

**Labor Management Procedures**

**Pakistan Goes Global: An Initiative for a Global and Technology Driven Pakistan**

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**Acronyms**

|  |  |
| --- | --- |
| BBRI | Better Business Regulation Initiative |
| BOI | Board of Investment |
| BPS | Basic Pay Scale |
| CNIC | Computerized National Identity Card |
| DD-CTG | Deputy Director-Commerce and Trade Group |
| ESS | Environmental and Social Standards |
| FPSC | Federal Public Services Commission |
| GN | Guidance Note |
| LMP | Labor Management Procedure |
| MoC | Ministry of Commerce |
| MOPHRD | Ministry of Overseas Pakistanis and Human Resource Development |
| MP | Management Position |
| PGG Board | Pakistan Goes Global Board |
| OHS | Occupational Health and Safety |
| PPRA | Public Procurement Regulatory Authority |
| TDAP | Trade Development Authority of Pakistan |
| TPW | Trade Policy Wing |

# Introduction

This document constitutes the Labor Management Procedures (LMP) for the Pakistan Goes Global (PGG) project, being prepared by the Government of Pakistan in collaboration with the World Bank.

The overall objective of PGG is to improve the enabling environment for exports and strengthen export promotion. The project has two main components: 1) Investing in the enabling environment for export; and 2) Investing in export promotion infrastructure. Each of these will contribute to strengthen trade and investment competitiveness in Pakistan, by upgrading the institutional set up for export promotion and modernizing the associated infrastructure. Component 3, the Contingent Emergency Response Component (CERC), invests in the provision of immediate response to an Eligible Crisis or Emergency. This component is included to allow the flexibility to respond to the dynamics of the Covid-19 pandemic and its economic impact on the export sector, as it evolves during the life of the Project. Relevant provisions of the LMP will apply to CERC.

## Overview of Existing Labor in the Implementing Agencies

The existing sanctioned posts in the concerned ministries/departments are given in the Table 1.1 below. Please note this is not the number of staff that will be implementing the Project; that number is provided in Table 1.2 below.

Table 1.1: Staff Strength

|  |  |  |
| --- | --- | --- |
| Ministry/Department | Sanctioned strength for officers (BPS-17 to 22) | Sanctioned strength for support staff (BPS-1 to 16) |
| Ministry of Commerce (MoC) | 93 | 372 |
| Board of Investment (BOI) | 56 | 229 |
| Trade Development Authority of Pakistan (TDAP) | 180 | 916 |
| National Tariff Commission | 29 (additional 10 persons on contract) | 70 |

As per the ESS2 – Labor and Working Conditions, the following definitions apply:

***Project Workers***: These are people employed or engaged directly by the project, to work specifically in relation to the project (also known as direct workers); contracted workers engaged through third parties to perform work related to core functions of the project (known as contracted workers); people employed by primary suppliers (primary supply workers); or those providing community labor (community labor workers). For this project, the first two categories will be important.

***Number of Project Workers***: The exact number of project workers to be engaged in relation to the Project is presently not known. Preliminary discussions indicate that the MoC will be recruiting at least one E&S Specialist, one communications specialist, 5 economists and 10 research assistants, while the proposed PGG Board will be hiring 4 researchers. This information is reproduced in the table below and will be updated as staff plans are finalized.

Table 1.2: Number of Project Workers

| Components | Key Activities | Key Institution(s) | Number of Workers |
| --- | --- | --- | --- |
| Component 1: Investing in the Enabling Environment for Exporting | Establishment of a PGG Board; establishment of a monitoring and evaluation (M&E) platform for trade public support interventions; one-stop shop for business licensing and registration in Pakistan; strengthening the Trade Policy Wing (TPW) in MOC and the National Tariff Commission (NTC). | MOC, NTC | 5 Economists  10 Research Assistants  1 E&S Specialist  1 Communications Specialist  (MOC estimate for Project Management Unit)  4 new staff and researchers in PGG Board |
| Component 2: Investing in export promotion infrastructure | Country branding campaign; modernizing trade diplomacy; design and rollout of an export intelligence platform; support to trade fairs and exhibitions, including virtual events | MOC, BOI, TDAP | 2 E&S Focal Persons in BOI and TDAP (existing staff with additional responsibility) |
| Component 3: Contingent Emergency Response Component (CERC) | TBD |  | TBD |

***Timing of Labor Requirements***: The project will run over a period of 5 years. The first year will mainly consist of policy and planning activities, and primarily senior personnel will be engaged. As activities begin to be rolled out in the second year and beyond, more staff will be involved, particularly in M&E of trade and investment support schemes, management of the Better Business Regulation Initiative (BBRI), and business development services. The bulk of project activities will proceed from Islamabad, but export promotion activities will be centred in Karachi.

***Characteristics of Project Workers***: Most of the people who will be working on the project as of now are civil servants, whose employment is governed by the Civil Servants Act 1973. ESS 2 is not applicable to civil servants with the exception of provisions relating to child and forced labor and occupational health and safety. Recruitment to the civil service is through a competitive process, which does not allow for child or forced labor to exist. As per rules of the Federal Public Services Commission (FPSC), the government body that oversees recruitment to the civil service, the minimum age for recruitment is 21, and as such restrictions on child labor cannot be violated.

***Contracted Workers***: Project implementation arrangements in the three implementing agencies, including the MOC, BOI and TDAP, will include hiring of consultants in addition to using regular government officials. The MOC will be the focal point for all implementation activities and will oversee the program implementation as a whole. In addition, other contractual workers may be hired as project implementation proceeds. Consultants will be hired using standard government procedures, involving advertisements, tests and interviews supervised by the FPSC, or by other means as specified by departments according to rules and procedures.

***Primary Supply/Community Labor and Migrant Workers***: The project will not involve any physical infrastructure or works except for minor refurbishment of existing government offices[[1]](#footnote-2), but will include the acquisition of IT equipment and possibly software. However, these materials are unlikely to be supplied on an ongoing basis. As such, the project is unlikely to have a steady stream of primary supply workers. Similarly there are no community infrastructure works in the project, so no community labor is involved. Also, no migrant workers will be employed in the project.

The proposed E&S Specialist, with assistance from the E&S Focal Points, will be responsible for monitoring the provisions of national labor law and WB standards related to labor and occupational health and safety.

# Assessment of Key Potential Labor Risks

***Project activities***: The key activities of the project are listed below.

* Establishment of Project Management Unit and Shared Services Unit
* Establishment and operation of the PGG Board;
* Constitution of an M&E evaluation platform for trade related interventions;
* Implementation of the Better Business Regulation Initiative (BBRI) – a one stop shop for business licensing and regulation;
* Strengthening of TPW and NTC;
* Implementation of a country branding campaign;
* Revamping the role of Trade Officers and modernization of Pakistan’s trade diplomacy;
* Design and rollout of an export intelligence platform.

***Key Labor Risks:*** The project consists mainly of policy implementation. As such there are no risks to labor. The project activities do not require hazardous work, or use of child or migrant labor, and there is no risk of labor influx due to project activities. Occupational health and safety requirements will be overseen through relevant legislation as detailed in the next section.

# Brief Overview Of Labor Legislation: Terms And Conditions

For the purpose of this project we are assuming that two categories of workers would be employed on the project: civil servants and consultants (on long or short term contracts). The term consultants here also refers to all contract employees, whether they are hired on short or long term contracts. Regular civil servants are governed by the Civil Services Act 1973. Contract employees are governed by the terms of their respective contracts as drawn up by the departments in question. Organizations such as TDAP hire contract employees under provisions of Section 8 of the TDAP Act of 2013.

***Civil Services Act 1973***: The law governing the service matters of the federal government employees is the Civil Services Act 1973. Under this Act, a civil servant is defined as, “ …a person who is a member of an All­ Pakistan Service or of a civil service of the Federation, or who holds a civil post in connection with the affairs of the Federation, including any such post connected with defence…”

The Civil Services Act 1973 covers areas such as terms of employment, appointments, probation, confirmation of service, seniority, promotion, postings and transfers, termination of service, retirement, post retirement employment, conduct, discipline, pay and other monetary benefits, leave and pensions. Within this law, one of the most relevant sections for this project is section 11A; which deals with the absorption of civil servants rendered surplus as a result of reorganisation or abolition of a division or a department.

|  |
| --- |
| *Section 11A. Absorption of civil servants rendered surplus.— Notwithstanding anything contained in this Act. the rules, agreement, contract or the terms and conditions of service, a civil servant who is rendered surplus as a result of re­organization or abolition of a Division, department, office or abolition of a post in pursuance of any Government decision may be appointed in a post, carrying basic pay scale equal to the post held by him before such appointment, if he possesses the qualifications and fulfils other conditions applicable to that post.* |

While civil servants of BPS-17 and above are typically posted in various departments, and can be accommodated if posts or departments are abolished, accommodating support staff (BPS-16 and below) can be more difficult as these appointments are normally department specific. Nevertheless, the same rules apply, and staff of BPS-1 to 16 who are rendered surplus are also entitled to be appointed to an alternative equivalent post.

***Contractual staff***: The government can hire consultants/sector experts to help improve its functioning, and help plug gaps in technical expertise within departments. The contracts of employment of such staff are governed under the specified terms. Top cadre contractual staff are normally hired according to the Management Position (MP) scales, which are generally equivalent in terms of seniority to officers in BPS 20 to 22.[[2]](#footnote-3) MP contracts are normally issued for a period of up to two years, and include medical cover and gratuity. Consultants can also be hired through other arrangements, as specified by the department. Contracts can be terminated by either side per the terms of notice period mentioned in the Contract, which is commonly one month.

# Brief Overview Of Labor Legislation: Occupational Health And Safety (OHS)

Labor is a provincial subject in Pakistan, with provincial Departments of Labor mainly responsible for implementing health and safety regulations. At the federal level, labor related issues are handled by the Ministry of Overseas Pakistanis and Human Resource Development (MOPHRD).

The last labor policy approved by the Cabinet was in 2010, prior to the devolution of labor regulation to the provinces. The Labor Policy of 2010 recommends creation of a Tripartite Council on Health and Safety to identify health and safety hazards for workers of all economic sectors, and to make recommendations for safety measures on a continuous basis. However, the policy remained largely unimplemented, mainly as federal structures dealing with labor issues were dismantled. The federal government did, however, develop a model OHS law for the provinces to adapt and enact. Subsequently, the Sindh Government passed an Occupational Safety and Health Act in 2017, and more recently the Government of Punjab has also passed The Punjab Occupational Safety and Health Act 2019. However, the model law is yet to be enacted by the Federal Government itself.

In the absence of a legislative framework at the federal level, the ESS2 provides standards and guidance for the government regarding issues pertaining to OHS which are to be tailored as per the context and the requirements of the project. ESS 2, paragraph 25 states that, “The OHS measures will be designed and implemented to address: (a) identification of potential hazards to project workers, particularly those that may be life-threatening; (b) provision of preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances; (c) training of project workers and maintenance of training records; (d) documentation and reporting of occupational accidents, diseases and incidents; (e) emergency prevention and preparedness and response arrangements to emergency situations; and (f) remedies for adverse impacts such as occupational injuries, deaths, disability and disease.”

For the purpose of the proposed programme, GN 25.1 of ESS 2 is one of the most relevant sections of the guidance note. This deals with environment and working conditions. (for example, working at heights or in confined spaces, excessive hours of work, night work, mental or physical factors, oxygen- deficient environments, excessive temperatures, improper ventilation, poor lighting, faulty electrical systems or trenches). As per the guidance note, the OHS measures would include the identification of potential hazards and responses including design, testing, choice, substitution, installation, arrangement, organization, use, and maintenance of workplaces, working environment, and work processes to eliminate sources of risk or minimize project workers’ exposure.

Furthermore, GN 25.3 deals with risks specific to female workers. It recommends that women be included in the OHS committee, to help design policies and practices keeping in view the needs of female project workers. In addition, GN 25.5 underscores the need for the project workers and the community to understand the roles and responsibilities, in case of an emergency. It further, places emphasis on the need for communication with other parties which are involved in the prevention, preparedness and response to any emergency situation for example, local authorities and services, so that they understand their roles and responsibilities and can identify and mobilize the resources that may be required.

ESS2, paragraph 27 calls for setting up a process for “..project workers to report work situations that they believe are not safe or healthy, and to remove themselves from a work situation which they have reasonable justification to believe presents an imminent and serious danger to their life or health. Project workers who remove themselves from such situations will not be required to return to work until necessary remedial action to correct the situation has been taken. Project workers will not be retaliated against or otherwise subject to reprisal or negative action for such reporting or removal.”

ESS2, paragraph 28 states that “Project workers will be provided with facilities appropriate to the circumstances of their work, including access to canteens, hygiene facilities, and appropriate areas for rest….” Guidance Note 28.3 elaborates the ESS2, paragraph 28 and states that, “Services provided to project workers (for example, canteen facilities, nursing facilities, or a camp store on a construction site), whether directly or through a contractor, are provided in a non-discriminatory manner, and comply with national law and EHSGs, particularly in relation to quality, security, and safety. Where there are charges to project workers for such services, these should be reasonable with reference to local market prices and, unless the context of the project makes it necessary, project workers are not required to use the services.”

While the government has yet to enact legislation on OHS per se, there are some laws on the statute books which deal with OHS through specific clauses. Some of these include: Mines Act 1923, Factories Act 1934 and Petroleum Act 1934, Shops and Establishment Ordinance, 1969, The Employment of Children Act 1991, Dock Labourer’s Act 1934, Dock Workers (Regulation Of Employment) Act 1974 and Road Transport Workers Ordinance, 1961. However, these acts are generally sector specific, and don’t apply to the categories of workers who would be part of this project.

COVID-19 specific Standard Operating Procedures (SOPs) shall be developed within three months of establishment of the PMU and adopted for workplace safety; delivery of trainings/capacity building sessions on health and safety for the PMU/SSU will be done within three months of E&S staff hiring.

# Responsible Staff

Project implementation entities, most notably the MOC, will hold prime responsibility for:

* + engagement and management of project workers
  + engagement and management of contractors/subcontractors
  + occupational health and safety (OHS)
  + training of workers
  + addressing worker grievances

However, to the extent that most project workers are likely to be public servants, the service rules of the federal government will continue to be applicable to them, as will paragraphs 17-20 (Protecting the Work Force) and paragraphs 24-30 (Occupational Health and Safety) of ESS2. They will continue to use inter-departmental grievance redress systems, and the offices of the Federal Public Services Tribunal after exhausting departmental remedies.

## Policies And Procedures

This project does not carry the risk of forced labor, or of child labor being employed. Neither does it entail significant safety risks.

## Age Of Employment

The bulk of project staff would be civil servants for whom the minimum age of recruitment is 21 years. The contractual staff would mostly be experts in their field, who would be required to have a significant number of years of experience in their respective fields and are unlikely to be underage. In any event, all new applicants would be required to provide evidence of educational qualifications, as well as computerized national identity cards (CNICs) which are sufficient to establish dates of birth.

## Terms And Conditions

Project workers who are civil servants will work according to the federal government’s service rules, following the timings, leave provisions etc. applicable to federal government employees. Consultants will be employed either on MP grades or on short term contracts on terms to be determined by the project implementation entities.

# Grievance Redress Mechanism

A GRM system will be put in place for project workers once project management structures have been designed and finalized. The GRM systems will function from within the implementation units, and will be designed as per the requirements of section C of ESS 2. The systems will be designed such that concerns are addressed promptly, processes employed are understandable and transparent, and proceedings are in a language that the complainant understands.

ESS 2 specifies that the GRM for project workers can be based on an existing GRM system, provided the latter meets the requirements of the ESS. As it stands now, there are three forms of GRM available at the MOC. Grievances of the officers of the Commerce and Trade Group are taken to the Deputy Director Commerce and Trade Group (DD-CTG); general grievances on the functioning of the Ministry are taken to the Deputy Director Administration, and the Trade and Investment Officers register grievances with designated Section Officers. For the most part, grievances are recorded on personal files of the officers concerned, and any redress provided is also recorded in the file. As such, the process is transparent, and is generally understood by the complainant. If an employee is not satisfied with the process, he/she can take his/her complaint to a senior officer in the Administration Wing, who may deem fit to form an Enquiry Committee to investigate the issue. However, these processes do not follow set patterns and there are no specific requirements on how investigations must proceed.

The government employees have the option of approaching the Federal Services Tribunal, after exhausting the remedies available to them within their respective department. The Federal Employees also have the option of taking any of their grievances to the High Courts for redress, after a decision from Federal Services Tribunal.

Grievances of government servants, private sector workers or the general public against government employees can also be taken up through institutions such as the Ombudsman’s offices which are located in all four provinces and at the federal level. There is now also a functional Prime Minister’s complaint cell in place, known as the Citizen’s Portal, through which a complaint against a civil servant can be sent directly to the PM’s Secretariat.

As noted earlier, a grievance mechanism will be provided for all direct workers and contracted workers (and, where relevant, their organizations) to raise workplace concerns. Such workers will be informed of the grievance mechanism at the time of recruitment and the measures put in place to protect them against any reprisal for its use. Measures will be put in place to make the grievance mechanism easily accessible to all such project workers. 23. The grievance mechanism will not impede access to other judicial or administrative remedies that might be available under the law.

# Contractor Management

The selection and hiring of contractors by the Government are governed by Public Procurement Regulatory Authority (PPRA) rules. The PPRA rules regarding the procurement of services cover most of the aspects as mentioned in GN 31.1, however certain areas such as OHS, safety committees, and labor management, safety and health workers requirements are not part of the PPRA rules. In absence of guidelines from the government, the ESS2 paragraph 31 would be taken as a benchmark.

The Borrower, through its SSU, will establish procedures for managing and monitoring the performance of such third parties in relation to the requirements of ESS2. The procedures will be elaborated in the Operations Manual and will be monitored by the SSU E&S Specialist. In addition, the Borrower will incorporate the requirements of this ESS into contractual agreements with such third parties, together with appropriate non-compliance remedies. In the case of subcontracting, the Borrower will require such third parties to include equivalent requirements and non-compliance remedies in their contractual agreements with subcontractors.”

# Community Workers

Not applicable

# Primary Supply Workers

The project will include the acquisition of IT equipment and possibly software. These materials are unlikely to be supplied on an ongoing basis, and as such, the project is unlikely to have a steady stream of primary supply workers. There is also no risk of child labor, forced labor or serious safety issues in relation to the use of primary supply workers that provide IT equipment or software.

1. Light refurbishment will consist of, for example painting, room partitioning, etc in existing premises. [↑](#footnote-ref-2)
2. MP-III is normally equivalent to BPS-20, MP-II to BPS-21 and MP-I to BPS-22. [↑](#footnote-ref-3)