

Factsheet: Proposed¹ Environmental and Social Standard 2:

Labor and Working Conditions

What is the proposed ESS 2 about?

Jobs are at the core of development. The development benefits of any World Bank-financed projects are enhanced if project workers operate in safe and healthy working conditions. Many international development partners have recognized this and provided for explicit protections of workers. The World Bank has learned from these international partners and is now proposing a Standard dedicated to the protection of workers in Bank projects. The proposed ESS2 is derived from provisions of other Multilateral Banks, and reflects the public sector nature of the World Bank's portfolio. ESS2 would apply to project workers, including direct workers, contracted workers, primary supply workers and workers in community labor.

Under the proposed ESS 2, child labor and forced labor would be prohibited. Borrowers would be required to ensure that projects workers will have clear and understandable information about the terms of condition of their employment. They would be paid regularly. If workers are terminated, they would receive notice and are eligible for severance pay. Borrowers would apply non-discrimination principle when they hire project workers. The proposed ESS 2 would provide for a grievance mechanism through which all project workers can raise workplace concerns.

Under the proposed World Bank Environmental and Social Policy for Investment Project Financing, the World Bank's responsibilities would include reviewing the assessments conducted by the Borrower; assisting the Borrower in developing measures and actions required for the project to comply with ESS2; and agreeing with the Borrower on the measure and actions they would take in the Environmental and Social Commitment Plan (ESCP). Throughout implementation, the World Bank would monitor the environmental and social performance and provide support and capacity building, as needed, in accordance with the legal agreement, including the ESCP.

What's new?

- **Prohibition of child labor and forced labor:** The proposed ESS2 would require Borrowers to avoid child labor and forced labor.
- **Promotion of fair treatment, non-discrimination, and equal opportunity:** The employment of project workers is proposed to be based on the principle of equal opportunity and fair treatment, and there shall be no discrimination with respect to any aspects of the employment relations, such as recruitment and hiring, compensation, working conditions and terms of employment.
- **Requirement for a grievance mechanism:** Under the proposed ESS2, all project workers would have the possibility to raise workplace concerns. The proposed ESS 2 would require to set up a grievance mechanism that addresses any complaints promptly and transparently.
- **Compliance with national law on workers' organizations:** Almost all countries have ratified requirements set forth by the International Labor Organization (ILO) related to freedom of

¹ The content of the proposed Standard is for consultation purposes. It has not been endorsed by the Executive Directors of IBRD/IDA. The Board of Executive Directors will make the final decision on the content.

To review the proposed framework, including the full text of all ten standards, and provide feedback, please visit <http://consultations.worldbank.org/consultation/review-and-update-world-bank-safeguard-policies>

association and the right to collective bargaining. Borrowers would be expected to meet these commitments in a World Bank-financed project under the proposed framework.

What stays the same?

- The proposed ESS 2 is new, but builds on the existing commitments of Borrower countries to international labor laws and conventions.
- The proposed ESS2 would reflect (and expand on) the World Bank's existing [Environmental Health & Safety Guidelines](#), which set out general and industry-specific guidelines on occupational health and safety.