information, instruction, training, and supervision as is necessary to ensure the safety and health at work of every person employed.
d. The maintenance of any workplace under the occupier's control, in a condition that is safe and without risks to health and the provision and maintenance of means of access to and egress from it that are safe and without such risks to health.
e. The provision and maintenance of a working environment for every person employed that is, safe, without risks to health, and adequate as regards facilities and arrangements for the employee's welfare at work.
f. Informing all persons employed of: (i) any risks from modern technologies; and (ii) imminent danger.
g. Ensuring that every person employed participates in the application and review of safety and health measures; and
h. No employee shall be discriminated against by reason only that the employee (i) makes a complaint about a matter which the employee considers is not safe or is a risk to his health; (ii) is a member of a safety and health committee established pursuant to this Act; and (iii) exercises any of his functions as a member of the safety and health committee.

And the Project Worker shall, among others, ensure his safety and health and that of other persons who may be affected by his acts or omissions at the workplace. Overall, every Project Worker is obligated to report any dangerous situation to his/her supervisor immediately.
From the foregoing discussion, the Contractor shall, among other measures prescribed in the Act, ensure that all Project Workers are informed of their duties and responsibilities as regards to safety and health at the workplace. In the first instance, it shall be at the induction level prior to signing of a contract. This too shall be contained it the Project Worker's Code of Conduct and a Statement located at a notice board that is easily accessible to Project Workers.

Besides, enacted as a subsidiary legislation of OSHA is the Occupational Safety and Health (First Aid in the Workplace) Regulations4, which the Contractor is obliged to comply with respect to labour management. For example, Regulation 7 provides for the ratio of first aiders and total workers in a workplace. And Regulation 4(1)(b) provides that, for purposes of ensuring the provision of adequate first aid arrangement in a workplace, the Contractor is required to provide information to all workers on procedures of first aid at the workplace, location **of first aid kits** and information on every person trained on first aid at the workplace. The law has been harmonized with the ratified ILO Conventions and the EU Directives and complies with WB ESS2.

4.4 World Bank ESS2 – Labour and Working Conditions

This ESS recognises the importance of employment creation and income generation in the pursuit of poverty reduction and inclusive economic grown. With respect, the Project can promote sound worker-management relationships and enhance its development benefits by treating its workers fairly, as well as providing safe and healthy working conditions.
The major objectives of ESS2 are:
(1) To promote safety and health at work.
(2) To promote the fair treatment, non-discrimination, and equal opportunity of project workers.
(3) To protect project workers, including vulnerable workers such as women, persons with disabilities, children (of working age, in accordance with this ESS) and migrant workers, contracted workers, community workers and primary supply workers, as appropriate.
(4) To prevent the use of all forms of forced labour and child labour.
(5) To support the principles of freedom of association and collective bargaining of project workers in a manner consistent with national law.
(6) To provide project workers with accessible means to raise workplace concerns.

[4] Occupational Safety and Health (First Aid in the Workplace) Regulations - Kenya Law

Herein, the term Project Worker refers to:

(a) People employed or engaged directly by the GoK (including the Project Proponent and the Project Implementing Agencies) to work specifically in relation to the Project (***direct workers***).
(b) People employed or engaged through third parties to perform work related to core functions of the Project, regardless of location (***contracted workers***). Third parties herein include the Contractor, Sub-Contractors, Brokers, Agents, or Intermediaries. And core functions of the Project herein constitute those production and/or service processes essential for the Project activity without which the Project cannot continue.
(c) People employed or engaged by the GoK's primary suppliers (***primary supply workers***). Herein, primary supply refers to suppliers who, on an on-going basis, provide directly to the Project's goods or materials essential for the core functions of the Project.
(d) People employed or engaged in providing community labour (***community workers***).

It is through this ESS that there is the requirement for the Project to develop and implement.

4.5 Conventions and Protocols Kenya has Ratified

Some of the international labour statutes that apply in Kenya include: International Convention on the Elimination of All Forms of Racial Discrimination, 1965 (ICERD); Convention on the Rights of the Child, 1990, (CRC); Convention on the Protection of the Rights of all Migrant Workers and Members of their Families, 1990 (ICRMW); Convention on the Rights of Persons with Disabilities; (CRPD) and Convention on the Elimination of All Forms of Discrimination against Women, 1979 (CEDAW).

The instruments of the International Labor Organization (ILO) applicable in Kenya include:
Freedom of Association and Protection of the Right to Organize (ILO Convention 87).
The Right to Organize and Collective Bargaining (ILO Convention 98); Forced Labor (ILO Convention 29).
The Abolition of Forced Labor (ILO Convention 105).
Minimum Age (of Employment) (ILO Convention 138).
The Worst Forms of Child Labor (ILO Convention 182).
Equal Remuneration (ILO Convention 100); and
Discrimination (Employment and Occupation) (ILO Convention 111).

5. RESPONSIBLE STAFF

5.1 Resources and Responsibility

The Project Management Unit is responsible for ensuring that this LMP is implemented. The responsibility of each agency in relation to LMP are described below.

National Treasury

Components 3 and 4 will involve the National Treasury (NT).

KRMC

Since Components 1 and 4 will be managed by the Kenya Mortgage Refinance Company (KMRC), activities under this component in relations to labour and working conditions will be implemented as per this LMP. This will include the processes for hiring the technical assistance. To mitigate against the labor risks, the Bank has reviewed KMRC environmental and social policies and suggested areas for improvement to comply with relevant ESS2 requirements.

State Department for Lands and Physical Planning (SDLPP)

Component 2 will be under the State Department for Lands and Physical Planning (SDLPP)

The above three institutions will collectively form the Project Management Team (PMT) and the E&S focal persons in each institution will oversee overall project management and coordination, as well as ensuring that the requirements for ESHS risk management, such as those in this document, are met. The PMT will work with a consultant or consultants with knowledge of environmental, health and safety (the team should get in touch with and collaborate with Labor officers and OHS officers from the Ministry of Labour accessible in most counties across the nation).
The following duties will fall under the purview of the PMT:

a) Undertake the overall implementation of this LMP;
b) Engage and manage consultants and contractors in accordance with this LMP and the applicable Procurement Documents;
c) Monitor project contractors and workers to ensure their activities are included in the LMP and the applicable Procurement Documents;
d) Monitor the potential risks of child labor, forced labor and serious safety issues in relation to primary suppliers;
e) Provide training to mitigate social risks including SEA-SH of project workers;
f) Ensure that the GRM for project workers is established and implemented and that project workers are informed about it;
g) Monitoring the implementation of the Worker Code of Conduct; and
h) Report to the World Bank on labor and OHS performance and key risks and complaints.

Promoting the adoption of the LMP and OHS requirements within the project will be the responsibility of social and environmental specialists in the PMT. The implementation of these crucial project elements falls under the purview of the project manager and the entire PMT. The Social and Environmental Specialists will oversee the following:

a) Supervise workers' adherence to the LMP;
b) Prepare, review, and approve the various OHS measures and plans.
c) Maintain records of recruitment and employment of contracted workers (including sub-contractors);
d) Provide induction training to heads of contracted workers organizations or EHS officers on environmental, social and OHS issues. This will include SEA-SH;
e) Require primary supplier(s) to identify and address risks of child labor, forced labor and serious safety issues and undertake due diligence to ensure this is done;
f) Develop and implement the GRM for contracted workers, including ensuring that grievances received from the contracted workers are resolved promptly, and report the status of grievances including grievances related to SEA-SH and resolutions regularly to the PMT and World Bank. Also, the PMT should ensure that a GRM is outlined in contractor C-ESMP
g) Ensure all contractors and subcontractor workers understand and sign the CoC prior to the commencement of work and supervise compliance with the CoC;
h) Ensure the abbreviated CoC (one-pager) is displayed in all projects supported facilities (Annex 1); and
i) Report to the PMT on labor and OHS performance.

Table 5.1 presents a summary of the project staff/entity responsible for various key responsibilities.

Table 2: - Summary of the Project Staff/Entity Responsible for Various Key Responsibility Areas

Responsibility area	Direct and contracted workers	Primary supply workers
Hiring and managing individual project workers	PMT PMT will oversee the work of consultants hired for project activities	n/a (outside the scope of ESS2)
OSH	PMT OHS Specialist, Contractor All workers (long-term and casuals) will follow OHS measures	The PMT will assess the risk levels/safety issues of primary suppliers and as needed require

Responsibility area	Direct and contracted workers	Primary supply workers
		them to develop procedures to address these risks
Child labor and forced labor	PMT Social Specialists /Contractor PMT to ensure the contract does not allow child and forced labor and age verification procedures are maintained	• Primary supplier to adhere to child labor requirements. • PMT to review
Training	PMT/contractors/Operators	n/a (outside the scope of ESS2)
Code of conduct	PMT Social Specialists, Contractor The contract to commit workers to comply with a code of conduct through signing	
Grievance mechanism	PMT Social Specialists/Contractors/facility-in-charge	
Monitoring and reporting	PMT Environmental &Social Specialists /Contractors/operators to monitor and report World Bank	PMT to monitor compliance PMT to report to World Bank.

Given that the PMT has just been formed with new members being seconded by other agencies and/or ministries. For instance, if a social specialist has been appointed, he or she shall supervise the GRM's implementation and guarantee adequate stakeholder consultation.

The environmental specialist should oversee monitoring, supervising, and reporting on health and safety. Additional roles would be:

a. Training of workers on OHS;
b. Monitoring, supervising, and reporting on health and safety issues including details of key responsibilities and reporting arrangements made with contractors and operators;
c. Coordinating and reporting arrangements between contractors and operators;
d. Following up on the feedback mechanisms between the contractors and their workers and flagging out any issues for redress; and
e. Reporting on a regular basis on the overall project progress.

Labour officers and OHS officers are from the ministry of labour, [Department of Labour and Directorate of occupation safety and health services (DOSHS)]. These services are carried out to ensure that every workplace is free of any hazards and comply to laid down standards to ensure safety of employees. Responsibilities include;

a. Registration and renewal of workplaces and plants,
b. Workplace inspection & audits- involving checking the condition of workplaces
   Critical examination and inspections of workplace help to identify and record hazards for corrective action and prevent injuries, illnesses, incidents, and accidents.
c. Examination & testing of plants to guarantee that they are in good working condition.
d. Accident investigation & WIBA processing. Employers must report accidents and employee injuries to DOSHS County offices within 24 hours if the accident is fatal, and within 7 days for non-fatal accidents. Using DOSHS1 form. This triggers an accident investigation. A county DOSHS officer visits the workplace where the accident happened to undertake an investigation and write a report on the nature, cause, and impact of the accident. The report forms a basis for seeking compensation through WIBA (Work Injury Benefit Act). The employer is held responsible if they have not taken up WIBA. Insurance cover.

Contractors

Contractor's responsibilities in the implementation of the LMP and OSH compliance will include

a) Prepare the C-ESMP and undertake the overall implementation of OSH in compliance with the C-ESMP;
b) Engage and manage employees in accordance with labour laws and ESS2 standards;

c) Monitor the potential risks of child labor, forced labor and serious safety issues in relation to primary suppliers;
d) Sensitize own staff on OSH and SEAH-SH risk mitigation measures and sanctions for violating the CoC;
e) Ensure that workers are aware and understand the Project workers GRM and how they can report their grievances;
f) Ensure own workers sign the Code of Conduct and monitor compliance; and
g) Report to the PMT on labor and OHS performance and key risks and complaints.

5.2 Training and Capacity Building

Employees may be engaged with training, on the job or otherwise, subject to a separate agreement entered in to with the employer, for the purpose. The agreement must have in them at minimum, the details of the employer and the employee along with, details of the type of training, the period it would take to complete the training, costs incurred by the employee in relation to the training and the rights and obligations of each party if the training is not completed.

Table 3: - Budget

Action	**Timeline**	**Approx. budget ($)**	**Responsibility**
Develop and roll out of codes of conduct for Direct workers (all ESS2 requirements) and other workers (OHS requirements, including security and GBV prevention).	Dec 2027-Review existing code of conduct for any gaps Implement supplier code of conduct.	$5,000 – $8,000 (estimate: legal review & alignment to ESS2/SEA-SH/OHS, translations if needed)	E&S Specialist/Project E&S Focal Point (technical ESS2/SEA-SH)
Print, disseminate, train and sign codes of conduct, including security and GBV protocols and GMs.	N/A-Already in Place for KMRC	0	
Develop guidelines and activation of project workers GM	N/A-Already in Place for KMRC	0	
Include GM, OHS, GBV and ESIRT requirements in all contractors bidding documents and contracts and carrying out due diligence and monitoring	**Before issuing bid documents / contract signing**, then **ongoing** contract management	Depends on contracted service to be included in the TA workplan	Procurement focal point
Monitor and report all aspects of LMP compliance quarterly.	Every 3 months	0	
	Estimated costs	**$5,000 – $8,000**	

6. POLICIES AND PROCEDURES

This section identifies the key policies and procedures that will be in place to ensure that the risks identified in section 03 of this LMP, that is OHS, insecurity, discrimination, GBV, fatalities and serious incidents are adequately addressed. A summary of indicative procedures to develop and implement the LMP policies is provided below.

a) **Occupational health and safety (OHS)**: The MoH will manage the project in accordance with the pertinent provisions of the national OSH Act, Employment Act, ESS2 (including WBG Environmental, Health and Safety Guidelines (EHSGs) – General, Health Care Facilities, and Pharmaceuticals and Biotechnology Manufacturing), and WB standard procurement documents, so that project workers are adequately protected against potential OHS risks. Additionally, the contractors and operators will be expected to develop policies and practices that adhere to these rules. Identification of potential workplace hazards, provision of protective measures, training of employees, maintenance of training records, documentation and reporting of occupational accidents and incidents, emergency preparedness, and remedies for workplace injuries and fatalities are all important components of OSH measures.

b) **Child labor**: The project has a stated minimum age requirement of 18 years of age or older for project workers. All contracts must include clauses requiring compliance with the minimum age requirements, including penalties for non-compliance in accordance with the applicable legislation, to prevent the hiring of workers who are underage. The PMT is obligated to keep an age-verified labor registration of all employed individuals. Section 7 gives more information.

c) **Labor influx**: The contract for the project will include that the contractors must prioritize hiring unskilled workers from the neighborhood and adjacent towns to reduce labor influx. Prior to employment, all contractual workers will be asked to sign the CoC, which contains a clause to address the risk of Gender Based Violence (GBV) (see Annex 5 on the Guideline on CoC).

d) **Labor disputes over terms and conditions of employment**: Fair terms and conditions shall be imposed for project workers (directed by pertinent regulations) to prevent labor disputes. Additionally, the project will have GRMs for workers (both direct employees and contracted employees) to swiftly resolve any workplace complaints (further information is provided in Section 10). Additionally, the project will adhere to the Employment Act 2007's provisions regarding workers' freedom of association and the right to form labor unions.

e) **Discrimination and exclusion of vulnerable groups**: There will be no discrimination in any aspect of the employment relationship, including recruitment and hiring, terms of employment (including pay and benefits), termination, and access to training. The employment of project workers will be based on the principles of inclusion, equal opportunity, and fair treatment. The project must adhere to the Employment Act of 2007, which mandates gender equality at work and includes maternity, paternity and sick leave, non-discrimination, equal pay, and the right to organize an industrial action. Additionally, there will be adequate and suitable restroom and laundry facilities, with separate areas for male and female workers. There will be adequate provisions for other vulnerable groups including persons with disabilities (PWDs) and women. These conditions, which are also a part of the monitoring system, will be included in the contracts with third parties.

f) **GBV and SEA-SH**: Given the implementation setting, there is a risk of sexual harassment, coworker exploitation, and abuse. Therefore, all employees and contractors are required to sign the code of conduct (CoC), which outlines the expected standards of conduct in this regard, and to participate in a session on the topic, which also covers the repercussions of such actions. To provide training in GBV and SEA-SH, the MoH will find a certified trainer or consultant (the development partners

may be contacted for assistance). For handling GBV and SEA complaints, a separate GRM will be established, as detailed below.

A GBV Action Plan will be developed to accompany the implementation of the project. The Plan is based on existing protection, prevention and mitigation strategies and measures developed by the WB and coordinated through the PMT. The grievance procedure shall have a particular and sensitive approach to GBV-related situations and should be handled according to the complainant's informed permission to avoid the risk of stigmatization, amplification of mental/psychological injury, and potential reprisals. When a case like this is reported, the complainant should be informed of the services that are available, such as confidential, suitable medical and psychological support, emergency housing, and any other services that may be required, including legal assistance. Support for using these services should be given to the survivor. Within 72 hours of the occurrence, staff should advise the victim/complainant to see a medical facility that offers free post-SEA health support. The only information that should be determined if a case of GBV is reported to staff or GRM focal points is whether the incident involves a project worker, the nature of the incident, the complainant's age, and sex, and whether the survivor/complainant was referred to service provision. If a project employee is involved, the issue should be reported right away to the head of PMT.

g) **Monitoring and reporting:** The PMT is required to provide a quarterly report on the progress of the policies and processes. The PMT will keep a close eye on the project's labor and OHS performance and provide a quarterly report to the World Bank. However, in the case of accidents or incidents, PMT is required to notify the World Bank within 48 hours. In response to mishaps or accidents connected to the project, corrective measures must be taken. For creating and implementing additional remedial actions, the PMT or, as appropriate, a consultant, may perform a root cause analysis.

6.1 Contractor's Responsibility

Contractors will be expected to develop policies and practices that adhere to these rules in accordance with the contracts and C-ESMP. Summarily, they will identify potential workplace hazards, provide protective measures, train employees, maintain training records, document and report occupational accidents and incidents, develop emergency preparedness procedures, and provide remedies for workplace injuries and fatalities. Contractors and supervising firms will submit monthly reports to the World Bank upon request as annexes to the reports to be submitted under the PMT. However, any fatalities must be reported within 24 hours.

The safeguards specialist will undertake periodic review quarterly to determine compliance and report to project manager, the contractor/investor and the World Bank. To ensure compliance it is recommended to include relevant clauses in the works contracts and other legal agreements developed through the project. Moreover, for component one the PMLs are required to submit Environment Management Systems and will be required to incorporate the conditions identified here into the system.

6.2 Age of Employment

The minimum employment/work age set by the implementing agencies as required by law is 18 years old, and it will be one of the conditions of the contracts involving child labor. Employees' ages must be verified and documented prior to being hired. The National ID Card (ID) or passport will be used as a general method of age verification. To engage VMGs who might not have ID cards or passports, a verification from a reputable local leader is sufficient.

Violation or breach of implementing agencies' standard on child labor may result in termination of contract.

7. TERMS AND CONDITIONS

Part III on Employment Relationship (as read with Part V on Rights and Duties in Employment; and Part VI on Termination and Dismissal) of the Employment Act 2007 comprehensively addresses various concerns, including the minimal, legislative requirement of any employment agreement. According to Section 14 on Reasonably Accessible Document or Collective Agreement, the employee has a legal right to important employment information and paperwork. The Protection of Wages section of Part IV of the Act sets forth the minimum requirements for all salary schemes.

The employer's capacity to influence how the employees use their pay has been expressly limited by law. The Rights and Duties in Employment are the subject of Part V, which specifies the obligations of both employers and employees. The choice of working hours is legally up to the employer, but there must be weekly rest day or days. The Act also addresses issues related to employee leave (specific terms are provided in Annex 3).

Part VI of the Act covers Termination and Dismissal. It describes the legal procedures for ending a contract between an employer and an employee. To prevent ambushing the other party, termination notice(s) are legally required of the party wishing to terminate the contractual agreement. A payment in lieu of notice may be made by the party wanting to terminate the employment agreement, or the employer may merely waive the employee's requirement to do so.

There should be due process for the employee to present a defense and refute the claims in cases where the contractual arrangement is terminated owing to suspected employee wrongdoing. The employer must provide a valid reason for the dismissal and supporting documentation. The employer may choose to dismiss the employee summarily (with due process) if the reason (and the evidence supporting it) is grave enough to meet the requirements. The termination must not amount to an unfair, unlawful and/or unreasonable dismissal for what is otherwise lawful, reasonable and the exercise of the employee's entitlements (such employee's pregnancy). Additionally, the Act requires employers to pay separation and severance benefits on time. All accrued salary/wages, allowances and benefits, pension and pension contributions, and any other employee entitlements will be paid at the time of working relationship termination or earlier.

For this project, the following provisions will inform all management of workers:

Direct workers: National labor laws will govern the terms and conditions of direct workers in PMT, consultants, and workers at project-supported facilities. Short-term employees are not entitled to maternity leave, yearly leave, or other types of leave. Their terms and conditions will be based on an assignment that must be finished within a certain time frame and be paid for per day. These terms and conditions ought to be covered during the hiring process; and

Contracted workers: The employment terms and conditions for contracted workers are governed by the Employment Act and related public service rules. Therefore, the MoH must abide by the rules regarding management and labor agreements.

Minimum Wages: The Salaries and Remuneration Commission's (SRC) rules will govern the official minimum wage. All efforts will be made to ensure that contractors do not underpay and overwork their workers, particularly temporary (casual) workers.

Hours of Work: The normal hours of work of a project worker shall not exceed 8 hours a day. Overtime hours worked are eligible for the appropriate compensation.

Rest per week: Every employee is entitled to time off on Saturday and Sunday. On public holidays that are recognized as such by the Republic of Kenya, employees are also entitled to time off.

Annual leave: For each year of continuous service, employees (aside from consultants and temporary workers) are entitled to 30 days of paid leave. A complete year of continuous service is typically required to obtain the right to paid leave.

Maternity and Paternity leaves: Female employees are entitled to 90 days of maternity leave upon presentation of a medical certificate stating the anticipated date of their delivery, while male employees are entitled to 14 days of paid paternity leave, provided they have worked for the employer for at least six months with no breaks other than properly documented illness.

Deductions from remuneration: Except for the repayment of advances obtained from the employer and supported by written documentation, no deductions from a worker's compensation other than those allowed by labor laws or any other law or collective labor agreement, shall be made. Employers are not permitted to request or receive from employees any monetary payments or gifts of any sort in exchange for hiring them or for any other purpose related to the terms and circumstances of employment.

Death benefits: If a worker dies while on the job, the employer shall pay his or her remuneration as death benefits in accordance with the provisions of the applicable laws.

Medical treatment of injured and sick workers: Contractors must ensure that contract workers under their employment are enrolled in WIBA. All other employees will continue to be covered by medical insurance plans set up by their employers, such as the civil service insurance plan for employees in the public sector.

8. GRIEVANCE MECHANISM

8.1 General Principles

Workplace grievances commonly involve interest in employment opportunities, labor wage rates, payment delays, disagreements about working conditions, and health and safety problems in the workplace. Even though SEA/GBV is an occurrence at workplaces, it isn't always reported for fear of victimization. As required by ESS2, a unique grievance procedure should be designed for project employees (direct employees, contractual and casual employees). Grievances should be handled objectively, quickly, and with consideration for the needs and concerns of the offended employees. The system will also cater for anonymous complaints. When submitting complaints or concerns, individuals may ask that their identity remain anonymous; this request should be honored. Workers will be adequately sensitized on the GRM to enhance awareness and enable effective use.

Direct workers

For direct workers, the project will feature a small but effective grievance mechanism. Periodic team meetings will be held by each unit involving direct workers (PMT, field personnel and consultants) to address any workplace issues. The steps performed by each unit will be noted together with the complaints voiced by the employees. There will be regular reports on grievance instances received. Direct employees who are unhappy with their immediate supervisor or hiring unit may bring up their concerns either with the PMT if they want to escalate the matter, anonymously, or through a person other than them. The direct workers will use the workers grievance redress mechanism described below.

The Kenyan labour law does not foresee grievance mechanisms as mandatory practice but provides for judicial protection of employees in case of unfair or unlawful employment relationship practices instead. The public service commission has a way of addressing grievances from employees. In an effort to help the civil service attain its best in terms of performance and service delivery, the Public Service Commission is constantly in search of new and modern approaches in human resource practice. It has been realized that while there are well spelt out regulations and procedures for guiding the service, nearly all of them are management centered and there are few avenues if any for the employees to initiate expression of their dissatisfaction with regard to their work situations. This grievance procedure is therefore meant to give employees an opportunity to alert the management of difficult situations to allow for intervention and search for solutions so as to make the working environment conducive for sound performance by all employees. (see annex 4 the reporting format).

Any employee may refer to trade union or other representative labor organization for help in handling any disciplinary or grievance action. The Employer should not prevent any project worker from seeking assistance or advice in such situations.

Project Workers GRM (WGRM)

This grievance mechanism will be maintained by all project implementing institutions to manage workers grievances in the project. The project will feature multiple avenues for complaints and grievances, including email, phone calls, messages, blogs, a toll-free number, and letter writing, all of which will be accessible to all personnel. To ensure that all employees have adequate information on how to file a complaint and who to direct it to, information on the project GRM will be made available to workers at all facilities, government offices (both national and county), and community level (chief's office, for example). When handling employee complaints, confidentiality will be guaranteed. Even though there are "suggestion boxes" at many workplaces that appear to be a favored method for reporting issues, it has been observed that these boxes are rarely opened. If these must be utilized in the GRM, a structure will be put in place for opening, reviewing, responding, and providing feedback on the issues raised.

The WGRM will have the following design and procedural features:

- Information about the existence of the grievance mechanism will be readily available to all project workers (direct and contracted) through notice boards, the presence of "suggestion/complaint boxes", and all pertinent information, such as: designated call centers, hotline numbers, email addresses, office work hours, comment/complaint forms, stipulated timeframes to respond to grievances; info on a register to record and track the timely resolution of grievances; the responsible department to receive, record and track resolution of grievances, and other means as needed.
- Grievance handling will be transparent, and aggrieved workers will be informed within 10 days of their grievance application, either with a respective solution or with a request of extension if more time is needed to investigate and decide upon the case.
- Grievance logbook will be maintained in the project office.
- The WGRM, however, does not replace or override the requirement that the PMT provides for workplace processes for project workers to report work situations that they believe are not safe or healthy, such as reporting requirements regarding workplace injuries and accidents.
- The WGRM will not prevent workers from using judicial procedures or administrative remedies that might be available under the law or existing arbitration procedures or substitute for collective agreements grievance mechanisms, if preferred.
- The quarterly environment and social implementation monitoring will include reports on grievances related to project labor and working conditions issues.
- If not satisfied with the outcome of the resolution, the aggrieved party will be able to access a National level at the MoH.

The following actions will be used for managing complaints for this project:

a. Complaints should be directed to the GRM focal point (to be identified by the implementing agencies) at the workplace via email, text, phone, letter, or in person. The complaints must be compiled into a complaints form, entered into the register, and submitted using the format outlined in Annexes 4 and 5. The workers will receive the email address and phone number when they sign the contract or are hired.
b. The PMT, Supervision Consultant Management and Contractor Management should review complaints on a week's basis after they are received. The team will examine the complaints, offer advice on the best course of action, and make sure that past complaints are followed up on. After the committee meeting, any preliminary investigations must be completed within 5 business days. The complainant should receive a response within 10 working days of submission.
c. The PMT shall be informed if the issue is escalated to the primary project GRM and the national legal complaint bodies (EACC, CAJ, etc.).
d. Complaints about SEA should be kept anonymous; only the complainant's age and gender, as well as if a project worker was involved, should be noted, and should be sent directly to the PM, who should immediately notify the World Bank.
e. Anyone who makes a complaint in good faith will not face disciplinary or legal action.
f. A monthly report of complaints resolution should be provided to the PMT and the World Bank (as per the reporting format in Annex 6).

The Project workers' grievance mechanism will not prevent workers from using conciliation procedure provided in the labour laws.

Annex 1: - Format for report on compliance with conditions of work with ESS2 for third parties engaging contracted workers.

Assignment name:
Contract ref. No:
Contract period: Start date (M/D/Y) End date (M/D/Y)
Contractor/Service Supplier:
Reported period:
Date of report:
Signature of authorized person:

LABOR AND WORKING CONDITIONS COMPLIANCE REPORT

Company employees* statistics:

Total number of employee's gender disaggregated1: M_____F_____

Number of employees with an employment contract out of total number of employees

Number of employees without an employment contract out of total number of employees

Number of employees with access to social security, pension and health insurance out of total number of employees

Number of employees who receive wages/salaries at least once a month out of total number of employees

Number of employees who left the company in the reported period out of total number of employees

Number of employees hired in the reported period

Number of hours worked per employee (monthly average)

Total overtime (monthly average per employee)

- Number of injuries at work (in reporting period and cumulative since contract start) out of total nor. of employees
- Number of fatalities at work (in reporting period and cumulative) out of total nr. of employees
- Number of reported violence out of total nr. of employees
- Number of reported harassment/ abuses out of total nr. of employees

Availability of an accessible and functioning employee grievance mechanism (Y/N)

Number of grievances raised with the GM (in reporting period and cumulative since contract start)

Number of grievances resolved by GM (in reporting period and cumulative since contract start)

Number of suits filed with regard to labor, employment and OHS issues

Number of disputes brought to peaceful settlement/ voluntary arbitration procedure

Number of visits by labor/ OHS inspection

*The employee is any natural person employed or engaged to work or perform service for the employer

1 The number of employees refers to the actual number/headcount on the date of the report.

2 The numbers imply the total number of incidents in the reported period.

Project workers' statistics:

- Total number of project workers**:
- Number of project workers with an employment contract:
- Number of project workers without an employment contract:
- Number of project workers with access to social security, pension and health insurance verified by confirmation from registry:

Working and Labor Conditions Screening Check List

	Terms and conditions	Yes / No	Notes
1	All project workers have an employment contract or engagement agreement in writing.	Yes ☐ No ☐	If "No" please specify and explain
2	All project workers are paid at least once a month	Yes ☐ No ☐	If "No" please specify and explain
3	All project workers worked 8 hours a day, 40 hours a week	Yes ☐ No ☐	If "No" please explain and specify the hours worked
4	All project workers had a regular daily and weekly rest	Yes ☐ No ☐	If "No" please specify and explain
5	Number of project workers were terminated from employment with termination in line with national labor law and **ESS2**	Yes ☐ No ☐	If "Yes" please specify number and explain conditions of termination
6	Number of project workers attended OHS related training programme	Yes ☐ No ☐	If "Yes" please specify number and explain
7	Project workers were granted leaves they are entitled to	Yes ☐	If "Yes" Please specify the type and number of leaves

	Terms and conditions	Yes / No	Notes
		No ☐	
8	Project workers were involved in accidents at work resulting in injuries or fatalities	Yes ☐ No ☐	If "Yes" please specify and explain
9	Project workers reported on cases of discrimination, harassment, sexual harassment or non-compliance with law	Yes ☐ No ☐	If "Yes" please specify and explain
10	1Project workers raised grievances or started voluntary arbitration / legal proceedings to settle a dispute	Yes ☐ No ☐	If "Yes" please specify and explain
11	In the reported period there were some incidents on noncompliance with the LMP	Yes ☐ No ☐	If "Yes" please specify and explain

Annex 2: - Third parties' statement (Potential contractors and service providers) on compliance with provisions of Labor Legislation and the Project's LMP

Date and place of issuance: _____
Name and address of the issuer (Bidder): _____

STATEMENT OF LEGAL AND REGULATORY COMPLIANCE

Hereby we declare that[5]

- We are aware of, and comply with, the standards laid down in the Labor Management Procedures;
- We conform to all national laws* and applicable regulations concerning employment, labor and employee relations, and labor and working conditions;
- We are committed to providing a safe and healthy environment for our employees and to implementing all occupational health and safety requirements as stipulated by national legislation;
- We do not tolerate any form of child, forced or slavery work.
- We prohibit any form of harassment, sexual harassment, abuse, violence, including Gender Based Violence (GBV) at work and forbid direct or indirect discrimination against any employee or groups of employees on any ground and for whatever reason.
- We confirm that a worker GM is available
- We confirm that no worker GM is available but will be established by the time the contract is signed.

We hereby state that should we be awarded with the contract; we shall adopt the Labor Management Procedures applicable to the project and incorporate them in our practice.
We understand that the failure to respect any of the above stated commitments could lead to termination of the contract and exclusion from the project.

Signature:
Name:
Position:

*National Laws refers both to the Laws of Republic of Serbia and the domicile Law of the country in case the Bidder is foreign

[5] The Bidder should mark the appropriate commitment

Annex 3: - Primary suppliers' statement of compliance with provisions of labor and legislation and the project's LPM related to child labour, forced labour, and OHS.

Date and place of issuance: _____
Name and address of the Supplier: _____

STATEMENT OF LEGAL AND REGULATORY COMPLIANCE

Hereby we declare that

- We conform to all national laws* and applicable regulations concerning employment, labor and employee relations, and labor and working conditions;
- We are committed to providing a safe and healthy environment for our employees and to implementing all occupational health and safety requirements as stipulated by national legislation;
- We do not tolerate any form of child, forced or slavery work.
- We prohibit any form of harassment (including sexual) abuse, violence and Gender Based Violence at work and forbid direct or indirect discrimination against any employee or groups of employees on any ground and for whatever reason.
- We shall maintain records related to labor, occupational injuries, illness, near misses and incidents.

We hereby acknowledge our understanding that our company may be subjected to announced and unannounced visits, site checks and labor and working condition audits by the Contractor through which materials and goods are supplied to the Project, PMU staff and independent third parties with the aim to verify compliance with the above statement.
We understand that the failure to respect any of the above stated commitments could lead to termination of the contract and exclusion from the project.

Signature:
Name:
Position:

*National Laws refers both to the Laws of Republic of Serbia and the domicile Law of the country in case the Suppliers are expatriates

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Annex 4: - Public Service Grievance Form

PUBLIC SERVICE COMMISSION GRIEVANCE PROCEDURE GRIEVANCE FORM

Officer's Full Name	P/No.	Designation & Grade
Department		Section
Office Tel. No …….	Official E-mail Address:	Mobile Telephone No
Stage I		
Grievance Statement/Issues (Use attachments if necessary): Submitted to: Name…… Head/Officer in Charge …… Dept/Section …… Date ……		
Date Received:		

Response/Action taken:

Respondent's Name ……

Designation……

Signature: …… Date……

Employee's response

- I conclude my grievance and am returning the form to the Human Resource Office
- I request that my grievance be taken to the next stage.

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Signature …… Date……

Stage II
Submitted to…… Name: …… Senior Deputy Secretary (Administration) Date: ……
Date Received: ……
Response/Action taken…… Respondent's Name …… Designation …… Signature: …… Date …… Employee's Response ● I have documented my grievance and am returning the form to the Human Resource Office ● I request that my grievance be taken to the next stage
Stage III
Submitted to the Secretary PSCK

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Annex 5: - Sample Individual Code of Conduct

I, _____, acknowledge that adhering to environmental, social, health and safety (ESHS) standards, following the project's occupational health and safety (OHS) requirements, and preventing Gender Based Violence (GBV) is important.

The Company Code (annex 1b) on OHS responsibilities for Employers considers that failure to follow ESHS and OHS standards, or to partake in activities constituting GBV—be it on the work site, the work site surroundings, at workers' camps, or the surrounding communities—constitute acts of gross misconduct and are therefore grounds for sanctions, penalties, or potential termination of employment. Prosecution by the Police of those who commit GBV may be pursued if appropriate.

I agree that while working on the project I will:

1. Consent to Police background check.
2. Attend and actively partake in training courses related to ESHS, OHS, and GBV as requested by my employer.
3. Will always wear my personal protective equipment (PPE) when at the work site or engaged in project related activities.
4. Take all practical steps to implement the contractor's environmental and social management plan (C-ESMP).
5. Implement respective parts of the OHS plan relevant to my work.
6. Adhere to a zero-alcohol and drugs policy during work activities, and refrain from the use of narcotics or other substances which can always impair faculties.
7. Treat women, children (persons under the age of 18), and men with respect regardless of race, color, language, religion, political or other opinion, national, ethnic, or social origin, property, disability, birth or other status.
8. Not use language or behavior towards women, children or men that is inappropriate, harassing, abusive, sexually provocative, demeaning or culturally inappropriate.
9. Not sexually exploit or abuse project beneficiaries and members of the surrounding communities.
10. Not engage in sexual harassment of work personnel and staff —for instance, making unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature is prohibited. E.g., looking somebody up and down; kissing, howling or smacking sounds; hanging around somebody; whistling and catcalls; in some instances, giving personal gifts.
11. Not engage in sexual favors, for instance, making promises of favorable treatment (e.g., promotion), threats of unfavorable treatment (e.g., loss of job) or payments in kind or in cash, dependent on sexual acts—or other forms of humiliating, degrading or exploitative behavior.
12. Not use prostitution in any form at any time.
13. Not participating in sexual contact or activity with children under the age of 18—including grooming or contact through digital media. Mistaken belief regarding the age of a child is not a defense. Consent from the child is also not a defense or excuse.
14. Unless there is the full consent[6] by all parties involved, I will not have sexual interactions with members of the surrounding communities. This includes relationships involving the withholding

[6] **Consent** is defined as the informed choice underlying an individual's free and voluntary intention, acceptance or agreement to do something. No consent can be found when such acceptance or agreement is obtained using threats, force or other forms of coercion, abduction, fraud, deception, or misrepresentation. In accordance with the United Nations Convention on the Rights of the Child, the World Bank considers that consent cannot be given by children under the age of 18, even if national legislation of

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or promise of actual provision of benefit (monetary or non-monetary) to community members in exchange for sex (including prostitution). Such sexual activity is considered "non-consensual" within the scope of this Code.

15. Consider reporting through the GRM or to my manager any suspected or actual GBV by a fellow worker, whether employed by my company or not, or any breaches of this Code of Conduct.

Regarding children under the age of 18:

16. Bring to the attention of my manager the presence of any children on the construction site or engaged in hazardous activities.
17. Wherever possible, ensure that another adult is present when working in proximity to children.
18. Not invite unaccompanied children unrelated to my family into my home unless they are at immediate risk of injury or in physical danger.
19. Not use any computers, mobile phones, video, and digital cameras or any other medium to exploit or harass children or to access child pornography (see also "Use of children's images for work related purposes" below).
20. Refrain from physical punishment or discipline of children.
21. Refrain from hiring children for domestic or other labor below the minimum age of 14 unless national law specifies a higher age, or which places them at significant risk of injury.
22. Comply with all relevant local legislation, including labor laws in relation to child labor and World Bank's safeguard policies on child labor and minimum age.
23. Take appropriate caution when photographing or filming children (See Annex 2 for details).

Use of children's images for work related purposes

When photographing or filming a child for work related purposes, I must:

24. Before photographing or filming a child, assess and endeavor to comply with local traditions or restrictions for reproducing personal images.
25. Before photographing or filming a child, obtain informed consent from the child and the parent or guardian of the child. As part of this I must explain how the photograph or film will be used.
26. Ensure photographs, films, videos, and DVDs present children in a dignified and respectful manner and not in a vulnerable or submissive manner. Children should be adequately clothed and not in poses that could be seen as sexually suggestive.
27. Ensure images are honest representations of the context and the facts.
28. Ensure file labels do not reveal identifying information about a child when sending images electronically.

Sanctions

I understand that if I breach this Individual Code of Conduct, my employer will take disciplinary action which could include:

1. Informal warning.
2. Formal warning.

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the country into which the Code of Conduct is introduced has a lower age. Mistaken belief regarding the age of the child and consent from the child is not a defense.

3. Additional Training.
4. Loss of up to one week's salary.
5. Suspension of employment (without payment of salary), for a minimum period of 1 month up to a maximum of 6 months.
6. Termination of employment.
7. Report to the Police if warranted.

I understand that it is my responsibility to ensure that the environmental, social, health and safety standards are met. That I will adhere to the occupational health and safety management plan. That I will avoid actions or behaviors that could be construed as GBV. Any such actions will be a breach of this Individual Code of Conduct. I do hereby acknowledge that I have read the foregoing Individual Code of Conduct, do agree to comply with the standards contained therein and understand my roles and responsibilities to prevent and respond to ESHS, OHS, GBV issues. I understand that any action inconsistent with this Individual Code of Conduct or failure to act mandated by this Individual Code of Conduct may result in disciplinary action and may affect my ongoing employment.

Signature: _____

Printed Name: _____

Title: _____

Date: _____

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Annex 6: Complaints reporting template

No. of complaints received	Type of complaint	Location /site/ contractor	Main mode complaint lodged	No. of complaints resolved	No. of complaints pending	Duration taken to resolve, e.g., spot resolution, 1 day, 7 days, 14 days, 1 month, quarterly, annual	Recommendations for system improvement

Note that this form could be replaced by the remote Geo-enabling Initiative for Monitoring and Surveillance (GEMS) monitoring tool.

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