



PROJECT: RWANDA NDC DEEP DIVE: ADVANCING FINANCIAL INNOVATION TO SCALE UP CLIMATE ACTION

LABOUR MANAGEMENT PROCEDURES (LMP)

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ABBREVIATION

ESS: Environmental and Social Standards

FONERWA: National Fund for Environment and Climate change

GM: Grievance Mechanism

LMP: Labour Management Procedures

PDO: The Project Development Objective

PIU: Project Implementation Unit

RSSB: Rwanda Social Security Board

1. INTRODUCTION

The Ministry of Finance and Economic Planning through National Fund for Environment and Climate change (FONERWA) is planning to implement the project titled “RWANDA NDC DEEP DIVE: ADVANCING FINANCIAL INNOVATION TO SCALE UP CLIMATE ACTION” under the support of World Bank (WB). The Project Development Objective (PDO) is to enhance the capacity of the government of Rwanda to advance financial innovation to accelerate climate change adaptation and mitigation in line with its Nationally Determined Contribution under the Paris Agreement. The project interventions turn around three main components namely (i) Identification, design, and operationalization of financial instruments to advance Rwanda’s green growth and resilience while contributing to institutional strengthening (ii) Preparation of flagship NDC projects (iii) Project Management and Knowledge Exchange. The project will be implemented at the country level and it is expected to benefit FONERWA in its resource mobilization process while contributing to the country a climate-resilient country. Moreover, it will benefit the country in having the in-house capability of domestic resource mobilization towards achieving climate change mitigation and adaptation objectives.

Though the project will require minimal involvement of workers who will be mainly consultants working on some feasibility studies/project proposal and developments of some financial instruments identified above, it has been necessary to develop Labour Management Procedures (LMP) for its better implementation. The purpose of this LMP is to facilitate planning and implementation of the project in terms of working conditions and identify possible labor requirements and risks associated with the project and help to determine the resources necessary to address project labor issues. This LMP has been designed following national and international labour standards and policies on occupational health and safety and workplaces, Child Labour and employment in general.

Since the project will mainly involve some project design and feasibility works, total number of workers will include (i) direct staff at FONERWA level who will be following up and coordinating the implementation of projects activities as per identified components (ii) the contracted personnel (consultants) who will be designing the identified financial instruments and proposals development. The project activities are expected not to cause any physical risks to contracted personals but the process of recruitment will follow National labour law (N° 66/2018 of 30/08/2018) and international labor standards especially the World Bank standard on labor (ESS2) to address risks that may occur.

The skilled workers (consultants/firms) that will participate in the implementation of this project will be paid in accordance to their qualification, the scope of the work and market rates.

2. OBJECTIVES

The objectives of this LMP Plan are to:

- ✓ Promote fair and equitable labour practices for the fair treatment, non-discrimination and equal opportunity of workers;
- ✓ Protect workers' rights and promote healthy, safe, secure and comfortable working conditions;
- ✓ Ensure the management and control of risks that may pose labour-related risks during the recruitment and implementation of the project.

3. LEGAL AND OTHER REQUIREMENTS

Various national policies, laws, international treaties ratified by Rwanda and systems are applicable to the implementation of this project. Such requirements are summarily outlined in this LMP.

4. OVERVIEW OF LABOR USE ON THE PROJECT

This section describes the number of Project Workers. Project Workers will include direct workers, contracted workers and local labor that are skilled. The direct workers are workers on the project are those from FONERWA who will oversee the management and implementation of the project. Other direct workers will include the consultants/ firms that will be hired to work on different planned activities under the project. International migrants will have the rights for competition following the requirements of relevant laws on employment in Rwanda. The total number of workers to be employed on the project, and the different types of workers include the direct workers and contracted workers.

The following provides the estimate on the types of workers to be recruited:

- **Direct workers:** The project will be implemented by the Project Implementation Unit (PIU) under FONERWA which will be established for the management of the project on a daily basis and play a linkage role between the institution and hired consultants. Direct workers will also comprise consultant firms that will be selected to perform various tasks within different project components under agreed contracts.
- **Contracted Workers:** Contracted workers will be employed as deemed appropriate by recruited consultancy firms. Contracted workers are expected to be primarily employees of Consultant teams or other subcontracted firms providing technical assistance services.

The precise number of project direct and contracted workers who will be employed are not known as of now. This will become known as and when implementation begins.

4.1. Characteristics of Project Workers

The following are the key characteristics of project workers:

- The minimum age for project workers is 18 years;
- The project workers' recruitment will be inclusive vis-à-vis different aspects such as gender and disability;
- The direct workers will be recruited at FONERWA level while other skilled consultants will be outsourced from both national and international level;
- All workers will have work contracts specifying work Terms of Reference.

4.1. Timing of Labor Requirements

The direct workers (PIU staff) at FONERWA level will be required full time for the entire project duration. Other experts/consultants will be hired once the project starts and terms of reference for their tasks are finalized. Timing for involvement of contracted workers will be known at later stages, however it is clear that they will be engaged depending on implementation of various activities under different components on specific time slots.

5. ASSESSMENT OF KEY POTENTIAL LABOR RISKS

Given the small-scale of project interventions, and no construction activities to be supported by the project, no major risks are envisaged. However, the following risks are expected to happen:

- **Lack of contracts for hired personnel/consultants:** The consultants to work on different deliverables as identified in the project components will be hired for short term assignments and it will be governed by the contracts between concerned parties before assignments execution and the management of these workers, wages, modes of payment and all other issues related to contract termination will be explicit in the contracts. The contract will be done in accordance with the provisions in law N° 66/2018 of 30/08/2018 regulating labor in Rwanda.
- **Use of child labour in the project implementation:** the project has no on-ground activities that may involve child labour, required personnel (consultants) will be people with high qualification and experience
- **Lack of transparency in hiring the consultants:** hiring of consultants will be done in a transparent way following Rwanda labor and procurement laws. The Terms of Reference for planned activities under this project will be posted on Electronic procurement (e-procurement) systems where everyone can apply and the evaluation of the bids will be done by FONERWA through its Internal Tender Committee that was established. Inclusiveness (Gender sensitive) will be among the requirement for consultancy firms.

Engagement and management of contractors/subcontractors (consultants/firms) will be done by the FONERWA while subcontractors will be managed by those who were contracted.

6. BRIEF OVERVIEW OF LABOR LEGISLATION: TERMS AND CONDITIONS

This section sets out the key aspects of national labor legislation with regards to terms and conditions of work, and how national legislation applies to different categories of workers identified. The working relationship between employers and workers in Rwanda is governed by the Law N° 66/2018 of 30/08/2018 regulating Labour and its implementing orders. This Law applies to employees working in formal sector and informal sector for some aspects such as occupational health and safety, social security, prohibition of child labour etc....(Art.2).

The minimum age for admission to employment is sixteen (16) years. However, a child aged between thirteen (13) and fifteen (15) years is allowed to perform only light works in the context of apprenticeship.

A child below the age of eighteen (18) years is prohibited to work in the following forms of work:

- forms of work which are physically harmful to the child;
- work underground, under water, at dangerous heights or in confined spaces;
- work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads;
- work in an environment which exposes the child to temperatures, noise levels or vibrations damaging to his/her health;
- work for long hours or during the night or work performed in confined spaces.

An employment contract for project workers shall be fixed and in written form with specification of employment terms and conditions and shall be signed off by the employer and employee. Upon performance, some of the workers' contracts shall be renewed if there still activities requiring such workers. Also the employment relationship between the employer and foreign employee is also governed by the Law N° 66/2018 of 30/08/2018 regulating labour in Rwanda.

According to the Article 40 of the above mentioned Law, an employee has the rights to work in an environment where health and safety in the workplace are guaranteed, receive equal salary for works of equal value without discrimination of any kind, to be provided leave as provided for by the Law, join a trade union of his/her choice and to be trained by his/her employer.

The maximum working hours are forty-five (45) hours per week. However, an employee can work extra hours upon the agreement with his or her employer and daily timetable for work hours and break

for an employee is determined by the employer. An employer provides an employee with a break of not less than twenty-four (24) hours a week. In case an employee has worked extra time, he or she is entitled to a rest or payment for compensating the working overtime.

On the aspect of leave, an employee is entitled to an annual leave. He/she can also receive circumstantial leave, maternity, sick leave or authorized absence and has the right to official public holiday and benefits from his/her full salary.

An employee is entitled to his or her salary for the work done and which is paid every day for an employee employed on hourly or daily basis, every week for an employee recruited for a week, every fifteen days for an employee recruited for a fortnight and every month for employee recruited on a one-month basis.

In terms of social security, an employer shall affiliate direct workers to Rwanda Social Security Board (RSSB) for occupational risks and pension.

The termination of an employment contract will be subject to a legitimate reason and notice period of at least fifteen (15) days, in case an employee has served for less than one (1) year and at least thirty (30) days, in case an employee has served for more than one (1) year. Any unlawful termination of employment contract gives rise to the payment of damages which cannot go below his/her three (3) months' salary, nor exceed his/her six (6) months' salary.

The termination of employment contract due to economic reasons, technological transfer or sickness for an employee having served for at least twelve (12) consecutive months entails the employee's right to terminal benefits (Article 31 of Labour).

As per provision stipulated in the Rwandan labour law, cases of labour disputes will be settled amicably at the level of workers Delegates. If not possible, the concerned party refers the matter to the labour inspector of the area where enterprise is located. When the case is not resolved at the level of labour inspectorate, it is referred to the competent court.

The case of **likely presence of migrants or seasonal workers** will be managed as per the law n° 66/2018 of 30/08/2018 regulating labour in Rwanda in its Article 12 which provides for that "the employment relationship between the employer and foreign employee is governed by this Law unless otherwise provided for by international treaties ratified by Rwanda." In this project, there may be a possibility of employment of migrants and seasonal workers. In the event of their employment, provisions of the law regulating labour in Rwanda and other relevant laws on these matters shall be applied.

The law N°57/2018 of 13/08/2018 on Immigration and Emigration in Rwanda also provides for the matters relating to residence permit for a foreign employee who works in Rwanda as determined by the Rwandan immigration and emigration Laws. This will for instance apply in case there are foreign consultants to work on some project activities. Similarly, foreign workers may be applicable for positions planned for coaches or construction activities for Teacher Training Colleges and Model Schools where contractors will be necessary.

The Article 33 of the above law provides for requirements for the foreign employee to be given employment and those requirements include possession of appropriate residence permits and other relevant documents allowing him/her to work and stay in Rwanda.

The recruitment of project workers will be free from any kind of discrimination as provided for by the Law regulating Labour in Rwanda especially in its article 9 stipulating that “An employer must give employees equal opportunities at the workplace”.

“An employer is prohibited from discriminating employees on basis of ethnic origin, family or ancestry, clan, skin color or race, sex, region, economic categories, religion or faith, opinion, fortune, cultural difference, language, physical or mental disability or any other form of discrimination. Every employer must pay employees equal salary for work of equal value without discrimination of any kind”. The same provision of the law will also be applicable in case of any labour influx occurrence.

The existing laws also have provisions applicable for handling some potential risks. As a matter of instance, the article 5, 6 and 7 of the labour law provide for that the minimum age for employment is 16, so it is prohibited to employ a child and use of forced labour. This addresses the likely incidents of child labor or forced labor, with reference to the sector or locality.

The Article 117, 118, 119, 120 and 121 of Law n° 66/2018 of 30/08/2018 regulating labour in Rwanda provides for penalties and administrative sanctions for employment of children and offences related to occupational health and safety and other actions of non-compliance with labor standards.

Gender based violence is not acceptable in Rwandan Laws, in the event of occurrence, it will be punished in accordance with relevant laws. This differs from discrimination in general as this is specifically related to any mistreatment or non-provision of any rights to any worker on grounds of one’s gender.

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

The World Bank's stipulations related to labor are outlined in its Environmental and Social Standard 2 on Labor and Working Conditions (ESS2). This helps the Borrowers in promoting sound worker-management relationships and enhance the development benefits of a project by treating workers in the project fairly and providing safe and healthy working conditions. Key objectives of the ESS2 are to:

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

ESS2 applies to project workers including fulltime, part-time, temporary, seasonal and migrant workers. Where government civil servants are working in connection with the project, whether full-time or part-time, they will remain subject to the terms and conditions of their existing public sector employment agreement or arrangement, unless there has been an effective legal transfer of their employment or engagement to the project. ESS2 will not apply to government civil servants.

The Borrower is responsible for developing and implementing written labor management procedures applicable to the project. These procedures set out the way in which project workers will be managed, in accordance with the requirements of national law and this ESS. The procedures will address the way in which this ESS will apply to different categories of project workers including direct workers, and the way in which the Borrower will require third parties to manage their workers.

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

documentation will be provided at the beginning of the working relationship and when any material changes to the terms or conditions of employment occur.

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

7. RESPONSIBLE STAFF

The designated staff under FONERWA will directly supervised the NDC Deep Dive project. The assigned person will oversee and guide all the workers associated with the project. The coordinator, on a daily basis, will coordinate the project activities including relations with hired consultants that will perform various tasks.

The human resources person assigned by FONERWA and the Environmental and Social specialists will be responsible for the following within their responsibility area:

- Implementing these labor management procedures;
- Ensuring that contractors comply with this labor management procedure;
- Monitoring to verify that consultancy firms/contractors are meeting labor obligations required by the law n° 66/2018 of 30/08/2018 regulating labour in Rwanda and ESS2;
- Monitoring contractors and subcontractors" implementation of labor management procedures;
- Monitoring and implement training on LMP for project workers;
- Ensuring that the grievance redress mechanism for project workers is established and implemented and that workers are informed of its purpose and how to use it;
- Monitoring implementation of the Worker Code of Conduct.

The Contractors (Consultants) will be responsible for the following:

- To obey requirements of the national legislation and this labor management procedure;
- Maintain records of recruitment and employment process of contracted workers;
- Communicate clearly job description and employment conditions to contracted workers;
- Have a system for regular review and reporting on labor obligation performance.

When contractor(s) are known, this labor management procedure can be updated to include additional details about companies, hired workforce and etc., as necessary.

8. POLICIES AND PROCEDURES

As specified in the Labor Code, employment of project workers will be based on the principles of non-discrimination and equal opportunity. There will be no discrimination with respect to any aspects of the employment relationship, including recruitment, compensation, working conditions and terms of employment, access to training, promotion or termination of employment. The following measures will be monitored by FONERWA Human Resources department for the NDC Deep Dive project workers. To ensure fair treatment of all employees:

- Recruitment procedures will be transparent, public and non-discriminatory, and open with respect to ethnicity, religion, sexuality, disability or gender;
- Clear Terms of Reference will be provided in advance of recruitment and will explain the skills required for each assignment;
- All workers (consultants) will have written contracts describing terms and conditions of work and will have the contents explained to them. They will sign the employment contract;
- Employees (consultants) will be informed at least two months before their expected release date of the coming termination;
- Depending on the origin of the employer and employee, employment terms and conditions will be communicated in a language that is understandable to both parties;
- In addition to written documentation, an oral explanation of conditions and terms of employment will be provided to workers who may have difficulty understanding the documentation.

9. AGE OF EMPLOYMENT

Law N° 66/2018 of 30/08/2018 regulating labour in Rwandan prohibits anyone under 18 from performing “unhealthy or heavy” labor and there are special requirements for leave, work hours, and other conditions of employment. It is expected that people to be hired within the project will be over 18 years. Given the nature of work, mostly high skilled labor requiring higher education qualification and experience, it is not expected that employees between 15-18 will be employed by the project.

FONERWA Human resources department will be required to verify the identity of all workers (consultants)). This will require workers/firms to provide official documentation, which could include a birth certificate, national identification card, passport, or medical record. If a child under the minimum age is discovered working on the project, measures will be taken to immediately terminate the employment or engagement of the child in a responsible manner, taking into account the best interest of the child.

10. TERMS and CONDITIONS OF EMPLOYMENT

Terms and conditions of direct workers for this project are determined by their individual contracts. Permanent project staff from FONERWA will have individual agreements (labor contract or service contract) with fixed monthly wage rates. All the recruiting procedures should be documented and filed in the folders in accordance to the requirements of labor legislation of the Republic of Rwanda. Working hour per week employment shall be determined by contracted consultants/firms. Requirements and conditions of overtimes and leave durations shall be agreed as part of individual/firm's contracts.

11. GRIEVANCE MECHANISM (GM)

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. Measures will be put in place to make the grievance mechanism easily accessible to all such project workers.

Considering the fact that very limited number of people (mostly firms) will be employed within the Project, a simple project specific GM will be established for workers. This GM is not same as the grievance mechanism to be established for project affected stakeholders. The project specific GM for the workers will be at FONERWA level. It should be emphasized that this GM is not an alternative/substitution to legal/judicial system for receiving and handling grievances. However, this is formed to mediate and seek appropriate solutions to labor related grievances, without escalating to higher stages. Having said that, all employees always have rights, according to Rwandan legislation, to access judicial/legal grievance management system.

11.1. Worker GM structure

At FONERWA Level: Environmental and Social Safeguard specialist will serve as Grievance Focal Point (GFP) to file the grievances and appeals. He will be responsible to coordinate with relevant departments/organization and persons to facilitate addressing these grievances. If the issue cannot be resolved at FONERWA level within 7 working days, then it will be escalated to the Ministry level and later to the court of law as a final alternative.

At Ministry level: If there is a situation in which there is no response from FONERWA, or if the response is not satisfactory then complainants and feedback providers have the option to contact the Focal Person in the Ministry of Environment directly to follow up on the issue. GM will be accessible to all employees through various means (written, telephone, fax, social media etc). Grievance logbook



will be maintained at FONERWA office. Ultimately, the Project workers" grievance mechanism will not prevent workers to use judicial procedure.