Improving Working and Living Conditions in Construction

Addressing Needs Through International Labour Standards in World Bank Procurement

Draft Recommendations and Technical Guidance from the Building and Wood Workers International
March 2004

1 At its World Congress in Buenos Aires, on 9 December 2005, the International Federation of Building and Wood Workers (IFBWW) and the World Federation of Building and Wood Workers (WFBW) created a new global union federation, the Building and Wood Workers’ International (BWI). The Building and Wood Workers’ International is the leading Global Union Federation for the protection of workers in the building, building materials, wood, forestry and allied industries. It brings together some 12 million members of 350 trade unions in 125 countries. The BWI’s mission is to promote the development of trade unions in the building and wood industries throughout the world and to promote and enforce workers’ rights in a context of sustainable development. Further information: www.bwint.org
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In the next two decades, around 98% of world population growth will occur in developing countries, with some 60% of the world’s fastest growing larger cities (750,000 plus) in low income countries. World infrastructure needs are estimated at USD 2 trillion over the next fifteen years, and the demand for shelter is so pressing in less developed countries that it can only be met by informal housing. This is usually self-built, illegal and almost always lacking in basic infrastructure. In Lima, for example, 54% of the population lives in informal housing.

The worldwide market volume of the construction sector is over USD 3 trillion, and it accounts for around 10% of the world’s GDP. Construction is the largest industrial sector in Europe (11% GDP) and in the US (12%), whilst in the developing world it represents 2–3% of the GDP. In most countries, 50% of capital investment goes to construction.

Perhaps the most notable social benefit of the construction industry is the provision of much needed jobs, especially for low skilled and entry-level workers, and for large numbers of the world’s poorest and most vulnerable people. Construction is the world’s largest industrial employer (at 7% of world employment and 28% of industrial employment). SMEs and micro enterprises dominate the industry, and 90% of construction workers worldwide work for firms employing less than ten people. SMEs are also heavily involved in making building materials, such as brick making and quarrying. With a workforce of about 111 million, and three quarters of those workers in developing countries, there is still considerable potential for growth in the construction labour force both in developed and developing countries.

All those who work have a right to decent work. The concept of ‘Decent Work’, as used by the ILO, applies to all workers, including those on daily wages and in very temporary, informal employment. Decent work is work that is carried out in a safe physical environment with conditions which respect the rights of workers as defined in national law and international conventions.

In practice, however, there are many negative aspects which characterize construction work, largely due to the widespread abuse of casual labour and the fragmented nature of the industry. In fact construction principally offers low status, low paid, very temporary, unregistered, informal and hazardous jobs. Many workers, in particular rural – urban migrants, are faced with exploitative employment practices, a dangerous working environment, and great hardship in their living conditions that fall well below any rational definition of humane.

The construction industry has a deservedly notorious reputation as being dirty, difficult and dangerous, and accounts for 30 – 40% of the world’s fatal injuries, whilst it represents around 7% of the world’s employment. Over one hundred thousand workers are killed on site every year. That is to say that one person is killed every five minutes because of bad, and illegal, working conditions. Falls from heights due to inadequate scaffolding and lack of basic edge protection; being buried in unshored excavations; or being crushed by vehicles and plant are the most common causes of fatal injuries.

A further one hundred thousand of those who have worked in construction die annually from mesotheliomas or asbestosis caused by past exposure to asbestos. In some countries, deaths from asbestos related diseases have now outstripped the number of deaths from occupational accidents, or deaths in road traffic accidents. Despite this, asbestos is still commonly used in construction materials, and the market in developing countries is growing every year. A prohibition of the use of asbestos containing materials in construction today
would save untold suffering in years to come. Silicosis from exposure to cement dust, and exposure to a wide range of hazardous substances used on site kills many thousands more workers. Respiratory diseases, serious skin problems, deafness and long term pain from heavy physical work, punishing workloads and long hours are almost universal health complaints.

However, due to the low social status of most of the world’s building workers, there is a vicious cycle of social invisibility of work related ill health in the construction industry, with widespread lack of recognition of the occupational origin and very substantial under reporting of occupational diseases. This in turn leads to lack of proper treatment and compensation and, most importantly, lack of regulation and practical prevention measures in the workplace.

This horrifying toll on the health and lives of workers in the industry is the serious yet preventable consequence of the lack of respect for fundamental human and labour rights, and lack of compliance with even basic legislative requirements. Worldwide, the cost of occupational accidents and ill health across all sectors is estimated by the ILO at 4% of the GDP, making workplace prevention a development issue. Yet it is very common to find that even large construction projects have no safety policy or prevention programme; no safety officer; no project specific health and safety plan; no information or training on prevention; no collective measures to prevent accidents or ill health, and not even the most basic personal protective equipment.

Basic amenities on site are typically not provided, such as clean drinking water, latrines, or facilities for washing, cooking or eating or for first aid. Proper accommodation is a basic problem and workers who migrate to the urban centres in search of day labouring as part of their survival strategy have no alternative but to live rough on the roadside, or on the site itself in pathetic conditions. This situation of vulnerability is most extreme when whole families migrate from rural areas in search of work to survive and children are present.

Malnutrition and diseases such as malaria, dengue, cholera and tuberculosis are widespread among construction workers and their families. Long periods spent working away from home, in particular on large construction projects where sex workers are often present in the vicinity, can give rise to at risk behaviour for the transmission of HIV/AIDS. Whilst it is acknowledged that these are not occupational diseases in construction, and indeed there is no legislative requirement in this regard, clearly there is an opportunity for poverty reduction through good practice in the area of awareness raising and public health campaigns. There is little recognition of the workplace as a vehicle for mitigating the impact of HIV AIDS or other public health priorities, such as malaria and TB, through prevention programmes, including information and education, vaccination campaigns and health checks and the distribution of free condoms.

Workers are killed, injured and made sick whilst carrying out perfectly routine activities, the hazards of which are both well known and readily preventable. Prevention of occupational accidents and ill health should be high priority, in the first place because it is an ethical imperative, but furthermore because this is one area where there is a clear opportunity to achieve immediate and tangible results and benefits.

Construction work in developing countries is not only unnecessarily dangerous; it is badly paid and insecure. The majority of workers are recruited through intermediaries or agents on a temporary, often daily, basis and dismissed when they are no longer required. Many are recruited from rural areas and migrate to the urban centres on a seasonal basis, returning to their villages to carry out agricultural work for a few months of the year. Very often, workers go to the pick up points, which exist in all the towns and cities, where they hope to be selected for a day’s work. They do not receive holiday pay, sick leave, health care,
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compensation in case of accidents, pensions, or other benefits. They work long hours and may be obliged to work overtime without additional payment. Wages paid are frequently below the national minimum, and illegal deductions are routinely made.

Discrimination in wages and working conditions between groups is also commonplace. In South Asia, women represent at least 30% of the total construction workforce, carrying out the worst paid, unskilled labouring jobs. Women are almost always paid less than men, principally due to gender segregation in employment and unequal access to skills recognition, but they are paid less than men even when carrying out similar work. Migrant workers and those from certain ethnic groups or social classes also face discrimination. These exploitative employment and labour practices are principally due to outsourcing labour requirements to labour contractors, a practice which prevents workers from uniting to defend their legal rights.

The use of Child labour and bonded labour is widespread, particularly in brick kilns and quarries, where large numbers of very young children are labouring in horrible conditions, and where advances are paid for seasonal work, leading to debt bondage. Child labour and bonded labour is closely associated with migrant labour. In roads construction and on construction projects, there are large numbers of workers under the age of eighteen, despite the hazardous nature of the work, which should preclude their employment.

Workers organized in Trade Unions are aware of their legal rights, and are able to bargain collectively with employers to obtain at least the basic legal minima. Furthermore, Trade Unions make a positive contribution to improving working conditions and work organisation, in particular in the very practical area of health and safety at work. In many countries there is a legal requirement for those workplaces with more than 50 workers to establish a joint Health and Safety Committee, which has regulations covering its composition, authority and functions regarding record keeping and prevention of injuries and ill health.

Union representatives are crucial in monitoring compliance with payment schedules, contracts and personnel rules, providing information and training, inspecting the worksite to prevent hazards, communicating with the workforce and cooperating with management in the day to day running of the project, in particular through joint management – union committees. However, largely due to the extreme informality of contractual arrangements, Trade Union density in construction is as low as 1% in some countries. Generally, employers and contractors actively discourage membership of a trade union, and there is an enormous democratic deficit in respect of basic freedom of association, as well as the right to organize and the right to collective bargaining. Workers who are known to be members of, or close to, a trade union are intimidated, and run the risk of losing their job and of being excluded from further employment.

The terrible health and safety record in construction is the visible consequence of exploitative, illegal employment practices, including active hostility to union organising to ensure that large numbers of the poorest and most vulnerable people in the world never have any countervailing bargaining power, and cannot defend their most basic rights. The right to organise is critical to workers’ ability to protect their rights. It is also central to development and to the fight to eliminate poverty. The combination of effective governance and strong free trade unions can fight exclusion and bring those on the fringes of society into the mainstream.

The challenge is how to extend coverage to vulnerable groups of workers falling outside the scope of traditional protective measures. The lack of legal and social protection, and lack of representation and rights at work, are central issues that must be addressed. Construction has huge potential for poverty reduction, and the implementation of internationally recognised Labour Standards is of central importance in strategies to improve living and
working conditions. The objective should be to make practical improvements in living and working conditions, and to address immediate needs pertaining to shelter, food and water, childcare and education, health and, above all, employment and decent work.

The construction contract
There is an extremely high level of competition in the construction industry and contractors win bids by lowering their costs. Labour is a major component of these costs. Thus the winning tender may well be the one which pays the lowest wages, does not provide safety equipment or have coverage for accidents, and which has the largest proportion of informal workers, for whom no tax or social security is paid, and who are not covered in practice by any legal or social protection.

In this situation, the construction contract becomes a potentially important mechanism both for taking forward the implementation of labour standards and for demonstrating the benefits. There is a clear need for contract clauses that relate specifically to labour standards to be included and strengthened. This places formal responsibility on the contractor, but it is important to develop a process around the contract, which involves awareness raising for the client, contractor and employer, as well as for the workforce, and which puts in place agreed mechanisms for monitoring compliance.
II. The International Labour Standards of the International Labour Organisation - Applicability and meaning in a construction context, and why the Bank should prioritise their implementation.

The real life problems faced by workers in the construction industry are comprehensively addressed by the International Labour Standards of the ILO. There is widespread international recognition of the importance of implementing International Labour Standards to fulfill development objectives. Decent Work, that is to say fair wages, good working conditions, and equitable opportunity for waged employment are basic elements of any poverty reduction strategy.

The IFBWW believes that the World Bank can assist in guaranteeing respect for the following Labour Standards through referring to them in Loan Agreements and by modernizing Standard Bidding and Contract documents to take these basic protections into account. Furthermore, the Bank can have an important role with client countries, procurement entities and with the construction industry broadly to encourage the practical implementation of ILS. This may be done through mainstreaming these questions into Country Procurement Assessment Reviews, Country Assistance Strategies and Poverty Reduction Strategy Papers, and through capacity building initiatives, such as training activities, toolkits and guidance on implementation and monitoring for those involved in procurement, project management and contract compliance. There is huge potential for achieving immediate improvements and tangible results.

This five-day tripartite meeting of construction industry representatives from some seventy countries focussed on employment and labour practices in the industry. There is clear, unanimous international consensus among Governments, Construction employers and Contractors associations and the Construction Trade Unions regarding the need to implement International Labour Standards in the construction industry in order to offer fair and reasonable working conditions, as well as to create a level playing field and eliminate unfair competition. Poor standards of Occupational health and safety has emerged as one of the most pressing problem in the construction industry today. It was recognised that the reputation and the image of the industry is being damaged as a result, making it harder to attract skilled workers and indeed labourers. The meeting also recognised governments’ inability to enforce labour legislation through inspection.

It was proposed in the conclusions of the ILO Tripartite Construction Industry meeting that governments should use their procurement procedures to ensure that contractors and subcontractors comply fully with national legislation, and specifically with health and safety legislation. It was proposed that these obligations should be included in the Contract as Labour Clauses, and agreed that for those not fulfilling their obligations there should be an immediate sanction in the form of exclusion from tender lists.

It was further agreed in the conclusions that the International Financing Institutions “should encourage socially responsible business practices that promote and protect workers rights in accordance with the ILO Declaration of Fundamental Principles and Rights at Work.”

The Core Labour Standards of the ILO
The International Labour Conference of 1998 unanimously adopted the ILO Declaration of Fundamental Principles and Rights at Work. This Declaration makes observance of certain fundamental labour rights an obligation for all 175 Member States of the ILO arising from the
very fact of their membership. These rights, known as the Core Labour Standards, cover four areas and are defined in eight ILO Conventions. The Declaration commits the 175 Member States to respect and promote these principles and rights, whether or not they have ratified the relevant Conventions. These are: freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation.

The Declaration makes it clear that these rights apply to all people in all States - regardless of the level of economic development. It particularly mentions groups with special needs, including the unemployed and migrant workers. It recognizes that economic growth alone is not enough to ensure equity, social progress and to eradicate poverty. These eight core ILO Conventions define basic workers’ rights that are deemed to be of universal application. In addition, they are considered to be a joint and mutually supportive package. The Conventions stipulating the freedom of association and the right to collective bargaining are notably recognized to be important tools for the effective implementation of other human rights and labour standards.

Member States that have not ratified one or more of the core Conventions are asked each year to report on the status of the relevant rights and principles within their borders, noting impediments to ratification, and areas where assistance may be required. These reports are reviewed by the Committee of Independent Expert Advisers, whose observations are considered by the ILO's Governing Body. The Global Report each year provides a picture of the current situation of the principles and rights expressed in the Declaration. It serves to highlight those areas that require greater attention and to determine priorities for technical cooperation.

The fundamental principles and rights provide benchmarks for responsible business conduct, and are incorporated into the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. The OECD Guidelines for Multinational Enterprises emphasize the principles and rights found in the ILO Declaration and the UN Global Compact promotes them as universal values to be achieved in business dealings around the world. A growing number of private sector codes of conduct and similar initiatives also refer to the fundamental principles and rights at work.

**Freedom of Association and the effective right to collective bargaining**

*Convention 87 on Freedom of Association and Protection of the Right to Organise,* (147 ratifications) and *Convention 98 on Right to Organise and Collective Bargaining* (154 ratifications).

All workers and all employers have the right freely to form and join groups for the promotion and defence of their occupational interests. This basic human right goes together with freedom of expression. It is the basis of democratic representation and governance.

Workers can set up, join and run their own organisations without interference from the State. National legislation must respect the principles of freedom of association. These principles cannot be set aside for any sector of activities or group of workers. The right to freely to run their own activities means that workers' organisations can independently determine how they best wish to promote and defend their occupational interests. This covers both long-term strategies and action in specific circumstances, including recourse to strike. They can independently affiliate to international organisations and cooperate with them.

In practice this means that contractors should have a co-operative attitude to the construction workers’ trade union, allow them onto sites to talk to workers, and refrain from
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interference with workers’ freedom to join a trade union if they wish to do so. Contractors should also respect Collective Bargaining Agreements.

Voluntary collective bargaining is a process through which employers - or their organisations - and trade unions or, in their absence, representatives freely designated by the workers discuss and negotiate their relations, in particular, terms and conditions of work. Such bargaining in good faith aims at reaching mutually acceptable collective agreements. The collective bargaining process also covers the phase before actual negotiations - information sharing, consultation, joint assessments - as well as the implementation of collective agreements. Where agreement is not reached, dispute settlement procedures ranging from conciliation through mediation to arbitration may be used.

To realise the principle of freedom of association and the right to collective bargaining in practice requires a legal basis which guarantees that these rights are enforced; an enabling institutional framework, which can be tripartite, between the employers' and workers' organisations; absence of discrimination against individuals who wish to exercise their rights; and acceptance by employers’ and workers' organisations as partners for solving joint problems and dealing with mutual challenges.

Yet the latest annual survey published by the International Confederation of Free Trade Unions details abuses in 134 countries. More than two hundred trade unionists were killed in the course of one year, and many thousands of workers were sacked for carrying out legitimate trade union activities. The countries which have not ratified either of these two Core Conventions are: Afghanistan, Armenia, Bahrain, China, The Islamic Republic of Iran, the People’s Democratic Republic of Laos, Oman, Qatar, Saudi Arabia, Solomon Islands, United Arab Emirates, United States of America, Vietnam.

It is noted that the Bank is obliged by its legal framework to base lending considerations on the basis of their demonstrable economic impact. Staff are instructed under the Bank’s Articles of Agreement to take only economic considerations into account in its decisions. The Bank, in its research, has been unable to find a strong correlation (positive or negative) between union density and collective bargaining and economic performance indicators.

The right to organise is critical to workers’ ability to protect their rights. It is also central to development and to the fight to eliminate poverty. The combination of effective governance and strong free trade unions can fight exclusion and bring those on the fringes of society into the mainstream.

Access to paid employment with fair and safe working conditions are essential elements of country poverty reduction strategies. Workers cannot be protected from economically exploitative and hazardous work if they do not have this fundamental right to help correct the imbalance of power that exists in labour markets. This right underpins democratic, economic, social and human development. Empowerment and security for the world’s poor is essential to the elimination of poverty, and strong, independent trade unions provide a vehicle for workers to express their views and defend their legal rights.

The Bank should recognize the advocacy role of trade unions in favour of accountable government, institutional participation and social protection for all. The Bank should support the development of this positive role and encourage the participation of strong, independent trade unions. This ensures good industrial relations between employers and workers and contributes to a stable economy and to industrial democracy. Measures to combat child labour, forced labour and discrimination have their greatest impact among the poor. So do measures to enhance unionisation.
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Elimination of all forms of forced labour

*Convention 29 the Forced Labour Convention 1930* (163 ratifications) and *Convention 105 the Abolition of Forced labour Convention 1957* (161 ratifications)

Economic circumstances can compel people to barter away their freedom, and labour exploitation can occur in many forms. But forced labour occurs where work or service is exacted by the State or individuals who have the will and power to threaten workers with severe deprivations, such as withholding food or land or wages, physical violence or sexual abuse, restricting peoples' movements or locking them up. An example of forced labour arises where villagers, whether they want to or not, have to provide substantial help in the construction of roads, or the digging of irrigation channels, and where, for example, government administrators, employers, landowners or police officers brandish a credible menace if the requisitioned men, women or children do not turn up.

Bonding workers through debts is, a widespread form of forced labour in the construction sector in a number of developing countries. Sometimes it originates with a poor and illiterate peasant pledging labour services to an intermediary or a landowner to work off a debt over a period of time. Sometimes the obligation is passed on from one family member to another, even down to children, and from one generation to another. The labour service is rarely defined or limited in duration, and it tends to be manipulated in such a way that it does not pay off the debt. The worker becomes dependent on the intermediary or on the landowner and labours in slave-like conditions. The threat and, indeed, the occurrence of violence or other penalties for failing to work turns an economic relationship - one-sided as it is to start with - into a forced labour situation.

Debt bondage most commonly occurs through cash advances or loans, and is particularly common in the brick kilns and quarries of South Asia, which rely heavily on the use of seasonal migrant labour, including child labour.

Effective abolition of child labour


Children have distinct rights to protection by virtue of their age. One of these is protection from economic exploitation and from work that is dangerous to a child’s health and safety or which hampers the child's development. The aim is to stop all work by children that jeopardises their education and development. The principle extends from formal employment to the informal economy where, indeed, the bulk of child labour is to be found.

The minimum age for admission to employment should not be less than the age of completion of compulsory schooling and never be less than 15 years. But developing countries may make certain exceptions to this, and a minimum age of 14 years may be applied where the economy and educational facilities are insufficiently developed.

Types of work referred to as "the worst forms of child labour" are, however, totally unacceptable for all children under the age of 18 years, and their abolition is a matter for urgent and immediate action. This includes hazardous child labour. This definition is developed in the Recommendation which accompanies the Convention, and refers to, inter alia, night work, heavy work, or exposure to hazardous substances. These factors characterize any kind of labouring work on building sites, roads construction, brick kilns, quarries or in the manufacture of construction materials, such as cement or timber.

In any effective strategy to abolish child labour, provision of accessible basic education and childcare is central. But education must be embedded in a whole range of other measures,
aiming at combating poverty, lack of awareness of children's rights and inadequate systems of social protection, that give rise to child labour and allow it to persist.

Bringing informal workers into social security regimes would be a basic strategy to provide sustainable legal and social protection to vulnerable families. One interesting example of such an initiative is the Central Act in India, “The Construction Workers Welfare and Cess Act “ 1996. This Act requires a 1% levy of the volume of all construction projects and the registration of construction workers, who then become eligible for a range of benefits paid out by the State level Construction Workers Welfare Board. These include the provision of crèche and facilities and education grants as well as accident insurance, maternity benefits and pensions. Still in it’s infancy in terms of application, this Act has great potential to prevent children entering into child labour. The IFBWW is actively involved in promoting the practical implementation of the Act, and also runs a number of crèches and transitional child labour schools in India.

Elimination of discrimination in respect of employment and occupation

Convention 100 Equal Remuneration 1951 (161 ratifications) and Convention 111 Discrimination (Employment and Occupation) 1958 (159 ratifications)

Discrimination at work can affect men or women on the basis of their sex, or because their race, national extraction or social origin, religion, or political opinions differ from those of others. Often countries decide to ban distinctions or exclusions and forbid discrimination on other grounds as well, such as disability, HIV status or age. Discrimination at work denies opportunities for individuals and robs societies of what those people can contribute. Eliminating discrimination starts with equality in access to training and education as well as the ability to own and use resources such as land and credit. It continues with fixing conditions for setting up and running enterprises of all types and sizes, and the policies and practices related to hiring, assignment of tasks, working conditions, pay, benefits, promotions, lay-offs and termination of employment.

Construction is, in many countries a low status, low paid occupation, particularly for unskilled labourers. Discrimination in wages and other working conditions and in recognition of skills and employment opportunity is very widespread. Women and migrant workers from rural areas, inter state migrants or cross border migrants are particularly vulnerable to social exclusion and inequality of treatment. Women have restricted access to employment in construction in many countries. Women have virtually no access to skilled employment, whilst men can progress up the skills ladder from the same starting point within a few years. City workers have better terms and conditions of employment than migrants. Informal workers receive distinct wages and benefits from other workers. Employment discrimination and occupational segregation on grounds of gender and social class is routine in construction. India is arguably perhaps the clearest example of discrimination in employment due to its ruthless social system. Women, the scheduled tribes, the scheduled castes and the “other backward castes”, many of whom are seasonal migrants, are always those who are to be found working at the bottom end of the construction industry, paid, treated and employed according to the constraints of the caste system, including widespread use of debt bondage and child labour.

Other key International Labour Standards applicable to construction works

The eight ILO conventions, on which the CLS are based, define fundamental workers' rights that clearly can help to combat poverty but, of course, do not cover all of the standards that can contribute to this goal.

Whilst the Core Labour Standards apply to all sectors of activity there are also a number of other Internationally recognised Labour Standards (ILS), which are transversal in nature,
dealing with wages, working hours, social security and health and safety, which should be applied to workers in construction.

For example, construction workers often suffer problems of non-payment or delayed payment of wages. The Bank should act against this hideous phenomenon by promoting the ILO Protection of Wages Convention (C. 95), which stipulates the regular and full payment of wages. Other key ILS are the Labour Inspection Convention (C. 81), the Employment Injury Benefits Convention (C. 121), and the Occupational Safety and Health Convention (C. 155).

Furthermore, there are some industry specific ILS, which should be applied. Most important of these are ILO Convention 167 Safety and Health in Construction (1988) and Convention 94, the Labour Clauses (Public Procurement) Convention. These Conventions, with their accompanying Recommendations, and Codes of Practice, set out basic principles that need to be observed to ensure health and safety of construction workers and to protect those working on public contracts.

Whilst these Conventions are only binding on those countries who have ratified them, most countries, even developing countries, have national legislation in place which is broadly in conformity with the principles of these and other Conventions designed to offer some protection to the workforce. These Conventions may be grouped into relevant Standards as follows:

**Health, Safety and welfare of the workforce to be protected**


**Convention 155** can be considered as the framework for occupational health and safety law at national and at enterprise level. It contains fundamental principles on safety policies, work organisation and principles for the prevention of injuries and ill health. It also has a Protocol (2002), which outlines requirements for the Recording and Notification of occupational accidents and diseases.

**C121** Employment Injury Benefits Convention, 1964 (amended in 1980) and the List of Occupational Diseases Recommendation 2003 (R194) deal with the recognition and compensation of occupational accidents and diseases.

The main provisions of **Convention 167, Safety and Health in Construction** are as follows:

- There should be cooperation between employers and worker to promote safety and health at construction sites
- The most representative organisations of employers and workers shall be consulted on the measures to be taken and have a duty to comply.
- The principal contractor is responsible for coordinating the prescribed safety and health measures and for ensuring compliance with such measures
- Personal protective equipment and clothing shall be provided by the employer without cost to the workers,
- Employers must also provide first aid, drinking water and separate sanitary and washing facilities
- Workers must be informed of potential safety and health hazards to which they may be exposed and must be trained in their prevention and control
Workers have the right to remove themselves from imminent danger and the duty to so inform the supervisor.

The Convention also provides technical specifications for the prevention of accidents and work related ill health, and is accompanied by a Recommendation and by a Code of Practice, both of which provide detailed and comprehensive guidance on the principal hazards of the industry and the measures which should be taken to avoid them.

The World Bank's current provision on health and safety is somewhat outdated and rather minimal. There are several key ILO Conventions and Recommendations on health and safety, as well Codes of Practice, Guidance, training materials and information. The ILO also offers technical assistance programmes and has a transversal international programme “SafeWork”. The ILO currently places great emphasis on promoting health and safety in the national political agendas of its Member States, and is pushing for a more preventive strategy to reduce the number of deaths, injuries and ill health caused by bad and illegal working conditions. There has been important progress made in the area of prevention in recent years, and the latest discussions at the International Labour Conference have identified protection of occupational health and safety as a practical indicator of good governance. Governments should use their procurement procedures to ensure that contractor and subcontractors comply fully with national legislation, and specifically with health and safety legislation.

Sustainable development in construction includes a clear and strong component on prevention of risks to the safety and health of the workforce. The recent Guidelines on Safety and Health Management Systems, as well as the Global Reporting Initiative and an ever-growing number of voluntary Corporate Social Responsibility systems are integrating management of occupational health into businesses management systems in all sectors.

In light of the World Bank’s clear objective of providing access to safe employment and reduction of workplace risks faced by the poor, the Bank should actively promote respect for workers’ rights in the field of occupational health and safety. The Bank could grasp a golden opportunity here to promote best practice in prevention and thereby make a positive contribution to poverty reduction through the reduction of risk.

Government Initiatives
There are many interesting examples from around the world of good practice on health and safety. It is clear that boosting the capacity of Labour Inspectorates is important, but this only one element of a national prevention plan. Other strategies include:

- Establishment of a tripartite Construction Industry Development Board to discuss the needs and sustainable development of the industry, including employment creation, enterprise development, and infrastructure needs.
- Establishment of a tripartite committee on construction health and safety to develop and promote legislation, policy and good practice on OSH.
- Introduction of a Training Levy to improve capacity of the workforce on skills and health and safety. Several Construction Industry Training, or Development, Boards have introduced mandatory training on health and safety. There are many positive examples of skills certification and Recognition of Prior Learning, which boost quality and productivity as well as reducing injuries and ill health.
• Construction Workers Welfare Act and Welfare Boards to extend social security regimes to cover informal workers. India introduced a Central Act in 1996, which needs to be promoted and implemented. It includes a 1% levy on the volume of the project, private or public sector, and the registration and collection of a small fee from construction workers. Workers who can demonstrate that they have worked in construction for no less than 30 days in the previous year may be registered into the local authority welfare board by the local authority, by a contractor or by a trade union. They then become eligible for a number of benefits, including accident insurance and crèche facilities.

The role of employers organisations in promoting prevention
• A basic commitment should be given to adhere to labour standards and to insist that these are respected by all sub contractors and suppliers.
• Institutional participation on legislation and policy nationally
• Promotion of compliance and good practice in the industry
• Training on skills and health and safety
• Compulsory employers liability insurance to cover all workers on site

Employers need to have Company Health and Safety Policies and systems for risk management which include workers’ participation as an essential element. This is almost always a legal requirement. The construction industry is dominated by micro enterprises and by precarious, informal contractual conditions, by subcontracting and by bogus self-employment. This has a direct and negative impact on health and safety, leading to:
• chaotic working conditions;
• lack of OHS management systems and responsibilities;
• lack of co-ordination, investment and training;
• and very poor compliance with legislation on health and safety.

The principal objectives of the Safety Policy are to ensure compliance with legislative requirements, and to eliminate or control hazards to health and safety so as to avoid injuries and ill health. An effective vehicle for the practical implementation of the safety Policy is a joint management-trade union/workers Health and Safety Committee. Most countries have legislation requiring the establishment of a joint Health and Safety Committee where there are more than fifty workers employed.

The Bank should work with Clients and Contractors, and should change Procurement Policy to ensure that Safety, Health and Welfare provisions are included as mandatory components in tender documents to take them out of competition. All contractors should consider health, safety and welfare items in their cost estimates. Including the following:
• Sanitation, clean, safe drinking water, food and shelter, as well as transport.
• First aid and health services.
• Planning, co-ordination and operation of health and safety management system including training and workers participation
• Collective and individual measures to protect workers safety and health.
• Initiatives to prevent the spread of HIV AIDS and of other diseases which are considered to be a public health priority, such as TB, cholera or malaria and dengue.
• Waste management

Contractors and clients should ensure
• All management and supervisory staff on their sites have demonstrable competence in OHS and in management and supervisory skills.
• All workers have a demonstrable skill level incorporating OHS.
• All contractors, sub contractors and suppliers respect labour standards
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- Demonstrated commitment to OHS through policy, management and compliance
- Ensure structures and resources to implement policy and comply with law
- Ensure communication and co-ordination between contractors and the participation of workers, including induction training

OHS targets should be audited against each contractor on site;

**Evaluation of tenders**
Selection criteria for tenders should include previous performance on OHS and current approach to OHS. This should include not just the number of accidents, but: the volume and type of past output; OHS policy, budget, resources; the system and structure for managing health and safety; reporting system including near misses and statistics on accident performance; worker training, participation and consultation.

**Conditions for tenders**
All bids should present a detailed health and safety Plan before work starts. Project specific health and safety proposals should be required for addressing points in the tender. This should include a requirement to create and maintain a Health and Safety File, which includes the health and safety policy, risk assessments and performance data.

**The Role of Workers Organisations**
Low trade union density is a key factor in explaining the poor safety standards in the construction industry. There is one key Internationally recognised Labour Standard which is almost never respected. That is the right to refuse dangerous work without victimisation, which is contained in Conventions 155 and 167.

The right to refuse to carry out a dangerous task without fear of victimisation is very far from being a reality for most workers. Because of the very informal employment and labour practices in construction, unorganised workers regularly face a choice between doing a dirty and dangerous job or having no job at all. This basic human right is a test of democracy and dignity in the workplace. Respecting this right would reduce the number of fatal accidents and major injuries at work very substantially. Currently there are over 100,000 fatal site accidents per year.

- **Laws and Collective Bargaining**
  Legislation varies from country to country. Collective Bargaining Agreements almost always include points on Safety, Health and Environment, and should guarantee standards that go further than the existing legislative minimum.

  - For example:
  - Recognition of trade unions for collective bargaining and workers participation in prevention on site.
  - Rights for Trade Union Health and Safety Representatives to participate in prevention
  - Time off for training, plus induction training, and toolbox meetings during work time. Joint Health and Safety Committees
  - Written Health and Safety Policies,
  - Health and Safety Management Systems that include workers participation at all levels
  - Systems for reporting and resolving hazards, including the right for workers to refuse to carry out a task which poses a serious risk for their health or safety, without fear of victimisation or dismissal.

**Training**
Training is a cornerstone of the IFBWW support and development work with affiliated unions. Flexible training materials have been developed on health and safety, and are being used.
with trade union leadership, education officers, women’s officers, trade union organisers, workplace representatives and workers.

**Trade Union Safety representatives**

There is generally low trade union density in construction due to informal contractual arrangements in the sector. However, all workers have rights, and trained Trade Union Safety Representatives make a positive contribution to the prevention of injuries and ill health. A recent survey by the British Trade Union Congress indicates that workplaces with Trade Union H&S reps have half the accident rate of comparable workplaces without reps.

Trade Union Safety Reps are aware of the risks in the workplace, and can work closely with workers and management to assist with promoting a working environment where hazards are identified, removed or properly controlled before problems occur.

Their legal or agreed functions typically include:

- Participation in the joint Health and Safety Committee and cooperation with the employer to promote the health and safety policy
- Inspections, surveys, documentation, reports and recommendations
- Promotion of safe systems of work
- Investigation of accidents and ill health
- Information, training and communication with workers on health hazards and the risks of accidents, and the prevention measures to be taken, including basic induction training for new workers on site.
- Representation of workers interests, including upholding the right to refuse dangerous work without victimisation

**Prevention of HIV AIDS and addressing other public health priorities.**

The ILO Code of Practice on HIV AIDS and the World of Work 2001 is an invaluable information resource, and offers helpful practical guidance on prevention policies and programmes. Of course a Code of Practice is not a legally binding instrument or an international treaty, given that Codes of Practice and Guidance from the ILO are developed by expert groups and not by the delegated members at International Labour Conference, as is the case with Conventions and the Recommendations. However, a Group of Experts is tripartite and draws on experts from a range of Member States, and in that sense reflects a broad international consensus among the social partners regarding the need for such a Code and it’s relevance and applicability in addressing that need.

Despite the fact that there is no international Treaty governing this important area, the Bank is currently considering introducing an obligation on HIV AIDS prevention into the General Condition of the Bank’s Standard Bidding Documents for Works. There is a high prevalence of HIV AIDS among construction workers in some countries. Long periods spent working away from home, in particular on large construction projects where sex workers are often present in the vicinity, can give rise to at risk behaviour for the transmission of HIV/AIDS.

Whilst it is clear that HIV AIDS is not an occupational disease caused by construction activities, and indeed there is no legislative requirement in this regard, clearly there is an opportunity for poverty reduction through good practice in the area of awareness raising. It is most welcome and very encouraging to see that the Bank is willing to take a progressive and proactive line on using the workplace as a vehicle to mitigate the impact of HIV AIDS on construction workers, their families and communities through prevention programmes. These typically include the provision of reliable information and education on prevention, and the distribution of free condoms. It is important that the Bank adheres to the internationally agreed principles of the ILO Code of Practice on HIV AIDS, in particular those pertaining to issues of confidentiality and testing, and of protection from discrimination at work.
The Bank could consider the introduction of similar measures to address other public health problems in the workplace, such as tuberculosis and malaria.

The Bank should furthermore consider adopting a similarly progressive and enlightened approach to addressing other, more universal and immediate needs of construction workers and their families. For example, in the area of occupational health and safety, where the risks are caused directly by bad and illegal working conditions on site. The Bank could also do much more to prevent abuses of basic rights to a fair wage and decent employment conditions by upholding the universal right of workers to trade union freedom and to organise.

**Wages to be paid in full and on time, to meet legal minima and be sufficient for basic needs.**

There are many abuses associated with non-payment, late payment, payment below the minimum wage, illegal deductions, discrimination in wage rates, and payment in kind, for example food or materials, instead of in legal tender. Construction workers often suffer problems of non-payment or delayed payment of wages. The Bank should act against this hideous phenomenon by promoting the Key ILS, which are C131, the Minimum Wage Fixing convention (1970); which addresses “the needs of workers and their families, taking into account the general level of wages in the country, the cost of living, social security benefits, and the relative living standards of other social groups” and C95, the Protection of Wages Convention (1949) which stipulates the regular and full payment of wages. Clear information on wage rates must be given to workers, and records of hours worked, and all payments and deductions made must be kept to prevent workers being cheated out of their hard earned cash.

**Working hours to be limited; overtime to be paid.**

Workers in construction are often obliged to work long hours for no extra payment. There are several Conventions dealing with this problem. These are C14 - Weekly Rest (Industry) 1921; C1 - Hours of Work (Industry) 1919, also C47, The Forty Hour Week Convention. Working hours is, of course a health and safety matter as well. Fatigue kills on building sites. It also leads to musculo skeletal injuries and back injuries which can put people out of work for ever.

**All relevant social security regimes to be applied to all workers without distinction.**

In construction, there is widespread use of informal employment, precisely to evade responsibilities regarding social security and taxation payments. Labourers are typically not registered or protected. Basic elements of protection are contained in C102 - Social Security (Minimum Standard) (1952); C957 - Maintenance of Social Security - Rights 1982. C121 Employment Injury Benefits Convention, (1964.) Again, record keeping is essential to control and verify that these regimes are properly applied to all workers.

**Rights to Workers’ Representation C135 - Worker’s Representatives Convention (1971)**

This Convention provides a framework for defining the legal rights and functions of Trade Union, or Workers', Representatives in the workplace. Freedom of Association, whilst much can be done to actively promote the principles, is essentially a negative right, in that it requires freedom from interference, discrimination or victimisation with respect to trade union activities. The right to organize and to collective bargaining, in order to become operational, requires representative structures, negotiating partners, information and communication channels. Such crucial elements are addressed by Convention 135.

**Convention 94 Labour Clauses (Public Procurement) Convention.**

ILO Convention 94 on Government Procurement is also of very specific relevance to construction procurement. The aim of Convention 94 is to ensure minimum labour standards
in the execution of public contracts through the insertion of appropriate labour clauses. There are a number of useful Labour clauses which should be drawn from this Convention and applied in the Bank’s Loan Agreements, SBDs and other contract documents. The most relevant of these are as follows:

- **Article 2.**
  Appropriate measures shall be taken by the competent authority, by advertising specifications or otherwise, to ensure that persons tendering for contracts are aware of the terms of the clauses.

- **Article 4**
  The laws, regulations or other instrument giving effect to the provisions of this Convention shall
  (a) be brought to the notice of all persons concerned;
  (b) define the persons responsible for compliance therewith; and
  (c) require the posting of notices in conspicuous places at the establishments and workplaces concerned with a view to informing the workers of their conditions of work; and

  (b) shall, except where other arrangements are operating to ensure effective enforcement, provide for the maintenance of
  (i) adequate records of the time worked by, and the wages paid to, the workers concerned; and
  (ii) a system of inspection adequate to ensure effective enforcement.

- **Article 5**
  1. Adequate sanctions shall be applied, by the withholding of contracts or otherwise, for failure to observe and apply the provisions of labour clauses in public contracts.
  2. Appropriate measures shall be taken, by the withholding of payments under the contract or otherwise, for the purpose of enabling the workers concerned to obtain the wages to which they are entitled.

**Record keeping**
The introduction of good record keeping is a question of good project management, which can also guard against abuses and which can provide verification of compliance with the conditions of contract. Records should include: name, age, gender, class of work the person is employed to carry out, hours worked, wages paid, and deductions made.

The Bank’s Standard Bidding Documents do refer to reporting of accidents to the engineer, but do not include the basic legal requirement of the recording and notification of occupational accidents and diseases to the competent authorities.

**The Bank and the ILS**
A concrete step in favour of the internationally recognized labour standards contained in these Conventions would be for the World Bank to include within its loan agreements, a requirement that the key health and safety, payment of wages, hours of work and Labour Clauses in Public Procurement Conventions, be abided by in Bank-funded projects.

The ILO Declaration of Fundamental Principles and Rights of work was formulated and unanimously agreed by the same countries which are members of the World Bank, the IMF and the WTO. The Core Labour Standards are a mutually supportive package, and it is not coherent to select some standards as being applicable, and to reject others which protect fundamental human rights. The Bank should clearly advocate respect for all the CLS in its policy, procurement guidelines, loan agreements, Standard Bidding and Contract documents.
for all works. This cannot be seen as imposing standards on governments, and is wholly consistent with the international treaty obligations of those governments.

Only a few governments have not so far actually ratified the CLS themselves, and almost all countries have national legislation which is in broad conformity with other International Labour Standards on wages, hours of work and health and safety. Far from imposing standards on client countries, arguably it is the Bank that is now lagging behind national governments and is missing the opportunity to integrate ILS into Poverty Reduction Strategies. As for the employers and contractors, as can be seen here, there is little in these basic, internationally recognised provisions that would be offensive to a reasonable employer with respect to providing decent work to unskilled, often rural, workers on a short-term basis, which makes up the bulk of the construction workforce in developing countries.

Since labour is often poor people's main or only asset, equitable access to safe and well paid employment is one of the most important aspects of risk reduction. Properly paid labour combats poverty and the ILS can play a supportive role in achieving this. Recent literature reviews show a strong connection between economic growth and improvement of labour standards, and suggest that CLS may stimulate economic transformations by acting as enabling regulations. In any case, rights of association are essential in correcting the imbalances of power that exist in labour markets, and high bargaining coverage is certainly associated with a reduction in earnings inequality, and would help to combat the increasing earnings inequality evident in several developing countries. Wage dispersion among unionised workers tends to be lower, to the benefit of lower-wage workers. In addition, high levels of unionisation are often associated with higher minimum wages and better basic income support programmes, the principal beneficiaries of which are unorganised workers.

Measures to combat child labour, forced labour and discrimination have their greatest impact among low-income workers, and so do measures that would enhance unionisation. Successful poverty reduction requires empowering the poor, participatory democracy, alliances between the poor and the non-poor, and strong civil society organizations, of which trade unions are a vital dimension.

Implementation of ILS

The underlying problem is not a lack of labour law, which exists at international and national level; rather, it is the lack of effective mechanisms to ensure that labour laws are applied and monitored in practice. This process is hampered by informal work, weak regulatory frameworks and lack of inspection capacity and record keeping, leading to lack of promotion and enforcement of national legislation. Poor institutional capacity, with limited institutional participation by the social partners and civil society, can lead to lack of transparency, passivity and permissiveness in government, to elite scepticism regarding the needs of the unemployed and the working poor, and to corruption and bribery.

If internationally recognised Labour Standards are to mean anything in practice, an enabling environment must be created. A fundamental aspect of such an environment is Social dialogue between stakeholders, and most importantly between the ILO's tripartite constituents at national level. The ILO has recognized in its Programme on Social Dialogue, Labour Law and Labour administration that certain enabling conditions are necessary for social dialogue to prosper. These are:

- Strong, independent workers' and employers' organizations with the technical capacity and access to the relevant information to participate in social dialogue;
- Political will and commitment to engage in social dialogue on the part of all the parties;
- Respect for the fundamental rights of freedom of association and collective bargaining; and
• Appropriate institutional support

Brief assessments of CLS have already been included in several Country Assistance Strategies particularly since the Bank’s country teams have had use of the “CLS toolkit” to help the to address these basic protections when preparing Country Assistance Strategies. The toolkit emphasizes the supportive role that CLS can play in economic development. Support of the ILS is entirely consistent with, and supportive of, the Bank’s development and poverty reduction mandate, and can furthermore provide an important complement to the work carried out by other institutions.

ILS can be introduced into Procurement throughout the Project Cycle, and in this way, the Bank can ensure that Labour Laws are respected and implemented on site.

This means addressing Labour Standards in the Bank’s Procurement Guidelines, in Loan Agreements, in the Operational Manual the Bank’s Operational Manual in the Bank’s Operational Policy, Bank Procedures, Good Practice and Operational Directives.

This will also require the inclusion of new labour clauses and strengthening of existing labour clauses in the Standard Bidding Documents and other contract documents to cover smaller works. Implementation will require mainstreaming of ILS into the Country Procurement Assessment reviews and Reports, Country Assistance Strategies and Poverty Reduction Strategies.

In order to make this a reality on site, broad capacity building will be required, not only for Bank and country procurement staff, but for clients, employers, contractors, suppliers and workers. Engineers and site supervisors will need to be trained in implementing basic labour standards on site.
III. Addressing International Labour Standards in WB procurement and related activities

Recommendations for action:
A central question is: how can the Bank assist with making International Labour Standards operational? That is, how can the ILS be taken from macro, or international policy level, to micro level implementation on Bank funded construction projects in real life? Client governments, in their dual role as employer and regulator, frequently do not mainstream ILS into projects.

The vast majority of large companies and the long trail of small and micro enterprises that characterise the construction industry around the world are very far from signing up to such principles, and even further from implementing them. Compliance with legislative requirements in construction is generally very poor. Workers are employed using highly temporary and informal contractual arrangements and are often unaware of their basic rights. Guaranteeing compliance is the responsibility of governments of course, and the Bank also has an important promotional role in this process. The Bank has a number of tools at its disposal to assist with implementation and verification.

Much of the World Bank’s lending of around $17 - 22 billion per year is used by recipient countries to purchase goods and services. With these resources, over 40,000 contracts are awarded to private firms through competitive bidding procedures stipulated by the World Bank’s procurement guidelines. Whilst practical experience with labour clauses in procurement documents is limited, it is quite clear that World Bank procurement policies and practices are potentially an important mechanism for raising awareness and for practical implementation of International Labour Standards through contract clauses.

An additional consideration is the World Bank’s treatment of the International Labour Standards in policy and operations outside of procurement. The Social Protection Sector Strategy Paper, approved by the World Bank Board of Directors in 2000, describes CLS as instruments for reducing risks for workers, and calls for building the institutional capacity of governments and the private sector to implement standards in ways that make labour markets more equitable and inclusive.

General recommendations on making ILS operational:
The Bank should consider approaching these goals via six broad strategies:

a) A clear policy statement from the Bank expressing commitment to ILS. This should be made explicit in the Bank’s Procurement Guidelines, and developed in procurement procedures and lending instruments. This Policy should be developed and introduced into the Bank’s Operational Manual in the Bank’s Operational Policy, Bank Procedures, Good Practice and Operational Directives.

b) The inclusion of new labour clauses and strengthening of existing labour clauses in the Standard Bidding Documents and other contract documents to cover procurement of works, including smaller works.

c) Implementation through mainstreaming ILS into the Country Procurement Assessment reviews and Reports, Country Assistance Strategies and Poverty Reduction Strategies.

d) Capacity building in member countries, specifically in procurement and for the construction industry more broadly, including development of practical tools such as training courses and guidance notes.

e) Encouraging implementation through verification and monitoring of compliance.

f) Networking and increased cooperation on ILS in particular with the ILO but also with other multilateral development banks, donors, FIDIC and other professional
institutions, international associations of employers such as the Construction Industry Contractors Association, and with the International Federation of Building and Wood Workers and other international trade union organisations.

a) Policy
If the Bank does wish to actively promote the ILS, then a logical step would be a clear policy statement expressing the Bank’s commitment to ILS. This should be made explicit in the Bank’s Procurement Guidelines, and developed in procurement procedures and lending instruments. This Policy should be developed and introduced into the Bank’s Operational Manual in the Bank’s Operational Policy, Bank Procedures, Good Practice and Operational Directives. It is understood that these are mandatory instructions for Bank staff.

It is noted that the World Bank and other multilateral development banks make funds available to client countries for project procurement but are not party to any procurement contract. The execution of efficient and transparent procurement is the responsibility of the borrower. However, the Bank does ensure that funds are used in the best possible way and imposes controls on the manner in which procurement is conducted. Loan agreements govern the legal relationship between the Bank and the borrower, and include procurement stipulations. The Bank’s procurement guidelines set out the principles and procedures for the procurement of goods, services and works. The Bank also issues a series of Standard Bidding Documents (SBDs) which borrowers are required to use under International Competitive Bidding. The clear contractual nature of the SBDs favours implementation and monitoring of compliance with labour clauses.

The World Bank's policy support for the Core Labour Standards and other key International Labour Standards is not only consistent with the institution's development mandate, but should also be considered a vital component for helping achieve the Bank's poverty reduction objective. However it is important that the Bank follow up on its position statements in support of promoting the CLS and other key Internationally recognized Labour Standards on working conditions, by ensuring that its operational practices are consistent with this support. The Bank should consider the following measures to ensure that the Bank plays a positive and consistent role in improving working conditions through promotion of the ILS:

- Ensure that country-level policy advice or loan conditions do not constitute de facto recommendations to violate CLS or other ILO Conventions ratified by the country. The Bank could consider submitting proposals that they consider may have a negative impact on labour standards to the ILO for impact assessment before they are implemented.
- Modernise and strengthen current labour clauses in Standard Bidding Documents. The CLS and key ILS should be integrated into World Bank procurement as mandatory elements of the Bank's Standard Bidding Documents; currently only some voluntary labour standards are included in this document, and there is no mention of them in the SBDs for smaller works. In conformity with the Bank's poverty reduction objective and its recognition of the necessity to reduce workplace risks faced by the poor, key protections contained in ILO health and safety Conventions, the Convention guaranteeing regular and full payment of wages, as well as the Convention on Government Procurement should also be included.
- Assessments of observance of CLS and other key ILS could be included in all Country Assistance Strategies prepared by the Bank, and not only in those of IDA countries as is currently the case.
- As part of the institution's overall poverty reduction strategy, the Bank should join with the ILO in projects to promote the respect of the CLS and other ILS, particularly concerning the most vulnerable and poor, such as rural workers and informal economy workers.
The WB should consider stipulating that all interventions, loans and procurement practices be in accordance with the Core Labour Standards and other key International Labour Standards of the ILO. Adherence to Core Labour Standards and other key International Labour Standards of the ILO should be a precondition for lending, and Bank should make clear that it will not invest in projects that violate these basic standards. All interventions should be designed in accordance with Core Labour Standards and other key International Labour Standards. Bank Policy should specify that:

- In the design and formulation of its loans, the WB will comply with the International recognized Labour Standards
- The WB will take all necessary and appropriate steps to ensure that WB financed procurement of goods and services, contractors, subcontractors, and consultants, comply with the country’s labour legislation on minimum wages, safe working conditions, social security contributions as well as the Core Labour Standards
- As part of its regular loan reviews, the WB will monitor that these provisions are complied with.

In addition, the WB should explicitly state that while the ILO’s International Labour Standards form part of a country’s legislative framework when ratified, no explicit ratification is needed for the Core Labour Standards to be considered part of the country’s legislation. Therefore, the WB should require member countries to respect, promote, and realize these fundamental labour standards irrespective of ratification of the core conventions.

WB funded projects should be subject to social impact assessments to ensure that vulnerable groups are not negatively affected. In projects, contractual obligations should be included in the loan agreements and contract documents to ensure that specific International Labour Standards on safety and health, payment of wages and social security are not violated, and that relevant national laws and regulations are complied with. Furthermore, the Bank should consider developing internal guidelines and formalizing mechanism for submission of complaints regarding violations.

Procurement in the Project Cycle

ILS should be integrated into projects at an early planning stage. They should be addressed in the Procurement Guidelines; referred to in the Loan Agreements, and included in the Bank’s Procurement Guidelines, in the Bank’s Operational Manual and the Bank’s Operational Policy, Bank Procedures, Good Practice and Operational Directives.

This will also require the inclusion of new labour clauses and strengthening of existing labour clauses in the Standard Bidding Documents and other contract documents to cover smaller works. Implementation will require mainstreaming of ILS into the Country Procurement Assessment Reviews, Country Assistance Strategies and Poverty Reduction Strategies.

At the identification or Project Concept Note stage, operations staff could be assisted to identify best practices and specialised bidding documents, or additional Labour Clauses to address, for example, health and safety equipment, or technical assistance and training that may be required, for example also on Health and Safety and on HIV AIDS.

According to BP 11.00, for each project, from its inception, there is a procurement specialist or Procurement Accredited Staff attached to the Task Team. It also says that they should form an integral part of the preparation /appraisal team. It would also be helpful if they had a good understanding of International Labour Standards as they apply to Procurement of Works.
The CPAR should identify key issues on labour standards that might affect the project, and start identifying early actions for capacity building for the implementing agency, and more broadly at country level for the construction industry.

It should examine ILS and National Labour Laws and Regulations and Collective Agreements regarding: wages, working hours, minimum age and Hazardous Child Labour, health and safety, Social Security and record keeping, reporting and documentation requirements.

It should also examine Institutional Capacity and Practice on Labour Standards. For example, tripartite structures, industry associations, employers/contractors associations, trade unions and other representative bodies involved in Institutional Participation. There should be a dialogue with governments regarding the capacity of the implementing agency to implement labour laws. There should also be dialogue with governments and the social partners on employment and labour practices in the industry, and obstacles to implementation should be identified.

The CPAR should consider if labour standards are being properly addressed in the country’s SBDs and contract documents, and consider how they might be modernised. This should be reflected in the Loan Agreement. It should also identify any needs for technical assistance, capacity building, training or hiring of consultants. Ensuring compliance of labour laws will require training of site supervision staff and engineers.

This should produce a clear assessment and agreed action plan for the Project. Furthermore, the CPAR could identify focus areas for the Country Assistance Strategy.

b) Standard Bidding Documents

Recommendations regarding the modification and strengthening of current labour-related clauses in and other Bank documents to allow for better implementation and monitoring.

The clear contractual nature of the SBDs facilitates direct and precise monitoring and evaluation it is therefore recommended that the Bank modernise Standard Bidding Documents for Works to reflect the WB’s commitment to the basic ILS. The Bank should incorporate mandatory labour clauses that ensure workers’ freedom of association and rights to collective bargaining; which prohibit discrimination in employment; which ban the use of child labour and forced labour, which ensure acceptable working conditions such as fair wages and hours of work, good health and safety conditions and, where appropriate, decent accommodation, on all World Bank financed projects.

The existing recommended clauses in SDB on Works already cover some of the provisions of ILO Convention 94 (Public Works). However, the existing recommended clauses are minimal, outdated, place too much reliance on the willingness of borrowers to observe sound labour practices and offer no real protection to the workers.

Furthermore, because clauses are not mandatory, World Bank procurement staff do not review whether or not client countries include these clauses in their bidding documents. Introducing some key clauses into the Part I General Conditions, and others as mandatory clauses in Part II Particular Conditions would allow for some supervision by WB staff, and would ensure a greater degree of compliance. It is therefore recommended that the Bank upgrade existing recommended labour clauses to mandatory for World Bank financed projects. In Section IV of this document, there is suggested text to enhance Labour Standards in the SBDs.

Country Standard Bidding Documents

**Difficulties:** small contractors rarely comply with LS. Correct payments for wages and benefits are typically not paid to informal workers. Contractors do not pay deductions to
social security or taxes. There are very often accounting difficulties and a general lack of record keeping and transparency. Some contractors do not comply with employers liability insurance so do not have policies to cover compensation for injuries. Labour laws are frequently ignored wholesale. Capacity building will be required to promote good project management and contract compliance.

Social responsibility has short term costs, and those responsible firms that abide by ILS are effectively penalised when others ignore them. Therefore an important implementation strategy is to take costs out of competition. Generally speaking, good employers don’t win contracts; the fact is that too often cheap bids win, without regard to value for money. Since labour is an important cost component, very often cost cutting on labour gives bad labour practices the competitive advantage.

The costs of implementing labour standards generally include: protective measures such as the provision of collective and individual protection from accidents and ill health; protective clothing; provision of basic services such as water supply and sanitation; social security and insurance costs; capacity building and training; consultation, facilitation and promotion costs; equal opportunity costs and transactional costs, including dialogue and verification or monitoring.

The increased costs associated with improved health and safety provisions and social security contributions for all workers can be paid for through higher bids from the contractors. Similarly, indirect cost associated with meetings, training and record keeping can be addressed as prime costs. By including these costs in the overall budget for the project and making them part of the project specifications, they are taken out of competition.

The Standard Contract conditions should extend protection to workers used by subcontractors and suppliers. The Contract should cover rights within the capacity of the project. Taking this into account, and comparing national legislation with ILS one can address labour standards as far as possible through contract clauses and supplementary contract conditions. Monitoring compliance with labour clauses will be important and, logically, trade unions need to be involved in this process.

To assist with verification of compliance with ILS, the Bank should also include a requirement for contractors to inform workers both in writing and verbally of implementation of labour standards under the contract, as per Convention 94 and require contractors to put in place a formal mechanism for workers or their trade unions to submit complaints regarding lack of contract compliance.

It will be necessary to have indicators of compliance, and one simple mechanism is to introduce record keeping and reporting requirements which can provide standard documents for inspection by the engineer, the employer, client, competent authorities or social auditors.

**Limitations of Standard Bidding Documents.**

Standard Bidding Documents could provide an excellent vehicle for ILS, since this should be relatively easy to introduce within the Bank, and would be effective operationally. However, SBDs only cover procurement under International Competitive Bidding, the procurement method used for contracts above a certain (variable, on a project by project basis) threshold.

Procurement of this type amounts to around 20% of contracts by number, and approximately 50% of contracts by value. The long-term trend in procurement is towards smaller but more numerous contracts, and therefore less frequent use of the Banks SBDs. This is also in keeping with the trend towards borrower self-regulation and away from Bank-imposed conditions. This means that the effectiveness of the inclusion of labour clauses in the Bank’s SBDs will slowly decline.
Procurement of contracts below the threshold are governed by the general Procurement Guidelines, which form part of Bank Policy. The IFBWW is aware that changing Bank Policy requires approval of the Board, and is likely to prove a more difficult process internally. However, small contracts, awarded to local suppliers and contractors, are more likely to be the subject of labour standards abuses or deficits than larger ones awarded to multinationals which have a greater degree of expertise and are more open to scrutiny.

The only document which can be framed on a case-by-case basis and which theoretically covers all procurement using Bank funds is the Loan Agreement. The agreement could be flexible and include exceptions need to be granted, it could also include a threshold relating to size of purchase, and in general maintain standards that are within control of the project and which are reasonable and proportionate with the work being carried out.

The most effective means of including ILS in Loan Agreements would be via the Country Procurement Assessment Review (CPAR).

c) Mainstreaming ILS into the Country Procurement Assessment Review (CPAR) and the CAS.

The Bank already has a helpful toolkit for staff to help them to address Core Labour Standards in the Country Assistance Strategy. Produced by the Social Protection Department, the toolkit discusses four elements of a good analysis of the country situation regarding the ILS. It covers:

1. Legal and institutional assessment – legislation in place and provisions for its promotion and enforcement
2. Factual assessment – what happens in practice
3. Actions to be taken to rectify abuses – what measures the government has taken, for example on identifying where there is child labour.
4. Bank strategy. Clearly the Bank is not an enforcement agency, however, the Bank should be able to address non implementation of the CLS, which would impact negatively on the country’s prospects for development. It is suggested that dialogue with the country on CLS and collaboration with the ILO is the way forward.

Including labour standards in the CPAR would improve assessment of labour standards in the framework of the Country Assistance Strategy. It could help identify where national legislation is inadequate or out of date, and therefore serve as the basis for future discussions with the member country government on how to incorporate/or strengthen labour issues in procurement practices. It would assist with the development of relevant and specific labour clauses for contracts, which are consistent with national legislation. It would also allow Bank staff and member governments to identify areas in which assistance for capacity building is needed.

In addition, as Bank lending activities increasingly move toward policy-based loans versus investment loans, the overall improvement of client countries’ procurement systems becomes more important. Inclusion of labour standards in the CPAR would be relatively easy to implement at little cost.

There is already at least one very good example of this approach which was carried out successfully in the Ghana Feeder Roads Project, with the Department for International Development (DFID) in the Social Aspects of Construction project. In Ghana it was found that national legislation, including the Collective Bargaining Agreements, was wholly compatible and supportive of the Core and other International Labour Standards. The
question was then, how to incorporate these requirements into the procurement procedures and the construction contract and to make them fully operational.

The Ghana experience has been written up by DFID in a very useful sourcebook: "Implementing Labour Standards in Construction." Furthermore, the project was reviewed by the ILO in the Ghana Country Procurement Assessment Report 2003 Annex 9 Labour Clauses in Public Contracts in Ghana, Recent experience in the roads sector" The Labour clauses and record keeping arrangements are reproduced in Section VI of this document.

The CPAR would address ILS in the legislative framework, institutional set-up, review of relevant contract clauses and an assessment of capacity of relevant government agencies to monitor and enforce labour related contract clauses. The ILO already has a great deal of practical experience and information in this area that is readily accessible to the Bank, and indeed there is already some collaboration with the ILO in the area of CAS, PRSPs and CPARs. Country Assistance Strategies for IDA borrowers also include an evaluation of respect for International Labour Standards and, as has been mentioned, W.B. staff are encouraged to include these questions in dialogue with governments, using the bank’s toolkit on CLS.

The aim of the CPAR is to assist in ensuring good governance and empowering people to participate in and influence the development process. Social dialogue is a fundamental part of this process.

The CPAR addresses five basic pillars of good practice in procurement, which are wholly compatible with mainstreaming ILS into the process:

- **Existence of a comprehensive transparent legal and institutional framework:**
  The CPAR should check compliance with ILS in the national labour laws and regulatory framework, including Collective Bargaining agreements. It should also examine Institutional Capacity and Practice on Labour Standards. For example, tripartite structures, industry associations, employers/contractors associations, trade unions and other representative bodies involved in Institutional Participation. There should be a dialogue with governments regarding the capacity of the implementing agency to implement labour laws. There should also be dialogue with governments and the social partners on employment and labour practices in the industry, and obstacles to implementation should be identified.

- **Use of modernised procurement procedures and Bidding Documents, including transparent bid evaluation and award process, and transparent contract management.**
  Modernise SBDs through the introduction of specific labour clauses and record keeping arrangements. The CPAR should consider if labour standards are being properly addressed in the country’s SBDs and contract documents, and consider how they might be modernised. This should be reflected in the Loan Agreement.

- **Proficient staff applying regulations and procedures transparently: need practical guidance tools and training.**
  Mainstream ILS into existing Bank training courses, and address further capacity building at country level through training and guidance. The CPAR should identify needs for technical assistance, capacity building, training or hiring of consultants. Ensuring compliance of labour laws will require training of site supervision staff and engineers.

- **Independent control system with audit:**
  Control mechanisms for ILS include: social audits, site visits, health and safety inspections, interviews, record keeping and documentation; annual reporting using a questionnaire; monitoring by workers and their trade unions; Client obligation to notify
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violations, and the application of remedial action, or in the worst case sanctions such as removal from tender list.

- **Anti corruption measures in procurement laws**
  Record keeping to address child labour, discrimination, non payment of wages, working hours and health and safety. This will help with the creation of a level playing field through respect for legal requirements and fair employment and labour practices.

**Also necessary for ILS:**
- Strong, independent workers’ and employers’ organizations with the technical capacity and access to the relevant information to participate in social dialogue;
- Respect for the fundamental rights of freedom of association and collective bargaining; and
- Appropriate institutional support
- Capacity building and training

**The CPAR can be used to improve project management and contract compliance:**
- Labour standards should be included in the SBDs Works Contracts and Standard Contract Documents prepared nationally in procurement law.
- Procuring entities must ensure that Labour Clauses on fair wages, health and safety and social security are incorporated into works contracts and enforced by contract managers. The draft standard tender documents should contain these provisions.
- There should be a clause on desirability of using labour intensive contracts wherever technically feasible and cost effective.
- Costs of Labour Standards should be taken out of competition and addressed as prime costs in the contract and priced in the Bill of Quantities.
- Develop procurement manuals based on national procurement laws and SBDs and contract documents for use by ministries, departments and agencies. Guidelines and good, modernised SBDs are essential tools to apply the law and for good contract compliance and project management.
- Introduce a capacity building programme for immediate needs, and to develop a long term capacity building programme.
- ILS training should be mainstreamed as far as possible to save time, money and effort. Possibilities include using the labour market core course, which already covers insurance, pensions, and child labour.

There is a need to ensure the practical implementation of modern labour standards in works contracts. However, good labour standards are rarely used by small contractors and these do make up 90% of construction industry. This is an especially important consideration in developing countries where 75% of construction workers are to be found, and where labour intensive techniques are normally used.

Labour intensive techniques are most certainly to be recommended and it should be ensured that these provide decent work. Governments place poverty reduction as high priority, and employment creation and local enterprise promotion must be part of that strategy. Fair wages, good conditions of work and equitable opportunity for waged employment are needed to ensure these strategic aims, and governments should monitor labour standards as basic elements of their poverty reduction strategies.

**d) Country Capacity Building in procurement of works and contract compliance**

There is a need for capacity building not only with borrowers in the area of national procurement policies and procedures, but also in the construction industry more broadly, since the capacity to implement legislative requirements and good contract compliance is
often very weak among clients, employers, contractors and engineers. Training will be required for site supervision staff to ensure that labour laws are complied with. This requires broad capacity building, in the construction sector generally. Legislation exists, but it needs to be promoted and applied in practice. There is a need to convince all those involved of the benefits of compliance. This means stakeholder workshops, training and the availability of tools for implementation, such as good contract documents, checklists, indicators and guidance documents.

Given the limited practical experience, implementation will require a substantial component of capacity building. The practical implementation of labour standards requires a collaborative effort between employers, supervisors, implementers, regulators and workers. In the ILO employment intensive projects the strategy is as follows: Endorse the standards by avoiding activities in projects which would be contrary to ILS principles and whenever possible undertake specific promotional activities. For example, promoting female participation in the labour force, prohibition of child labour, equal remuneration, conditions of work (availability of food and water, protective clothing and shelter) wage levels and methods of payment can be discussed in training programmes and be brought into practice on site. It is necessary to provide advice and guidance to governments, workers' organizations and employers' organizations on how labour standards can be implemented in labour-intensive projects. The ILO emphasizes dialogue between stakeholders and a participatory approach to promoting labour standards.

The capacity building programme should target:

- Departments of Labour, including the Health and Safety Authority and the Department of Social Security, as well as other relevant government ministries departments and agencies, such as Public Works, Roads, Water,
- Contractors' associations in the public and the private sector, including associations of small contractors and community contractors
- Construction and Building Materials Trade Unions;
- Professional Institutions, Universities and training colleges. It will certainly be important to broaden the capacity of the consulting and supervising engineers to monitor compliance with labour standards.

Through stakeholder workshops and the assessment in the CPAR of the legislative and policy framework, relevant agreements as well as current site practice, it can be determined what risks are most important and which labour standards need to be prioritised. Should determine and agree upon relevant labour standards, procedures for enforcement and mechanism for collaboration at an early stage of the project. Once labour standards have been agreed upon, specific clauses relating to labour standards and conditions of work can be included in the contract language. Additional contract clauses addressing these standards should be included in Part II of the Conditions of Contract.

The experience from the Ghana Feeder Roads Project, and the approach used by DFID, is a good example of how this may done. There are other good examples that have benefited from the involvement of the ILO, notably that of the Provincial and Rural Infrastructure Project (PRIP) in the Kingdom of Cambodia. Further information on the labour standards and their implementation on the PRIP is included in Section V of this document.

Because contract clauses frequently express merely an intention to do something, more details and specifications must be provided in other documents that form part of the contract such as the Bill of Quantities, thus making them legally enforceable through the contract. Detailed specifications are needed in order to accurately cost standards and this may be fundamental to implementing labour standards and verifying compliance.
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The costs of implementing labour standards generally include: protective measures such as the provision of collective and individual protection from accidents and ill health; protective clothing; provision of basic services such as water supply and sanitation; social security and insurance costs; capacity building and training; consultation, facilitation and promotion costs; equal opportunity costs and transactional costs, including dialogue and verification or monitoring.

The increased costs associated with improved health and safety provisions and social security contributions for all workers can be paid for through higher bids from the contractors. Similarly, indirect cost associated with meetings, training and record keeping can be addressed as prime costs. By including these costs in the overall budget for the project and making them part of the project specifications, they are taken out of competition.

Pre-Bid meetings with contractors can be used to raise awareness about labour standards, address the conditions of contract and associated specifications, and outline monitoring responsibilities. Potential bidders must be advised that the inclusion of labour standards will be taken into account during bid appraisals and pricing of labour standards must be discussed. Orientation on realistic pricing of labour standards in competitive bids will be essential for avoiding problems during implementation. Two approaches to pricing labour standards may be tried: Inclusion in the Bill of Quantities, but it is to be anticipated that bidders are inexperienced in pricing for labour standards, therefore these can instead be calculated as Prime Cost Sums priced by the engineer. A checklist can be developed and provided of the various items and specifications, and this will help to alleviate difficulties with pricing.

At the pre-bid meetings bidders should also be informed about incentives for compliance and sanctions for non-compliance with labour standards. Ensuring that contractors are aware of the fact that they will not have to pay for standards from their overheads and providing detailed specifications of what is expected of them will be essential in soliciting their support for the promotion of labour standards. Costs must be taken out of competition by including them as prime costs.

After the Award Contract Meeting, training sessions on labour standards for engineers involved in the project should be organized. Supervising Engineers are likely to have considerable responsibility for monitoring. Thus specific training on labour standards, record keeping and what monitoring indicators they should look for is essential. In order to overcome supervising engineers’ resistance to adding labour standards to their technical monitoring role, monitoring of standards can be built into the terms of reference for contract supervision. Contractors need to be informed about what will be monitored so they can brief their site representatives.

It is important to have a robust monitoring system, with clear roles and responsibilities. Workers need to be informed about the rights and benefits they are entitled to. Include clause in the formal contract requiring the contractor to display notices informing workers of the rights and conditions of work as detailed in the contract. Site meetings should include a review of labour standards.

e) Encouraging compliance through verification and monitoring
Many of the emerging methods of assessing compliance with basic labour rights have their limitations. Ironically, the group the group that is best capable of monitoring practices at the workplace is the one that these standards seek to protect: workers and their trade unions.

Existing methods of assessment are under developed with respect to freedom of association and rights to organise and collective bargaining. Since these are fundamental to

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implementation and monitoring of all other labour standards that may be required, it is of crucial importance to develop a methodology for verification of compliance.

There are many ways in which workers can be discouraged, intimidated or prevented from joining or forming a trade union, and these can be difficult to detect. The real acid test is the presence of an independent or free trade union, which is actually permitted to function. Similarly, the really conclusive test on collective bargaining is a collective agreement that is respected. In any case, there are important indicators of respect for the basic rights that are contained in the CLS, and some approaches are briefly discussed here.

Verification of other Labour Standards to do with working conditions such as wages, hours, or health and safety, is a more objective process, and simple mechanisms such as record keeping and checklists can readily be applied. However, there are still a number of important considerations.

In the first place, there is a good deal of confusion regarding terminology. Auditing, inspection and monitoring are three terms used interchangeably to refer to the practice of evaluating compliance with labour standards.

A social audit is undertaken to evaluate working conditions and labour practices and, unlike monitoring, it lasts from a few hours to a few days. A social audit usually involves three related processes:

- The document review
- The site inspection
- Interviews with workers, management and third party stakeholders.

An auditor or team of auditors generally conducts all three. Social auditing does not usually involve continuous monitoring, although there may well be follow up activities.

Monitoring is the ongoing and regular surveillance of a work site by one or more persons. The most important characteristic of monitoring is the requirement of continuous engagement and presence at the work site.

Document review:

The document review is an important part of the social audit, and is mostly used in auditing, employment contracts, payment of wages and working hours.

Here, the first step is to clearly specify to all concerned the type of documentation that will be required. Secondly, the introduction of record keeping at different levels. For example, verification of the use of registered, competent contractors, sub contractors and suppliers. A requirement to maintain complete and up to date records of all those working (age, gender, type of work the person is employed to do, qualifications and relevant experience of the worker, wages received, deductions made and paid out to the competent authorities, hours worked, period employed etc). This information is essential to verify standards such as child labour, bonded labour and equal treatment.

Other documentation should include: The information given to workers regarding the conditions of contract. The right of trade unions and labour representatives to file complaints based on the labour clauses, and if there has been any enforcement of national laws and collective agreements by Ministry of Labour inspectors

Among the documents examined should also be: company policies, including health and safety policies and procedures, records of accidents and diseases, site rules, such as permit to work precautions, collective bargaining agreements, personnel files, payment schedules
and employment records. Records of training and capacity building sessions. Minutes of management committees and meetings, union membership lists. There should be clear disciplinary procedures and records of disciplinary actions. There should also be a clear grievance procedure, through which problems may be addressed and resolved.

Auditors should look for indications of anti union discrimination in employment records to see if workers are treated differently for similar infractions to check for indications that employees may have been fired for reasons of anti union bias. The ILO principles specifically prohibit acts of anti union discrimination in all aspects of the employment relationship, including training opportunities, promotion, transfer, hiring and conditions of work.

This is very difficult to determine from records, particularly in construction, so it is more realistic to determine anti union discrimination through interviews with workers and with management.

**Site inspections**

The site inspection sometimes includes informal discussions with workers and management and lasts a few hours to one or two days. There are announced and unannounced inspections. The ability of the inspector to make skilled observations and judgements concerning the conditions is the key issue of site inspection.

The site inspection is a valuable part of the social audit. It offers auditors the opportunity to observe the working conditions and environment first hand. This is particularly appropriate for auditing health and safety standards. Clear checklists are helpful, as are some open-ended questions regarding work organisation and labour practices.

The inspection should check for clearly posted information regarding hours of work, and rates of pay. The main aspects of association covered by site inspections are the existence of facilities for union management meetings and for the posting of union announcements and material.

In the ILO Cambodia project, auditors are advised to check for provision of basic amenities for workers’ representatives, such as a bulletin board to post information, access to a meeting room, and some basic working materials to enable them to carry out their functions promptly and efficiently. This is going beyond the remit of the Core Conventions, however, as these matters are dealt with in a separate Convention dealing with Workers Representatives.

Observe spaces made available for worker management meetings, and check if workers or their representatives meet with supervisors and management to discuss work organisation, including to raise complaints. Whether meetings take place, how often, how they are conducted. Use of a site inspection to verify whether these standards are respected is very clearly limited, namely provision of facilities and posting of notices, what records are kept on site, agreements and policies and rules really come under documentation.

The main purpose of the site inspection is to check working conditions, living conditions and to carry out a health and safety inspection. There are a number of helpful health and safety checklists available from the ILO. *For example in their publication Making Construction Work Safe*, which covers the standards included in ILO Convention 167 and other key OSH Conventions. There are many other sources available at country level, of reliable health and safety information and inspection checklists for the construction sector.

**Interviews**

The interview process is the most useful part of the audit in the context of respect for trade union freedoms. It consists of interviews and discussions with various parties and offers the
auditor the opportunity to speak with workers and with management. Interviews provide the most direct source of information, and when correctly used can provide detailed and reliable insight into the working conditions, employment and labour practices. With regard to Freedom of Association, interviews should target workers and their union representatives.

**Worker interviews**

The person conducting the interview may suffer from lack of rapport or trust with workers, and the person does need to fully understand Freedom of Association. It’s important to consider this in selecting who does the interview.

The interviewer should check for communication channels between the workers worker and company, good functioning of committees and responsiveness to workers concerns from management. Check on participation in elections, representative’s role. How can workers take up problems and have their concerns addressed? Is there a functioning procedure for grievances and for disciplinary measures?

NB An interview on Freedom of Association, is not designed for checking up on the union per se, for example on union dues, benefits of union membership, or union meetings off site. Therefore, the interview should address questions of discrimination on grounds of union membership; interference in union activities; are workers allowed to join the union? Do they have to get permission from the company? Can they have meetings on site? Can they go and talk to representatives? Such issues will make it quite clear if the union is independent of the company, and therefore free to represent the workers concerns with the employer.

The interview should also include provisions requiring companies to permit inspection at any time of their workplaces and operations by approved inspectors; to maintain records of the name, age, hours worked and wages paid for each worker and making these records available to inspectors upon request; to inform, verbally and in writing, the workers concerned of the provisions of the contract. A whistle blowing protection clause is advisable, requiring the employer or contractor to refrain from disciplinary action, dismissal or otherwise discriminating against any worker for providing information concerning non-compliance with contract clauses.

The interviewer should run through the provisions of the Contract on Labour Clauses and check if they are complied with in practice, in the experience of the workers. All of these points should also be addressed to the trade union representatives on site and off site.

**Management interviews**

Management interviews give the auditor considerable opportunity to check through the labour clauses and to explore the area of Freedom of Association, the right to organise and collective bargaining. The auditor should be encouraged to review the provisions of the contract and the collective bargaining agreement with managers. How are workers able to voice their concerns, and what mechanisms exist for management to respond. How are meetings and cooperation with workers and their representatives organised? Are there works committees, health and safety committees? The interview should check for interference with trade union activities.

**Local community groups and NGOs**

These are unlikely to be knowledgeable about Labour Standards, unless they are specifically set up to support these questions, such as issues of workplace discrimination, women’s rights at work or child labour. They may aim to promote and protect workers rights, or attempt to encourage the workers to organise and support their efforts. Several independent and free trade unions have been born as the result of activities by NGOs. Such sympathetic NGOs or community groups may have information on attempts to deny Freedom of Association or rights to organise and Collective Bargaining.
However, the auditor should check if the NGO is representative in any way of workers interests. Also they should check their attitudes towards Trade Unions. Sadly, there are many disreputable and corrupt NGOs in operation, and some are flatly hostile towards trade unions. In particular NGOs are highly unlikely to actually represent workers on Freedom of Association or Collective Bargaining, so will be of little relevance in this area.

**Monitoring**

Monitoring cannot be done by auditors, since this requires consistent presence or frequent and sustained visits to the site. Workers themselves and their independent unions are needed for that. Monitoring should observe contract management and verification of compliance with specific labour clauses. Suggestions for enforcement of compliance with labour clauses include, firstly, remedial action. Secondly, sanctions, termination of contract, exclusion from future bidding, and monetary penalties for violations.

**Some existing procedures dealing with implementation and monitoring**

Nearly all investment banks rank projects according the risk of violating labour standards which in turn has consequences for the subsequent monitoring of these projects. In the case of OPIC for example labour monitors are sent out for project evaluation in cases of high risk, while in all other cases the technical auditors are instructed to also review labour issues. Similarly, the IFC reviews projects on a case-by-case basis based on the original risk assessment. This approach allows for a more efficient use of resources.

Companies are also required to send in annual reports on their compliance with the environmental and social policy of the relevant institution. In order to meet this requirement, companies are obliged to keep records of wages paid, working hours, accidents and other safety and health issues encountered in the course of the project.

**f) Networking and Future Work**

While observance of ILS is not, as yet, made conditional in lending, the Bank has already committed to promoting ILS in various ways. Promotional activities include the following: training programs and resources for Bank staff and clients; research and operational support on child labour; close collaboration with the ILO, including at the country level through Poverty Reduction Strategy Papers; and an ongoing dialogue with the international trade union movement.

To this end the Bank should continue to develop alliances with other IFIs, donors, and the ILO. Various ILO departments have expertise in this area. These include: Assist, IPEC, EMP-INVEST, Multi National Enterprises, the Department for Sectoral Activities (SECTOR) Egalite, and the International Training College in Turin. The World Bank Institute could have an important contribution to make in the area of capacity building. FIDIC is a key institution, and other professional bodies and training institutions for construction professionals should be considered, and the Construction Industry Contractors Association should be approached.

This report was prepared by Fiona Murie, Director of Safety, Health and Environment at the IFBWW, during a six week secondment to the Bank. The report contains recommendations to enhance ILS in the Bank’s processes and procurement instruments related to working conditions. It offers specific text for WB Standard Bidding Documents and loan agreements, and gives technical guidance on how they may be implemented and verified.

The IFBWW has considerable expertise from their role in Standards setting at the ILO, as well as their Standards related activities in the Construction Industry worldwide. The IFBWW carries out day-to-day activities in capacity building with trade unions and with the industry more broadly, regularly organising tripartite national construction industry conferences and
meetings on ILS. The IFBWW also has a number of Company Framework agreements with large MNEs in the construction sector and in wood processing and furniture making. A model agreement is attached as annexe VIII to this document. These agreements are firmly based on practical implementation of the ILS, and the IFBWW is involved in monitoring these agreements in workplaces around the world. The IFBWW is ready to offer any assistance and cooperation to the Bank to support its efforts to promote compliance with the International Labour Standards.

ad hoc Labour Standards Review Committee
Among priorities for future work from the point of view of the IFBWW, is to encourage the Bank to establish thematic networks and training on ILS for staff, to continue this dialogue, and to thus develop concrete steps to promote implementation of the ILS in their funded projects. This could be facilitated by the establishment of an ad hoc Labour Standards Review Committee, as was suggested in the Terms of Reference of the secondment.

There is a good understanding among Bank staff of the importance and desirability of improving work on Labour Standards. The vulnerability of construction labourers is clearly understood, as is the role of the contract in extending basic legal and social protection to these workers struggling to survive in an extremely informal economy, where exploitative employment and labour practices are the norm.

It was anticipated that the IFBWW would give one lunchtime seminar to present suggested text on the SBDs and the technical guidance on their implementation, which is provided in this document. In the event, there is a good deal of interest in the area, leading to the organisation of three seminars. One seminar, on March 18th, was principally aimed at the Procurement Policy and Services Group of Operations Policy and Country Services. This was sponsored by the Human Development and Social Protection Team, and had the benefit of the active participation of Armando Araujo, Director of Procurement and of Robert Hunja, Procurement Manager. Around 30 participants attended, including colleagues from IFC, and the Director of the Global Unions Federation Washington Office, Peter Bakvist.

Two more seminars were arranged. On March 24th a seminar was organised by the Roads and Infrastructure Department. They already have established a thematic network on social responsibility and are in the process of developing indicators. The other seminar, on the 25th of March was arranged by Corporate Procurement, attracting around 25 participants. It is encouraging to see that there is widespread interest in this area of work among Bank staff, and perhaps an hoc group could be useful to focus on the planning of future work.

Capacity Building and Pilot Projects
Another extremely important area of work that we hope that the Bank will develop in partnership with the IFBWW, is that of country capacity building. It is strongly recommended to develop a three day broad capacity building course on ILS for country procurement and the construction industry.

The current proposal, meantime, is to produce a training module to be piloted in Ghana for subsequent use elsewhere. The proposed format is a power point module covering up to three hours on ILS in procurement of works. This is to be added at the end of the seminar after two and a half days dealing with environmentally responsible procurement generally, not only procurement of works. This is not the most coherent approach.

Such a format rather gives the message that Labour Standards are an afterthought, and may create a perceived imbalance between environment and social issues that is not helpful. Addressing health and safety and HIV AIDS alone would require more than three hours. Furthermore, there is likely to be a mismatch of participants and content, given that the focus of the Labour Standards module will be procurement of works.
In any case it is clear that a three hour module is not going to be effective unless it is given systematic follow up. It might be advisable, therefore, to produce an ad hoc three hour training module or this occasion for use in Ghana, on the understanding that further training will be offered there at a later date. However, a more rigorous training initiative on ILS should be the approach for the future.

The IFBWW would be happy to assist, and, as indicated in the Terms of Reference of the secondment, DFID could also be approached. Very probably the ILO too would be keen to offer their expertise if invited to do so by the Bank.

Areas covered could be:

a) Vulnerability and need for socially responsible procurement of works
b) International Labour Standards which apply to construction
d) The SBDs and Contract documents, what special clauses should be included.
e) Implementation and verification, identification of technical assistance which may be necessary.

The Bank may also wish to consider:

- Mainstreaming elements of this training into other WB training courses, to assist staff in incorporating ILS into projects and the CPAR, the CAS and the PRSP process.
- Producing practical tools, such as checklists, manuals and guidelines
- Linkages with the ILO for further capacity building in construction.

Perhaps the most crucial aspect of this work will be the identification of at least two projects, as proposed in the terms of reference of the secondment, where the work on ILS may be thoroughly developed and evaluated. This could have a highly beneficial multiplier effect. The Bank’s Concept Note for Regional Procurement Advisors and Staff regarding A pilot Project on Improving Labour Standards In Construction is an excellent proposal, and the IFBWW is keen to assist in the development of this work.

In the meantime, the IFBWW has pleasure in submitting this document to the Bank. It contains concrete proposal regarding suggested text to enhance the coverage of International Labour Standards in the Bank’s Standard Bidding Documents and other Contract Documents.

It also offers technical guidance on the most relevant of those Standards in a construction context, which should be incorporated to address very specific needs. It further offers Guidance on how those Standards may be interpreted and implemented in a construction procurement context as well as Guidance on verification of their implementation. The report also offers some recommendations regarding broader policy and implementation strategies.

The IFBWW trusts that this will be a first step in an ongoing partnership to improve living and working conditions for construction workers and their families.
IV. IFBWW Recommendations on text and Labour clauses to enhance ILS in WB Documents

1. Operational Manual
A fundamental step is that Bank adopts a clear policy expressing its commitment to the Core Labour Standards and key Internationally recognised Labour Standards regarding fair wages, hours of work and good health and safety standards. The Bank should therefore introduce a clear policy statement into the Bank’s Operational Policy, Bank Procedures, Good Practice and Operational Directives.

2. IBRD/IDA Procurement Guidelines
Respect for the Core Conventions of the ILO should form a clear and unequivocal part of World Bank Policy, and should be expressed in the Procurement Guidelines. The following text is suggested:

To make an addition to paragraph 2.9 (ii) Prequalification of Bidders, by inserting after the words “and manufacturing facilities” the words: “including compliance with the Core Conventions of the International Labour Organisation.” Or to insert a new a new clause to that effect.

3. World Bank Agreements under IBRD Loans and IDA Credits.
The IFBWW believes that there should be Standard Clauses to be included in Loan Agreements, as well as the inclusion of Labour Clauses to be framed on a case by case basis.. The following text is suggested:

“The Borrower shall:

a) Respect the freely exercised right of workers, without distinction, to organise, to further and defend their interest as well as the protection of those workers who exercise their right to organise.

b) Respect the prohibition of forced or compulsory labour in all its forms.

c) Respect the prohibition of employment of children below 14 (fourteen) years of age or the minimum age for employment permitted by the law of the country where the work is carried out or the age of the end of compulsory schooling in that country, whichever is higher.

d) Respect the prohibition of employment of children under the age of 18 in any occupation or undertaking which might endanger their health, safety or welfare.

e) Ensure the equal remuneration for men and women for work of equal value.

f) Ensure equality of opportunity and treatment in respect of employment and occupation without discrimination on grounds of race, colour, sex, religion, political affiliation, national extraction or social origin.

g) Ensure that the wages of the personnel, their hours of work and the other labour conditions including social security are at least as favourable as those established for work of the same character in the trade or industry concerned in the area where the work is carried out.

h) Ensure good conditions of health, safety and welfare.

Conform to all applicable national laws and regulations.”

Convention 94 Labour Clauses (Public Procurement) Convention.
The following points from the Convention could also be incorporated as Clauses in Loan Agreements. They should certainly be included in National SBDs and Procurement documents with the following suggested wording.:

(Article 2)
“Appropriate measures shall be taken by the competent authority, by advertising specifications or otherwise, to ensure that persons tendering for public contracts are aware of the terms of the clauses.”

(Article 4)
“The laws, regulations or other instrument giving effect to the clauses in public contracts (a) shall:
(i) Be brought to the notice of all persons concerned;
(ii) Define the persons responsible for compliance therewith; and
(iii) Require the posting of notices in conspicuous places at the establishments and workplaces concerned with a view to informing the workers of their conditions of work; and
(b) shall, except where other arrangements are operating to ensure effective enforcement, provide for the maintenance of:
(i) Adequate records of the time worked by, and the wages paid to, the workers concerned; and
(ii) A system of inspection adequate to ensure effective enforcement.”

(Article 5)
1. “Adequate sanctions shall be applied, by the withholding of contracts or otherwise, for failure to observe and apply the provisions of labour clauses in public contracts.
2. Appropriate measures shall be taken, by the withholding of payments under the contract or otherwise, for the purpose of enabling the workers concerned to obtain the wages to which they are entitled.”
4. Recommendations from the IFBWW for text to enhance International Labour Standards in Standard Bidding Documents and in Country Standard Bidding Documents and other Construction Contracts in projects that are funded by the Bank.

Standard Bidding Documents

1. The elimination of all forms of forced and compulsory labour

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<th>World Bank Group Current provision</th>
<th>Recommended new text from IFBWW</th>
<th>Suggested Location and Status of text Part I/ Part II</th>
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| World Bank: NONE. IFC/MIGA: Defined as: “Forced labour” consists of all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty. | **Prohibition of Forced Labour**
- “The contractor shall ensure that there shall be no use of forced or compulsory labour, including bonded or involuntary prison labour, in any form.”
- “Forced or compulsory labour” consists of all work or service not voluntarily performed that is extracted from an individual under threat of force or penalty. SBD Works Part I
- “Workers shall not be required to lodge “deposits” or their identity papers with their employers. (WB-M)” | **Prohibition of Forced Labour** Insert in SBD Works Part I General Conditions

2. The effective abolition of child labour

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<th>Suggested Location and Status of text</th>
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<tr>
<td>World Bank: NONE</td>
<td><strong>Prohibition of Child Labour:</strong> “The Contractor shall”</td>
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ILO Conventions 138 & 182: There shall be no use of child labour. Only workers above the age of 15 years (developing countries may initially set the age at 14) or above the compulsory school-leaving age, whichever is higher, shall be engaged. The minimum age for admission to any type of employment or work which by its nature or the circumstances in which it is carried out is likely to jeopardize the health, safety or morals of young person shall not be less than 18 years.

Other relevant international treaties: UN Convention on the Rights of the Child
### IFC/MIGA: Ban on HCL

“Harmful child labor consists of the employment of children that is economically exploitative, or is likely to be hazardous to, or to interfere with, the child’s education, or to be harmful to the child’s health, or physical, mental, spiritual, moral, or social development.”

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#### 3. Freedom of association and collective bargaining

ILO Conventions 87 & 98: All workers have the right to form trade unions, to join a trade union and to engage in collective bargaining. Other relevant ILS: ILO Convention 135: Workers’ Representatives Convention; ILO Recommendation 143 Workers’ Representatives Recommendation.

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<tr>
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</table>
| None                              | **Trade union membership and collective bargaining:**
|                                   | “The Contractor shall ensure respect for the right of all workers to form or join a trade union of their choice, to organize and to engage in collective bargaining. The Contractor shall recognise Collective Agreements.” SBD Works Part I |
|                                   | “The Contractor shall ensure that workers’ representatives shall not be the object of discrimination and shall have all necessary access to workplaces in order to carry out their representative responsibilities.” |
|                                   | Insert new Labour sub clause 34 in SBD Works Part II Conditions of Particular Application as WB Recommended |

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*Draft Recommendations made by the International Federation of Building and Wood Workers*
Improving Working and Living Conditions in Construction
Addressing Needs Through International Labour Standards in World Bank Procurement

<table>
<thead>
<tr>
<th>Functions (WB –R)</th>
<th>“The Contractor shall provide information to workers’ representatives which is needed for meaningful negotiations on conditions of employment (WB -R)”</th>
</tr>
</thead>
</table>

| 4. The elimination of discrimination with respect to employment and occupation |
| ILO Conventions 100 & 111: Equality of opportunity and treatment with regard to access to employment, training, and working conditions regardless of race, colour, sex, religion, political opinion, nationality, social origin or other distinguishing characteristics shall be provided. |

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<tbody>
<tr>
<td>None</td>
<td>“The Contractor shall ensure equality of opportunity and treatment in respect of employment and occupation, training and working conditions, without discrimination on grounds of race colour, sex, religion, political affiliation, nationality or social origin. The Contractor shall ensure equal remuneration for men and women for work of equal value”. SBD Works Part I</td>
<td>Insert in SBD Works Part I General Conditions</td>
</tr>
</tbody>
</table>

Acceptable Conditions of Work

5. Wages

ILO Convention 94, Article 2: “Contracts…shall include clauses ensuring to the workers concerned wages (including allowances) hours of work and other conditions of labour, which are not less favourable than those established for the work of the same character in the trade or industry concerned …”

ILO conventions: 26 & 131 (minimum wage). (C131 - Minimum Wage Fixing convention (1970); which addresses “the needs of workers and their families, taking into account the general level of wages in the country, the cost of living, social security benefits, and the relative living standards of other social groups” and C95 - Protection of Wages Convention 1949) which stipulates the regular and full payment of wages.
Improving Working and Living Conditions in Construction

Addressing Needs Through International Labour Standards in World Bank Procurement

**SBD Works Part II Sub-clause 34 (WB-R)**

“The Contractor shall pay rates of wages and observe conditions of labor not less favorable than those established for the trade or industry where the work is carried out. In the absence of any rates of wages or conditions of labor so established, the Contractor shall pay rates of wages and observe conditions of labor that are not less favorable than the general level of wages and conditions observed by other employers whose general circumstances in the trade or industry in which the Contractor is engaged are similar”.

“The Contractor shall pay rates of wages and benefits that shall meet at least legal or industry minimum standards and shall always be sufficient to meet basic needs of workers and their families and to provide some discretionary income. Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. Deductions must never lead to an employee receiving less than the minimum wage.” WB-M

“All workers shall be provided with clearly understandable verbal and written information about the conditions in respect of wages before they enter employment and of the particulars of their wages for the pay period concerned each time that they are paid. Wages shall be paid in legal tender in full, on time and directly to the workers concerned. The Contractor shall maintain records of all payments and deductions made.” WB-M

**6. Working hours**

ILO Convention 94, Article 2:

“Contracts…shall include clauses ensuring to the workers concerned wages (including allowances) hours of work and other conditions of labour, which are not less favourable than those established for the work of the same character in the trade or industry concerned … “

C14 - Weekly Rest (Industry) 1921.; C1 - Hours of Work (Industry) 1919, also C47, The Forty Hour Week Convention.

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| SBD of Works: Part I 45.1 states that work should not be carried out at night or on locally recognized days of rest without the consent of the Engineer. | *Hours of Work:*
*Hours of work shall comply with applicable laws, collective agreements, and industry standards. Workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be* | *Hours of Work* Insert additional text in SBD Works Part I General Conditions |
Improving Working and Living Conditions in Construction
Addressing Needs Through International Labour Standards in World Bank Procurement

<table>
<thead>
<tr>
<th>SBD of Works: Part II Sub-clause 34 (WB-R)</th>
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<tbody>
<tr>
<td>“The Contractor shall, in all dealings with his staff and labor, have due regard to all recognized festivals, days of rest, and religious and other customs.”</td>
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<tr>
<td>provided with at least one day off for every 7 day period. Overtime shall be voluntary, shall not be demanded on a regular basis and shall always be compensated at a premium rate. The Contractor shall maintain records of hours worked and payments made. (WB – M)”</td>
</tr>
<tr>
<td>Or upgrade the existing sub clause 34 from Recommended to Mandatory.</td>
</tr>
</tbody>
</table>

7. **Health and safety**

ILO Convention 94, Article 3: “Where appropriate provisions relating to the health, safety and welfare of workers engaged in the execution of contracts are not already applicable in virtue of national laws and regulations, collective agreements or arbitration award, the competent authority shall take adequate measures to ensure fair and reasonable conditions of health, safety and welfare for the workers concerned.”

ILO Convention 167 and Recommendation 175, Safety and Health in Construction (1988)
ILO Convention 162 and Recommendation 172, Asbestos Convention (1986)

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<tr>
<td><strong>General:</strong></td>
<td><strong>Safety Policy:</strong></td>
<td><strong>Safety Policy:</strong></td>
</tr>
<tr>
<td>SBD of Works Part I 8.2 requires contractor to take full responsibility for the adequacy, stability and safety of all Site operations and methods of construction.</td>
<td>“The Contractor shall provide the Engineer with a written Safety Policy and a Project specific Health and Safety Plan before the commencement of work.”</td>
<td>Insert additional clause in SBD Works Part I General Conditions</td>
</tr>
<tr>
<td>SBD of Works Part I 19.1 (a) requires contractor to have full regard for the safety of all persons entitled to be on the site and keep the site in orderly state appropriate to avoidance of danger to such persons.</td>
<td><strong>Health and Safety</strong></td>
<td><strong>Safety officer</strong></td>
</tr>
<tr>
<td><strong>Safety officer:</strong></td>
<td></td>
<td>The Existing Labour sub clause should be upgraded from WB Recommended to WB mandatory.</td>
</tr>
<tr>
<td>Sub-clause 34 (WB-R)</td>
<td>“The Contractor shall ensure that a safe and healthy working environment is provided and that best occupational health and safety practice is promoted. The Contractor shall provide regular information and training to all staff, labourers and persons entitled to be on site regarding the potential hazards to health and safety, and on the measures in place to prevent accidents, injuries and ill health. WB-M”</td>
<td><strong>Reports</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Reports</strong></td>
<td>The Existing Labour sub clause should be upgraded from WB Recommended to WB mandatory.</td>
</tr>
<tr>
<td></td>
<td>“The contractor shall record occupational accidents and occupational diseases, and shall provide</td>
<td>Insert additional sub clauses on Reports, as WB Mandatory.</td>
</tr>
<tr>
<td></td>
<td>Additional text should be introduced</td>
<td><strong>Health and Safety</strong></td>
</tr>
</tbody>
</table>

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issue instructions and shall take protective measures to prevent accidents.”

Reports
Sub-clause 35 (WB-R)
“The Contractor shall maintain such records and make such reports concerning safety, health, and welfare of persons and damage to property as the Engineer may from time to time prescribe.”

“The Contractor shall report to the Engineer details of any accident as soon as possible after its occurrence. In the case of any fatality or serious accident, the Contractor shall in addition, notify the engineer immediately by the quickest available means.”

Insects and Pest Nuisance
Sub-clause 34 (WB-R)
“The Contractor shall at all times take the necessary precautions to protect all staff and labor employed on the Site from insect nuisance, rats, and other pests and reduce the dangers to health and the general nuisance caused by the same. The Contractor shall provide his staff and labor with suitable prophylactics for the prevention of malaria and shall take steps to prevent the formation of stagnant pools of water. He shall comply with all the regulations of the local health authorities in these respects and shall in particular arrange to spray thoroughly with approved insecticide all buildings erected on the Site. Such information to workers and their representatives concerning the recording system. WB-M”

“The contractor shall notify the competent authorities of occupational accidents and occupational diseases, and provide appropriate information to workers and their representatives concerning the notified cases. WB-M”

Immediate danger
“The Contractor shall respect the right of a worker to remove him/herself from danger when s/he has good reason to believe that there is an imminent and serious danger to their safety or health. The worker shall have the duty so to inform their supervisor immediately. (WB-M)”

Safety Committee
“The Contractor shall establish a joint, Management-Worker Health and Safety Committee on all sites with 50 or more workers. (WB – M)”

as a Labour sub clause in SBD Works Part II Conditions of Particular Application as WB – Mandatory

Immediate danger
Additional text should be introduced as a Labour sub clause in SBD Works Part II Conditions of Particular Application as WB – Mandatory

Safety Committee
Additional text should be introduced as a Labour sub clause in SBD Works Part II Conditions of Particular Application as WB Mandatory
treatment shall be carried out at least once a year or as instructed by the Engineer. The Contractor shall warn his staff and labor of the dangers of bilharzia and wild animals.”

**Epidemics**

**Sub-clause 34 (WB-R)**

“In the event of any outbreak of illness or an epidemic nature, the Contractor shall comply with and carry out such regulations, orders, and requirements as may be made by the government or the local medical or sanitary authorities for the purpose of dealing with and overcoming the same.”

### 8. Prevention of HIV AIDS

ILO Code of Practice on HIV AIDS and the World of Work 2001. Art. 5.2 (a): Workplace Policy:

“Employers should consult with workers and their representatives to develop and implement an appropriate policy for their workplace, designed to prevent the spread of infection and protect all workers from discrimination related to HIV AIDS.”

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</table>
| None                              | “The Contractor shall consult with workers and their representatives to develop and implement an appropriate policy for their workplace, designed to prevent the spread of infection and protect all workers from discrimination related to HIV AIDS (WB –M)”  

“The Contractor shall display appropriate health education materials at the Site concerning the dangers and impact of Sexually Transmitted Diseases (STDs) in general and HIV/AIDS in particular. The Contractor shall make condoms freely available to all of the workforce free of charge.” (WB) | Introduce a new Labour sub clause in SBD Works Part II Conditions of Particular Application as WB-Mandatory |

Introduce a new Labour sub clause in SBD Works Part II Conditions of Particular Application as WB-Mandatory
9. **Other (insurance, social security, amenities)**

<table>
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<tr>
<td>SBD of Works: Part I 26. 1 States that the Contractor shall comply with “any National or State Statute, Ordinance, or other Law, or any regulation, or bye-law of any local or other duly constituted authority in relation to the execution and completion of the Work “</td>
<td><strong>Social Security</strong> Contractors shall ensure that that obligations to staff and labour under labour or social security laws and regulations arising from the employment relationship shall be respected, and that such obligations shall not be avoided through the use of labour-only contracting arrangements (WB –M”</td>
<td><strong>Social Security:</strong> Insert new Labour sub clause in SBD Works Part II Conditions of Particular Application as WB-Mandatory</td>
</tr>
</tbody>
</table>

### Accident Insurance

**SBD of Works: Part I 22.1 & 24.1** state that the contractor is to indemnify the employer against losses and claims in respect of death or injury to any person.

**SBD of Works: Part I 24.2** requires contractor to insure against accidents of workers.

**SBD of Works: Part I 25.1** requires the contractor to provide evidence of insurance prior to the start of work and the policies themselves within 84 days.

**SBD of Works: Part I 25.2** states that the insurance should be adequate.

**SBD of Works: Part I 25.3** allows for the Employer to take out insurance if the contractor fails to do so, and recover the cost from the contractor.

### Amenities

**Sub-clause 34 (WB-R)**

**Water**

"The Contractor shall, so far as is reasonably practicable, having regard to local conditions, provide on the Site an adequate supply of drinking and other water for the use of his staff and labour."

**Sub-clause 34 (WB-R)**

**Food stuff**

"The Contractor shall arrange for the provision of a sufficient supply of suitable food at reasonable prices for all his staff, labor, and subcontractors for the purposes of or in connection with the Contract."

**Sub-clause 34 (WB-R)**

### Record keeping

**Record keeping**

"The Contractor shall keep a complete register of all staff and labour, giving their name, age, gender, the class of work the person is employed to carry out, hours worked, wages payments made and any deductions made. This register shall be updated monthly and made available to the Engineer during working hours". SBD Works Part I

**Record keeping**

Insert in SBD Works Part I General Conditions

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**Water:**

"The Contractor shall provide on the Site an adequate supply of clean, safe drinking and other water for the use of his staff and labour. (WB-M)"

**Water:**

Replace the existing sub clause with the suggested new sub clause in SBD Works Part II Conditions of Particular Application, and upgrade to WB-Mandatory

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*Draft Recommendations made by the International Federation of Building and Wood Workers*
### Housing

“Save insofar as the Contract otherwise provides, the Contractor shall provide and maintain such accommodation and amenities as he may consider necessary for all his staff and labor, employed for the purposes of or in connection with the Contract, including all fencing, water supply (both drinking and other purposes), electricity supply, sanitation, cookhouses, fire preventions and firefighting equipment, air conditioning, cookers, refrigerators, furniture, and other requirements in connection with such accommodation or amenities. On completion if the Contract, unless otherwise agreed with the Employer, the temporary camps or housing provided by the Contractor shall be removed and the site reinstated to its original condition, all to the approval of the Engineer.”

### Information for workers

**Draft Recommendations**

“All workers shall be provided with clear verbal and written information explaining the Labour clauses contained in the General Conditions of Contract and the Conditions of Particular Application. In addition, the Contractor shall post notices in conspicuous places at the establishments and workplaces with a view to informing the workers of their conditions of work. WB-M”

**Insert a new clause on information for workers. General Conditions WB-M**
5. **Further suggested Labour Clauses for Smaller Works**

There is no mention of Labour clauses in the Bank’s SBDs for smaller works. The IFBWW recommends that the Bank considers the following relevant Labour clauses from ILO Convention 94 on Public Procurement, and additional Labour Clauses successfully implemented in projects using SBDs for smaller works in Cambodia and in Ghana.

**Information for workers**

To assist with verification of compliance with ILS, the Bank should also include a requirement for contractors to inform workers both in writing and verbally of implementation of labour standards under the contract and require contractors to put in place a formal mechanism for workers or their trade unions to submit complaints.

**Convention 94 Labour Clauses (Public Procurement) Convention.**

ILO Convention 94 on Government Procurement is also of very specific relevance to construction procurement. The aim of Convention 94 is to ensure minimum labour standards in the execution of public contracts through the insertion of appropriate labour clauses. There are a number of useful Labour clauses which should be drawn from this Convention and applied in the Bank’s Loan Agreements, SBDs and other contracts. The following points from the Convention They should certainly be included in National SBDs and Procurement documents with the following suggested wording:

*(Article 2)*

“Appropriate measures shall be taken by the competent authority, by advertising specifications or otherwise, to ensure that persons tendering for public contracts are aware of the terms of the clauses.”

*(Article 4)*

“The laws, regulations or other instrument giving effect to the clauses in public contracts *(a)* shall:

- (iv) Be brought to the notice of all persons concerned;
- (v) Define the persons responsible for compliance therewith; and
- (vi) Require the posting of notices in conspicuous places at the establishments and workplaces concerned with a view to informing the workers of their conditions of work; and

*(b)* shall, except where other arrangements are operating to ensure effective enforcement, provide for the maintenance of:

- (iii) Adequate records of the time worked by, and the wages paid to, the workers concerned; and
- (iv) A system of inspection adequate to ensure effective enforcement.”

*(Article 5)*

1. “Adequate sanctions shall be applied, by the withholding of contracts or otherwise, for failure to observe and apply the provisions of labour clauses in public contracts.
2. Appropriate measures shall be taken, by the withholding of payments under the contract or otherwise, for the purpose of enabling the workers concerned to obtain the wages to which they are entitled.”
V. Labour Clauses from the Provincial and Rural Infrastructure Project in the Kingdom of Cambodia.

(The Kingdom of Cambodia Provincial and Rural Infrastructure Project (PRIP KH P071207) CMB/02/01M/IDA. Funded by the Asian Development Bank) The Main Technical Report July 2003, is available on CD.

This main report of nine Chapters and Annexes together with Appendices and photographs comprises the technical documentation produced by the International Labour Organisation (ILO), for the design and implementation of the Government of Cambodia, Provincial Rural Infrastructure Project (PRIP) through the Ministry of Economy and Finance (MoEF), Ministry of Public Works and Transport (MPW&T) and the Ministry of Rural Development (MRD). The International Labour Organisation Departments involved were: Employment Intensive Investment Branch (EMP/INVEST) and the Recovery and Reconstruction Department (EMP/RECON) and the ILO Office in Phnom Penh.

The ILO was contracted to carry out three components of the PRIP preparation, namely to;

Component 1: Formulate an initial rural infrastructure rehabilitation and maintenance strategy. Assess the overall needs and demand for secondary and tertiary roads in Cambodia by carrying out surveys in representative provinces.

Component 2: Assess the institutional framework for rural roads and transport.

Component 3: Identify in close collaboration with other stakeholders a priority provincial and district rural road network in the project provinces through multiple criteria analysis and design priority provincial and district network, and rehabilitation and maintenance arrangements in the project provinces of Otdar Meanchey, Siem Reap, Preah Vihear and Kampong Thom.

The Works for the PRIP were contracted using the Procurement of Smaller Works documentation. Three additions were made: 1. Labour Clauses; 2. Labour technology choice clauses and 3. HIV AIDS clauses. The Labour clauses are reproduced here:

Respect of basic principles of Labour law

The contractor shall respect the National Labour Legislation and also the International Labour Standards of the International Labour Organisation. In particular the contractor shall in all circumstances respect the basic principles of these standards which are:

(a) The freely exercised right of the concerned workers, without distinction, to organise, to further and to defend their interests as well as the protection of those workers who exercise their right to organise;

(b) Prohibition of forced or compulsory labour in all its forms;

(c) Equal remuneration for men and women for work of equal value

(d) Prohibition of employment of children below the age of 18 years as the minimum age for employment permitted which by its nature could be hazardous to the health and safety of an adolescent

(e) Equality of opportunity and treatment in respect of employment and occupation without discrimination on grounds of race, colour, sex, religion, political opinion, national extraction or social origin.

Decent Work conditions for infrastructure works

Rates of pay; The contractor shall ensure that the wages of its personnel (skilled and
unskilled), their hours or work and the labour conditions are at least as favourable as those established for work of the same character in the construction industry in the area where the work is carried out.

**Engagement of labour:** Priority shall be given by the contractor to hiring locally available labour and where there is a surplus of applicants for such employment the lottery system shall be utilised so as to ensure an equal employment opportunity for men and women. Where local workers are found available in sufficient numbers they shall be recruited from within 5 km of the actual worksite and new workers should be taken on as the project activities move ahead.

**Timeliness of payment:** The contractor shall ensure that wages are paid in legal tender, in full and directly to the workers concerned at least fortnightly (every 2 weeks).

**Default of Payment of wages:** In the event of default in payment in wages to any worker employed on the contract, by the contractor and or his/her subcontractors, and if a claim with satisfactory proof is received by the Government engineer, the Government engineer may make a payment of such a claim out of the monies at any time payable under the contract and the amount so paid shall be deemed payments to the contractor or subcontractor under the contract.

**Payment records:** The contractor shall maintain complete sets of payment records, recording the names, ages and gender of the workers and the amounts paid. Such records shall be submitted together with progress payment claims made under the contract.

**Health and safety:** The contractor is responsible for the health and safety of the workers and should ensure that they have access to safe drinking water during working hours. The contractor shall maintain a government approved First aid Kit and facilities on each construction site and maintain a register of all work related accidents. The contractor shall also be responsible for the evacuation of any injured worker to a hospital as a result of any work related accident.

**Sanitation amenities:** The contractor shall ensure that all of the workforce have access to a sanitary latrine and washing facilities during and immediately after working hours, with separate facilities for men and women and shall provide and maintain latrines in a clean and sanitary condition. The contractor shall also thoroughly disinfect and fill latrine pits, swamps and trenches when no longer required for the works.

**Workers compensation:** The contractor shall provide social security of all of its workers and workers' compensation in the event of any work related accident resulting in injury or death, in accordance with those established in the construction industry for work of the same character in the area in which the work is being carried out.

**Indemnity:** The contractor shall be responsible to protect the public and his/her employees against accident from any cause and shall indemnify the (Government of Cambodia) against any claims for damages for injury to persons or property, and shall take steps to insure against any such claim.

**Information to workers:** All workers shall be provided with information contained in this Labour Clause to this contract and additionally the contractor shall inform the workers of the basis of payment under which they are engaged: that is; whether engaged on a daily wage or on piece work or task work, the expected output for the payment made and whether the worker is engaged as a skilled or unskilled worker.

Ensuring compliance with labour law will require training of the site supervision staff.
Ensuring workday targets are met can be achieved by:

a) Requiring contractors to state the number of workdays their plans will generate in the bidding documents. This data can also be used to help determine the most acceptable bidder, during the post evaluation procedure.

b) Requiring contractors to submit muster payroll sheets every two weeks. This must also be done in a timely fashion, to crosscheck that labourers are paid on time.
VI. Concerning Labour Standards selected in the Ghana Department of Feeder Roads Social Aspects of Construction project, with the Department for International Development

The following appears as standard Special Specifications in DFID and IDA funded rural feeder roads projects. Provisions dealing with provisional sums and other special compensation are italicised.

LABOUR STANDARDS

General

Labour Standards included in this Contract should not be regarded merely as protection for employees but as a way of improving the worker’s welfare and hence their productivity. Labour Standards are included in the Conditions of Contract Part II, Conditions of Particular Application. Specific Bill of Quantities Items cover some of the requirements in respect of Labour Standards, the remainder are deemed to be included as overheads in the Contractor’s general rates.

The Contractor shall fully comply with the following requirements in respect of Labour Standards the majority of which are already in force and embodied in the labour laws of Ghana. References to various laws, statutes, decrees legal instruments and other ordinances are given for information purposes and the Contractor shall ascertain for himself his obligations in respect thereof including those arising from any subsequent legislation. Compliance with this list of Labour Standards shall in no way absolve the Contractor of any of his obligations in respect of any of the labour laws in force in Ghana.

- **Freedom of Association and Collective Bargaining:** The Contractor shall adopt a co-operative attitude towards officers and members of registered trades unions in accordance with the provisions of the Industrial Relations Act, 1965. Section 7 of this Act lends legal force to process of collective bargaining and any collective agreement concluded through that process. The current collective agreement between the Association of Building and Civil Contractors of Ghana (ABCCG) and the Construction and Building Materials Workers Union of TUC (CBMWU) for the period from 1st January 2000 to 31st December 2001 provides for many of the following Labour Standards.

- **Equality of Treatment:** The Contractor shall comply fully with Legal Instrument 632, Labour Relations, 1969. Part VIII provides that males and females shall receive equal pay for equal work. As a requirement of this Contract the Contractor shall afford equal opportunity for women to perform any site task including those of a supervisory nature.

- **Payment of Remuneration:** N.L.C.D. 157, Labour Decree, 1967, Part VII requires that the whole of worker’s remuneration shall be in legal tender. The minimum rates of remuneration for the various groups recognised by the industry are set out in Section 9.8 of the current collective agreement between ABCCG and CBMWU for the period from 1st January 2000 to 31st December 2001. However the rates contained therein were only applicable for the year 2000 and the Contractor shall pay any increases to those minimum rates that may have subsequently been agreed. The Contractor shall ensure that prompt and full payment of remuneration shall be made directly to individual workers.
- **Hours of Work:** Normal working hours as set out in Section 3.3 of the current collective agreement between ABCCG and CBMWU shall not exceed 40 in any week worked from Monday to Friday. Time worked in excess of the normal working hours shall be paid as overtime in accordance with Section 3.5 of that collective agreement which provides that overtime will be paid at the following rates:
  - Monday – Friday: Normal hourly rate x 1.25
  - Saturday: Normal hourly rate x 1.50
  - Sunday: Normal hourly rate x 2.00

- The Labour Regulations, 1969 provide that workers shall be given a rest period of 36 consecutive hours in every 7 days of normal working hours.

- Where work is allocated on a task basis, a task should be capable of being completed by an average worker within an 8-hour working day.

- **Protective Clothing:** The Contractor shall provide protective clothing to all site employees as follows:

  Basic protective clothing for all employees (including supervisors)
  - Steel toe-capped safety boots
  - Overalls
  - Gloves
  - Raincoats for any works in rainy seasons

  Additional protective clothing and equipment for specific tasks
  - Safety helmets for workers engaged in the construction of bridges or box culverts of height 2m and above.
  - Wellington boots, dust masks and safety goggles for concreting works.
  - Dust masks for work in dusty conditions.
  - Wellington boots for work in wet conditions.
  - Ear defenders/plugs for work in noisy conditions.

  The Contractor shall provide the protective clothing and equipment to his employees as soon as practicable during the mobilisation period and in any case no later than 42 days from the Engineer’s instruction to commence the Works.

  Section 5.3 of the collective agreement states that it is an infringement of the spirit and letter of that agreement for an employer to fail to provide necessary protective clothing and equipment. Notwithstanding that similarly it is an infringement of the spirit and letter of that Agreement for an employee having been provided with protective clothing and equipment to fail to use them, the Contractor shall stringently endeavour to ensure that any safety equipment provided for his workforce is effectively utilised.

  The Contractor’s attention is drawn to the fact that different sizes of clothing will be required to meet individual needs and that non-standard sizes e.g. safety boots for women may need advance ordering from suppliers.

  *Separate payment shall be made under the Provisional Sum Items A420.2 and A420.3, Bill No. 1 of the Bills of Quantities “Provide and maintain protective clothing, safety equipment for use by site employees” and “Replacement of protective clothing, safety equipment and first aid kit items” respectively.*
A percentage adjustment on those Provisional Sum Items is included as Item A420.8, Bill No. 1 of the Bills of Quantities.

If, in the opinion of the Engineer, the Contractor has failed to achieve full compliance with the requirements of this Clause, a reduction will be made in the amount payable as a bonus for full compliance with obligations in respect of Labour Standards to be awarded at the discretion of the Engineer under Item A420.9, Bill No. 1 in the Bills of Quantities.

- **Safety:** The Contractor shall nominate and train one employee per lot as safety officer. The Contractor shall establish a safety committee during the mobilisation period comprising the Contractor’s Safety Officer, the Engineer’s Representative and one worker’s representative from each site. The committee shall meet monthly to discuss the promotion of safe working practices, the prevention of accidents and other safety issues and shall report to the monthly progress meetings.

The Contractor shall nominate and train one employee per site to be responsible for first aid. The Contractor shall organise and pay for the first aid training of his nominated employee with the Ghana Red Cross Society (Contact Person, J. Harold Atisu, Coordinator, Resource Development Tel 021 661491 – 3).

Pursuant to the Factories, Offices and Shops Act 1970, Section 28, the Contractor shall provide and place under the charge of the person responsible for first aid a first aid kit at each site. That person shall be responsible for managing the first aid kit and informing the Contractor from time to time of any first aid items that have expired or been consumed. The Contractor shall immediately arrange for the replacement of such items.

The first aid kit shall include:

- Antiseptic Cream
- Bandages
- Cotton Wool
- Crepe Bandages
- Disinfectant
- Eye Rinsing Bath
- Eye Wash
- Gauze
- Gentian Violet
- Hydrogen Peroxide
- Iodine
- Lint
- Measuring Cup
- Plasters
- Safety Pins
- Scissors
- Sterilised Needles
- Surgical Blade
- Surgical Gloves
- Triangular Bandages
- Tweezers
- Washing Bowl & Soap
- Disinfectant
- Measuring Cup
- Tweezers
- Washing Bowl & Soap

Pursuant to Section 5.4 of the collective agreement the Contractor shall provide free medical attention including drugs to his employees and, up to the agreed limits therein, their families.

The Contractor shall establish emergency evacuation procedures to enable rapid response to accidents viz establish prior contact with local clinics, health centres and district hospitals, make prior arrangements for transport, etc.

Separate payment will be made for the provision of a first aid kit and training of a first aider under the Provisional Sum Item A420.5, Bill No. 1 of the Bills of Quantities.

A percentage adjustment on that Provisional Sum Item is included as Item A420.8, Bill No. 1 of the Bills of Quantities.

If, in the opinion of the Engineer, the Contractor has failed to achieve full compliance with the requirements of this Clause, a reduction will be made in the amount payable
as a bonus for full compliance with obligations in respect of Labour Standards to be awarded at the discretion of the Engineer under Item A420.9, Bill No. 1 in the Bills of Quantities.

- **Drinking Water:** The Contractor shall provide, pursuant to the Factories, Offices and Shops Act, 1970, Section 20 an adequate supply of potable water for all employees at each site. Potable water shall comply with WHO standards. A minimum of 10 litres per employee per day is to be provided and a minimum buffer supply of 250 litres is to be maintained at each site irrespective of the number of employees at the site.

  The vessels used to transport and store drinking water shall be manufactured from polythene or similar approved material and shall only be used for those purposes. Such vessels shall be clearly and legibly marked “Drinking Water Only”. The Contractor shall take all necessary steps to preserve the water and vessels from contamination and they shall be emptied, cleaned and sterilised with a solution of chlorine powder on a regular basis at intervals not exceeding twice per week.

  Separate payment will be made for the provision of drinking water under the Provisional Sum Item A420.1, Bill No. 1 of the Bills of Quantities “Provide safe drinking water for site employees including storage facilities (Polytank, etc)”

  A percentage adjustment on that Provisional Sum Item is included as Item A420.8, Bill No. 1 of the Bills of Quantities.

  If, in the opinion of the Engineer, the Contractor has failed to achieve full compliance with the requirements of this Clause, a reduction will be made in the amount payable as a bonus for full compliance with obligations in respect of Labour Standards to be awarded at the discretion of the Engineer under Item A420.9, Bill No. 1 in the Bills of Quantities.

- **Water for Other Purposes:** Pursuant to the Factories, Offices and Shops Act, 1970, Section 16, the Contractor shall provide adequate and suitable washing facilities at each site. The design, construction and location of washing facilities shall be subject to the approval of the Engineer. The Contractor shall provide hand-washing facilities (washing bowl, stand and soap) at each latrine location. The Contractor shall maintain a continual supply of clean water at each washing and hand-washing facility.

- **Latrines:** Pursuant to the Factories, Offices and Shops Act, 1970, Section 19, the Contractor shall construct temporary latrines at each culvert location unless otherwise directed by the Engineer. Separate facilities shall be provided for male and female workers.

  Latrines shall be provided with privacy screens, screened ventilation pipes, covers and airtight slabs or squatting plates that may be readily cleaned so as to reduce any fly-borne nuisance. In formulating their design for temporary latrines Contractors shall take into consideration the economic need to maximise the re-use of materials and the frequency that such facilities will need to be relocated. Contractors shall submit their proposed designs for approval in respect of temporary latrines within 14 days from the date of the Engineer’s instruction to commence the Works pursuant to Clause 41 of the General Conditions of Contract. The location of individual latrine sites shall be as directed by the Engineer.
Latrines construction shall commence as soon as practicable during the mobilisation period and continue from time to time on an “as needs” basis such that adequate facilities are available to the whole workforce.

The Contractor shall ensure that latrines are continuously maintained in a clean and sanitary condition. The Contractor shall provide and maintain hand-washing facilities including adequate supplies of soap and water for hand washing at all latrine sites.

Separate measurement and payment shall be made for providing latrines under the Provisional Sum Item A420.4, Bill No. 1 of the Bills of Quantities “Provide and maintain temporary latrines, relocate as necessary and remove and backfill on completion.

A percentage adjustment on that Provisional Sum Item is included as Item A420.8, Bill No. 1 of the Bills of Quantities.

75% of the cost for providing latrine facilities will become payable upon acceptance and approval by the Engineer of the first pair of latrine facilities. The remaining 25% will become payable upon removal and satisfactory backfilling and reinstatement of the final latrine to be last in use.

If, in the opinion of the Engineer, the Contractor has failed to achieve full compliance with the requirements of this Clause, a reduction will be made in the amount payable as a bonus for full compliance with obligations in respect of Labour Standards to be awarded at the discretion of the Engineer under Item A420.9, Bill No. 1 in the Bills of Quantities.

• **Record Keeping:** The Contractor shall maintain contemporaneous records of all employees engaged under the Contract. Records shall be kept at the site and shall be made available for inspection by the Engineer or any Labour Officer pursuant to L.I. 632, Labour Relations, 1969, Section 19 at any reasonable time. Records are to be maintained from the date of the Engineer’s instruction to commence the Works pursuant to Clause 41 of the General Conditions of Contract.

Contractors shall use the standard forms given in Appendix 1 to keep Employment Records, Daily Records of Hours Worked, Monthly Pay Records and Accident Records.

Contractors shall not engage workers through repeated temporary contracts or apprenticeship schemes to avoid meeting the wages and other benefits given to permanent workers.

Separate measurement and payment shall be made for record keeping under Item A290.3, Bill No. 1 of the Bills of Quantities “Keeping of employment records”.

The unit of measurement shall be the month of adequate record keeping submitted to the Engineer. If, in the opinion of the Engineer, the Contractor has failed to achieve full compliance with the requirements of this Clause, a deduction in the amount for payment will be made against that item in the Bill of Quantities.

The tendered rate shall include for the full costs associated with complying with the requirements of this specification including the provision of stationery, clerical staff and associated office facilities.
Improving Working and Living Conditions in Construction
Addressing Needs Through International Labour Standards in World Bank Procurement

- Employment of Children: N.I.C.D. 157, Labour Decree, 1967, Section 44 proscribes child employment. Section 45 defines a child as a person under the apparent age of 15. Section 46 requires the Contractor to keep a register of young persons employed including their dates of birth or, if unknown, their apparent age. Section 45 provides that young persons under the age of 18 should not work at night.

- Forced Labour: In accordance with the provisions of N.I.C.D. 157, Labour Decree, 1967, Part IX the use of forced labour by the Contractor is prohibited.

HIV/AIDS clauses from Ghana Feeder Roads Project

The Contractor shall display appropriate health education materials at the Site concerning the dangers and impact of Sexually Transmitted Diseases (STDs) in general and HIV/AIDS in particular. Suitable materials are available from the Ministry of Health and the Ghana AIDS Commission. The Contractor shall also facilitate local Ministry of Health staff to conduct awareness and consultation visits to each site at least every four months for the benefit of site staff and labour.

The Contractor shall throughout the Contract (including the Defects Liability Period if workers are on site) also facilitate local Ministry of Health staff to operate an STD clinic on site periodically or make arrangements for workers to visit suitable local clinics.

All the above provisions shall be provided free of charge to staff and labour.

The Contractor shall make condoms freely available to all of the workforce free of charge. No separate measurement and payment shall be made for the provision of condoms the costs of which shall be deemed to have been covered elsewhere in the Contractors rates and prices.

Separate payment for the education of workers and local communities in STDs and HIV/AIDS awareness shall be made under the Provisional Sum Item A420.6, Bill No.1 of the Bills of Quantities “Provide assistance to and facilitate site visits by MOH personnel to educate workers and local communities in STDs HIV/AIDS awareness and consultation meetings”

A percentage adjustment on that Provisional Sum Item is included as Item A420.8, Bill No. 1 of the Bills of Quantities.

If, in the opinion of the Engineer, the Contractor has failed to achieve full compliance with the requirements of this Clause, a reduction will be made in the amount payable as a bonus for full compliance with obligations in respect of Labour Standards to be awarded at the discretion of the Engineer under Item A420.9, Bill No. 1 in the Bills of Quantities.
APPENDIX

The Contractor shall record the particulars of each employee on an Employee Record Card as follows:

<table>
<thead>
<tr>
<th>EMPLOYEE RECORD CARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Name:</td>
</tr>
<tr>
<td>Employee Work Reference N°:</td>
</tr>
<tr>
<td>Date of Birth:</td>
</tr>
<tr>
<td>Age:</td>
</tr>
<tr>
<td>Social Security Number:</td>
</tr>
<tr>
<td>Home Town:</td>
</tr>
<tr>
<td>Address / House Number:</td>
</tr>
<tr>
<td>Previous Employment:</td>
</tr>
<tr>
<td>Date of Employment:</td>
</tr>
<tr>
<td>Membership of Union:</td>
</tr>
</tbody>
</table>
## Daily Record of Hours Worked

**Contract Name:**

**Name of Contractor:**

**Date:**

<table>
<thead>
<tr>
<th>Employee's Name</th>
<th>Sex</th>
<th>Casual / Permanent</th>
<th>Absent / Present</th>
<th>Reason for Absence</th>
<th>Start Time</th>
<th>Close Time</th>
<th>Overtime Hours</th>
<th>Work Done</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

## Monthly Record of Payment

**Contract Name:**

**Name of Contractor:**

**Month:**

**Year:**

<table>
<thead>
<tr>
<th>Employee's Name</th>
<th>Sex</th>
<th>Class of Employment</th>
<th>Basic Pay</th>
<th>Overtime Pay</th>
<th>Gross Pay</th>
<th>Social Security</th>
<th>Tax</th>
<th>TUC Dues</th>
<th>Net Pay</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

## Accident Record

**Contract Name:**

**Name of Contractor:**

<table>
<thead>
<tr>
<th>Month</th>
<th>Accident Number</th>
<th>Date / Time</th>
<th>Name of Employee</th>
<th>Accident Type</th>
<th>Injuries Sustained</th>
<th>Damage to Property, etc.</th>
<th>Measures Taken</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
VII. Documents studied

*Standard Bidding Documents, Procurement of Works*
The World Bank, January 1995
NB Regrettably, the IFBWW was not given sight of the latest draft SBDs currently under review by the Bank.

*Guidelines, Procurement under IBRD Loans and IDA Credits*
The World Bank; January 1995

*Revised CPAR Procedures*
World Bank, /IFC/MIGA May 23 2002

*Bank Financed Procurement Manual*

*World Bank Operations Manual Incorporation of Social Dimensions in Bank Operations*
The World Bank 7th January 1997 Bank Policies

*Report on Labour Standards and Socially Responsible Procurement Final Report*
18 October 2002 Barbara Oegg for the World Bank.

*Putting social and ‘green’ responsibility on the corporate agenda “World Bank chief says corporate responsibility is key to sustainable development - and good business”*

*Implementing Labour Standards In Construction A Sourcebook*
Sarah Ladbury, Andrew Cotton and Mary Jennings, DFID. Published by WEDC, Loughborough University 2003.
This excellent resource book can be downloaded: www.lboro.ac.uk/wedc/publications/ilsic.htm

*Employment-Intensive Infrastructure Programmes: Capacity Building for Contracting in the Construction Sector, Guidelines*
International Labour Organisation, 1999

*Ghana Poverty Reduction Strategy*

*Ghana Country Procurement Assessment Report*

*Ghana Country Procurement Assessment Report 2003 Annexe 9 Labour Clauses in public contracts in Ghana recent experience in the roads sector, reviewed by the ILO.*
International Labour Organisation, 2003

*Kingdom of Cambodia Provincial and Rural Infrastructure Project (PRIP KH P071207) CMB/02/01M/IDA. Main Technical Report*

*From Workfare to Fair Work, The Contribution of Public Works and other Labour-based Infrastructure Programmes to Poverty Alleviation*
S Devereux, ILO, November 2002

*Investing in Every Child, an economic study of the costs and benefits of the elimination of child labour.*
IPEC Programme, ILO December 2003

*Good Practice Note Addressing Child Labour In the workplace and supply chain.*
IFC 2002


Good Jobs Wanted: Labor Markets in Latin America Inter-American Development Bank (IADB) IPES 2004


Monitoring International Labour Standards: Techniques and Sources of Information. Center for Education, Policy and Global Affairs. Published by The National Academies Press, 2004

Industry as a Partner for Sustainable Development – Consulting Engineering FIDIC, Sustainability profile of the Consulting Engineering Industry, financed by UNEP.

UNEP Industry and Environment Volume 26 No 2 – 3 Sustainable building and construction: September 2003:
- Sustainable building and construction - facts and figures
- Realizing the sector’s potential for contributing to sustainable development Wim Bakens
- Drivers for sustainable construction - by the Sustainable Development Task Force
- The role of policies in promoting sustainable practices - by Ronald Rovers
- Social aspects of sustainable construction: an ILO perspective - by Jill Wells

Corporate social responsibility: Myth or reality? ILO Labour Education No. 130, April 2003:
- Corporate social responsibility: Challenges and opportunities for trade unionists. Dwight W. Justice, ICFTU
- The social responsibilities of business and workers’ rights. Guy Ryder, ICFTU
- OECD Guidelines – one tool for corporate social accountability. John Evans
- Social auditing, freedom of association and the right to collective bargaining, by Philip Hunter and Michael Urminsky


An online list of current global framework agreements, with onward hyperlinks, is maintained by the International Confederation of Free Trade Unions: http://www.icftu.org/displaydocument.asp?Index=991216332&Language=EN
XI. Model Framework Agreement

Framework agreement

Signed between THE COMPANY and the International Federation of Building and Wood Workers, IFBWW, to promote and protect worker’s rights

Acknowledging the fundamental principles of human rights as defined in the Universal Declaration of Human Rights,

Acknowledging the ILO Declaration on Fundamental Principles and Rights at Work,

Acknowledging the ILO Conventions in force,

Acknowledging the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy,

Acknowledging the OECD Guidelines for Multinational Enterprises,

Recognising that sustainable development in its three dimensions – economic, social and environmental - is in the interests of the company and the workers of the wood and construction industry,

Recognising the need for open and democratic industrial relations and to develop fair collective bargaining procedures with representative national trade unions,

Recognising that corruption, bribery and unfair anti-competitive actions distort markets and hamper economic, social and democratic development,

The COMPANY commits itself to work to achieve social justice and sustainable development in its activities and in the undertakings entered into with its trading partners, subcontractors and suppliers.

In this spirit the COMPANY and the IFBWW shall work together to verify the effective application of the following social criteria in all the activities and undertakings entered into by the COMPANY.

Employment is freely chosen
It is prohibited to make direct or indirect use of forced labour, including bonded labour and involuntary prison labour. (ILO Conventions 29 and 105).

There is no discrimination in employment
All workers, whatever their workplace, shall have equality of opportunity and treatment regardless of their ethnic origin, colour, gender, religion, political opinion, nationality, social origin or other distinguishing characteristics. Workers shall receive equal pay for work of equal value. (ILO Conventions 100 and 111) Migrant and posted employees must be ensured at least the same rights and conditions as the national workforce working in the company.

Child labour is not used
It is prohibited to use child labour in any form whatsoever. Only workers above the age of 15 years, or over the compulsory school-leaving age if higher, shall be employed (ILO Convention 138). In view of their age, children under the age of 18 shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children. (ILO Convention 182).

Freedom of association and the right to collective bargaining are respected
All workers shall have the right to form and join trade unions and to bargain collectively (ILO Conventions 87 and 98).
The COMPANY shall adopt a positive view of trade unions’ activities and an open attitude to their organising activities. To this end, and according to the OECD’s guiding principles for multinational enterprises, the COMPANY shall work to develop bargaining in its subsidiaries and in the occupational sectors concerned in order to reach agreements on employment conditions.

The COMPANY therefore undertakes not to oppose efforts to unionise its employees and guarantees that workers’ representatives shall not be discriminated against and shall have access to all workplaces to the extent that this is necessary to enable them to carry out their representation functions (ILO Convention 135 and Recommendation 143).

Living wages are paid
Workers shall be paid wages and benefits for a standard working week that are at least as favourable as those established by current national legislation or agreements, for work of the same nature in the trade or industry concerned in the area where the work is carried out. The COMPANY undertakes to pay living wages to all its wage earners. No worker shall be paid less than the legal minimum wage.

Deductions from wages, unless permitted under national law, shall not be made in any circumstance without the express permission of the worker concerned. All workers must be provided with clear verbal and written information about wage conditions in their language of origin. Every employee may receive trade union assistance in the event of a labour dispute.

Working hours are not excessive
Working hours shall comply with appropriate national legislation, national agreements and industry standards. Overtime shall be done voluntarily, shall not be demanded on a regular basis and shall always be remunerated at a premium rate. Children aged below 18 years shall be exempt from doing overtime. All workers shall be given a minimum of one weekly rest period.

Working conditions are decent
A safe and healthy working environment shall be provided (ILO Conventions 155 and 167). Best occupational health and safety practice shall be followed and shall be in compliance with the ILO Guidelines for Occupational Health Management Systems. All workers shall be given training on occupational hazards and shall have means of preventing them.

Skills training
All workers shall have the opportunity to participate in education and training programmes including training to improve workers’ level of skills so that they can use new technology and equipment. Whenever possible, the COMPANY shall work to develop workers’ training with a view to improving their level of skills and ensuring that they gain promotion.

Health and living conditions
The COMPANY undertakes to raise awareness of the HIV/AIDS problem and of the prevention programme in compliance with the ILO HIV/AIDS code of practice.

When employees are offered living accommodation, this shall be planned, built and maintained so as to provide decent housing conditions for themselves and their families.

The employment relationship is established
Employers’ obligations to employees under labour and social security laws and regulations arising from the regular employment relationship must be respected.

Transparency and information
The workers shall be given reliable and relevant information on the activities, structures and results of the COMPANY.

The annual review of the present agreement may be incorporated in the COMPANY annual report with the consent of both parties.
Implementation and follow-up of the agreement

The COMPANY considers the respect for workers’ rights to be a crucial element in sustainable development and will therefore seek to use only the services of those trading partners, subcontractors and suppliers which recognise and implement the criteria listed above.

The chief executive of each operating unit must conduct a review of the implementation of this agreement at least once a year. This review shall be communicated to the personnel in an appropriate way and the workers’ representatives shall be consulted about its content.

The COMPANY will provide information concerning this agreement in both written and verbal form at all work sites.

In order to achieve the objectives and fulfil the commitments specified in this document, the COMPANY and a reference group consisting of representatives of the management and the signatory international federation shall initiate a follow-up dialogue and shall meet at least twice a year, or whenever necessary, to examine implementation of this agreement.

The international federation, in collaboration with the national organisations, shall have access to all the facilities and plants in the group. They shall be allowed to freely meet the workers and the workers’ representatives to verify the implementation of this agreement. The COMPANY shall make available to the international federation the resources needed for this mission.

If a serious breach of the agreement should be brought to the attention of either party, a mission set up by the reference group shall be sent to the site concerned, at the expense of the COMPANY.

Both parties agree that any difference arising from the interpretation or implementation of this agreement will be examined jointly, for the purpose of making recommendations to the parties concerned.

The present accord may be revised at the request of one of the parties no later than two years after it has been signed.

Signatures

Date and place

The COMPANY

The signatory international trade union federation