

Good  
Practice  
Note

Environmental &  
Social Framework for  
IPF Operations

**Assessing and  
Managing the Risks  
of Adverse Impacts  
on Communities  
from Project-Related  
Labor Influx**

Second Edition  
Published June 2021

# Abbreviations

C-ESMP	Contractor’s Environmental and Social Management Plan
CoC	Code of Conduct
ESA	Environmental and Social Assessment
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESP	Environmental and Social Policy
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standard
GBV	Gender-based violence
GM	Grievance Mechanism
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IPF	Investment Project Financing
PIC	Project Information Center
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SEP	Stakeholder Engagement Plan
STD	Sexually Transmitted Disease

This Good Practice Note was originally prepared in December 2016 by Qays Hamad (OPSPF), Knut Opsal (GSU07), Robert Montgomery (GEN04), Una Meades (LEGEN), Peter Leonard (OPSPF), and Christopher Bennett (GTI02), with input from Afshan Khawaja (OPSPF), Maninder Gill (GSUSD), and Marcela Silva (GTISO), and support from Zeynep Darendeliler (OPSPF) and David Maier (OPSPF). It was updated to reflect the launch of the ESF.

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# 1. Introduction

## Environmental and Social Framework

1. **The World Bank’s Environmental and Social Framework (ESF) requires that Borrowers assess and manage environmental and social risks and impacts arising from projects that the World Bank supports through Investment Project Financing (IPF).** This Good Practice Note provides guidance on identifying, assessing and managing the risks of adverse social and environmental impacts that are associated with the influx of labor to Bank-supported IPF. The Note contains guiding principles and recommendations for the design, preparation and implementation of projects with civil works that require labor from outside the project area. This Note does not introduce new requirements, but rather provides good practice on how to approach such issues as part of the environmental and social assessment process and throughout the project life cycle.

## Background

2. **Bank-financed investment projects often involve construction of civil works for which the required labor force and associated goods and services cannot be supplied in full from local sources for various reasons, among them worker unavailability and lack of technical skills and capacity.** In such cases, the labor force (total or partial) needs to be brought in from outside the project area. In many cases, this influx is accompanied by additional people (“followers”) who follow the incoming workforce with the aim of selling them goods and services, or in pursuit of job or business opportunities. The rapid migration to, and settlement of workers and followers in the project area is called **labor influx**, and under certain conditions, it can affect project areas adversely in terms of public infrastructure, utilities, housing, sustainable resource management and social dynamics. This Note only covers labor influx relating to Bank-financed investment projects and does not cover general issues related to labor force movement.

3. **The influx of workers and followers can lead to adverse social and environmental impacts on local communities, especially if the communities are rural, remote or small, or existing resources are limited.** Such adverse impacts may include increased demand and competition for water, electricity, housing, and other local services, such as social and health services, as well as an increased load on ecosystems and natural resources. A significant growth in population can also increase the rate of inflation, which can crowd out local consumers, and have other adverse impacts, such as increased volume of traffic and higher risk of accidents. Social conflicts within and between communities, which may be affected by cultural differences between the labor influx and the local communities may arise or escalate, and there may be a potential for increased spread of communicable diseases, and increased drug and alcohol use, violence, rates of illicit behavior and crime. Such adverse impacts are usually amplified by low capacity at the local level to manage and absorb the incoming labor force, unless they are mitigated by appropriate measures such as social investment, an agreed Code of Conduct (CoC) for workers, and an adequate monitoring program, especially when civil works are carried out in, or near, vulnerable communities and in other high-risk situations. While many of these potential impacts may be identified at the initial stages of a project’s Environmental and Social Assessment (ESA)<sup>1</sup>, they may only become fully known once a contractor is appointed and decides on the sourcing of the required labor force. This can be covered in the Environmental and Social Management Plan (ESMP) and Stakeholder Engagement Plan (SEP), and reinforced in the Environmental and Social Commitment Plan (ESCP). This will ensure site-specific mitigation measures before the contractor starts work, to be updated as necessary to reflect project

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<sup>1</sup> For the purposes of this GPN, an Environmental and Social Assessment (ESA) is an umbrella term that, depending on the project, may include Environmental and Social Impact Assessment (ESIA) and Environmental and Social Framework (ESMF).

developments. It will also include adequate monitoring and management of risks and impacts from labor influx.

4. ***This Good Practice Note (GPN) is designed to assist Bank staff in supporting Borrowers to identify and manage risks to and impacts on local communities related to the influx of labor that typically results from construction works.*** The Note was developed based on a review of Bank experience and good international industry practices, including those of international financial institutions and other development partners. The note summarizes key types of adverse risks and impacts, and describes measures to manage these impacts, in line with the mitigation hierarchy in the ESF (e.g., avoid, minimize, mitigate, monitor). Links to further details, examples and supporting materials are provided.

5. **Box 1 below lays out the principles for assessing and managing the risks to and impacts on communities that may result from labor influx related to the project.**

#### Box 1. Key Principles

- ***Reduce labor influx by using the local workforce.*** The most effective mitigation measure to manage the impacts of labor influx is to avoid or reduce it. Depending on the size and the skill level of the local workforce, a share of the workers required for the project may be recruited locally. Often, when a project location is rural or remote, workers that are available locally may be unskilled, while a smaller number of more specialized staff may need to be hired from elsewhere. Depending on the requirements of the project and the skill level of workers needed, it may be possible to train local workers within a reasonable timeframe to meet project requirements. This may be more likely if such trained staff are needed post-construction for the operation and maintenance of the new infrastructure.
- ***Assess and manage labor influx risk through appropriate instruments.*** The assessment and management of labor influx should be part of ESA and take into account other Bank-required assessments, and the Bank's sector-specific experience in the country. Depending on the risk factors and their level, appropriate and proportionate mitigation instruments should be developed. This may range from broad requirements set out in the ESCP/ESMP in a low-risk environment, to the need to develop more specialized instruments, such as a site-specific Labor Influx Management Plan and/or a Workers' Camp Management Plan (or other instruments with similar purpose) in a high-risk environment.
- ***Incorporate social and environmental mitigation measures into the civil works contract.*** Most adverse impacts from labor influx can only be mitigated by the contractor hired by the Borrower to carry out the works. The responsibilities for managing these adverse impacts should be clearly reflected as a contractual obligation, with appropriate costing and mechanisms for addressing non-compliance. This incorporation allows the Borrower to enforce the implementation of the mitigation measures required to ensure that the Borrower fulfills the commitments in its ESCP. It is the Borrower's responsibility to: (i) ensure the requirements of these instruments are reflected in the contractor's ESMP (C-ESMP), and (ii) ensure the project is implemented in accordance with the C-ESMP, legal requirements, and other relevant contractual provisions.

6. ***The scope of this GPN is limited to the identification and management of the adverse impacts on the local community that can result from project-related labor influx.*** It does not cover all issues related to labor influx, such as working and living condition of the workers (see Environmental and Social Standard 2 (ESS2) and related guidance). Some sectors – such as transport and energy – may have projects more frequently associated with labor influx and related risks than others, but this note is not sector-specific. The Note also does not address specific issues that may arise from the presence of Indigenous Peoples in

a project area involving labor influx. This would warrant the application of ESS7 and measures such as an Indigenous Peoples Plan (see [ESS7 and related guidance](#)).

7. ***While the Note focuses on the adverse impacts on the local community, it is important to recognize that appropriately managed labor influx can provide benefits for the community.*** These benefits are typically related to economic opportunities through employment and/or training by the project, or through selling goods and services. Other benefits may stem from specific project components, such as the provision of local infrastructure (e.g., access roads, power or water connection) which is developed for the project and which may serve the community beyond the project duration.

8. ***Labor influx for construction works can lead to a variety of adverse social and environmental risks and impacts.*** Section 2 identifies typical adverse social and environmental risks and impacts, but is not exhaustive. While these risks and impacts could be present regardless of the labor influx, they are likely to be exacerbated by it. The actual type and degree of risk and impact varies significantly depending on the characteristics of the project, community, and incoming workforce. This includes the impacts from workers' camps.

## 2. Adverse Risks and Impacts

### Adverse Social Risks and Impacts

9. ***Even a modest labor influx already may lead to negative impacts on the local community.*** Pre-existing social risks in the local community can be exacerbated even by a modest influx of labor. ***The ESA should assess how such pre-existing social factors in the local context are impacted by the project, for example when problematic social behavior is culturally tolerated or even accepted in the project area.*** In addition to ESS1, the provisions of ESS2 and ESS4 are especially relevant in this context. The list below indicates common categories of social risk that may be associated with labor influx:

- **Risk of social conflict:** Conflicts may arise between the local community and the project workers, which may be related to religious, cultural or ethnic differences, or based on competition for local resources. Tensions may also arise between different groups within the labor force, and pre-existing conflicts in the local community may be exacerbated. Ethnic and regional conflicts may be aggravated if workers from one group are moving into the territory of the other, and this can be magnified if there is a high rate of unemployment in the project area.
- **Increased risk of illegal behavior, or behavior that violates social norms in the project area:** The influx of workers and service providers for the project into communities may increase the rate of crimes and/or a perception of insecurity by the local community. Such crimes can include theft, physical assaults, illegal hunting or fishing, substance abuse, prostitution and human trafficking (gender-based violence (GBV) is addressed in more detail below). Behavior that violates social norms can include relationships between workers and community members, disrespect of local customs, etc. Local law enforcement may not be sufficiently equipped to deal with the increase in local population.
- **Influx of additional population (“followers”):** In projects with a large footprint and/or a longer timeframe, people in addition to the labor force may migrate to the project area, thereby exacerbating the impacts of labor influx. These individuals may seek employment with the project, be family members of workers, as well as traders, suppliers and other service providers (including sex workers), particularly in areas where the local capacity to provide goods and services is limited.
- **Increased burden on and competition for public service provision:** Labor influx can generate additional demand for the provision of public services, such as water, electricity, medical services, transport, education and social services, as well as natural resources. This is particularly the case when the influx of workers is not accommodated by additional or separate supply systems, or where there is competition for scarce resources.
- **Increased risk of communicable diseases and burden on local health services:** An influx of people from another area may bring communicable diseases to the project area, including sexually transmitted diseases (STDs) or conversely, workers may be exposed to endemic diseases in the project area to which they have low resistance. If appropriate health care is not provided, worker health care could pose an additional burden on local health resources. Moreover, workers with health concerns relating to substance abuse, mental issues or STDs may not wish to visit the project’s medical facility and instead go anonymously to local medical providers, thereby placing further stress on local resources. Local health and emergency services may also be overwhelmed by and/or ill-equipped to address the industrial accidents that can occur in a large construction



site. These issues should be taken into account when planning social investment programs associated with the project.

- **Gender-based violence (GBV):** Construction workers are predominantly younger males. Those who are away from home on the construction job are typically separated from their family and may act outside their normal sphere of social control. This can lead to inappropriate and criminal behavior, such as sexual harassment of women and girls, exploitative sexual relations, and illicit sexual relations. A large influx of male labor may also lead to an increase in exploitative sexual relationships and human trafficking whereby women and girls are forced into sex work (see also Box 2 below). For more detailed information, see the [GPN on Addressing Sexual Exploitation and Abuse and Sexual Harassment \(SEA/SH\) in Investment Project Financing Involving Major Civil Works](#).
- **Child labor and school dropout.** Increased opportunities for the local community to sell goods and services to the incoming workers can lead to child labor to produce and deliver these goods and services, which in turn can lead to enhanced school dropout.
- **Local inflation of prices:** A significant increase in demand for goods and services due to labor influx may lead to local price hikes and/or crowding out of community consumers.
- **Increased pressure on accommodations and rents:** Depending on project worker income and form of accommodation provided, there may be increased demand for accommodations, which again may lead to price increases, crowding out of local residents, and resulting tensions between the community and the project.
- **Increase in traffic and related accidents:** Delivery of supplies for and transportation of project workers can lead to an increase in traffic, rise in accidents, as well as additional burden on the transportation infrastructure. See the [GPN on Road Safety](#) for more detailed guidance on this issue.

#### Box 2. Addressing GBV in the context of Labor Influx

In the context of labor influx, incoming workers' pursuit of social contact, typically with female members of the local community, ***can lead to a spectrum of unacceptable and/or illicit behavior, ranging from unwanted aggressive advances and sexual harassment to sexual exploitation and abuse (SEA), particularly of women and children.*** It can also lead to violence between workers and local men in the community who may see themselves as competing with workers who are better paid, and this can be particularly problematic when there are high unemployment rates in the community. Several factors can increase the risk of gender-based violence (GBV), including SEA/SH. The [GPN on Addressing Sexual Exploitation and Abuse and Sexual Harassment \(SEA/SH\) in Investment Project Financing Involving Major Civil Works](#) is an important resource for further information on the issues presented in this box, including an explanation of key terms and potential mitigation measures.

***It is important that the contractor in a Bank-supported project implements robust measures to address the risk of gender-based violence and appropriate responses when allegations are made.*** This can include: (i) developing a CoC for workers and making it part of the employment contract, including sanctions for non-compliance (e.g., termination), (ii) mandatory and repeated training and awareness raising of the workforce about the CoC, the need to refrain from unacceptable conduct toward local community members, including any particular concerns, such as cultural norms towards women; (iii) informing workers about national laws that make sexual harassment and GBV a punishable offence which

is prosecuted and that the project will cooperate fully with any official investigation into allegations; and (iv) contractors adopting a policy to cooperate with law enforcement agencies in investigating complaints, including those about GBV. In rural settings, where the presence of law enforcement is often low, the risk of sexual harassment for local women may be higher, in particular for younger women and girls, but also boys.

Additional measures can aim to reduce incentives to engage with the local community by providing workers with the opportunity to spend their time off away from the local community, encouraging telephone contact with families frequently, and where feasible, providing transport allowances, to allow workers to regularly return for visits to their families, spouses and friends, or to visit nearby urban centers that provide a variety of recreational opportunities. For workers who live a greater distance from home, there may be a preference for longer deployments, in exchange for longer breaks that would allow for such home leave travel.

***While clear and decisive measures by the contractor are critically important, the effectiveness of these measures often depends on complementary actions by the Borrower.*** The above-mentioned GPN on addressing SEA/SH in major civil works contains further information on international good practice in this area.

## Adverse Environmental Risks and Impacts

10. ***The environmental impacts listed below are more likely to be of relevance for projects that require a larger labor force with a bigger project footprint (see also Box 3 below):***

- **Inadequate waste disposal and illegal waste disposal sites:** Large populations of workers generate increased amounts of waste. Where insufficient local waste management capacities may exist, this can lead to improper disposal practices.
- **Wastewater discharges:** Project-related activities, along with workers' camps, and a lack of appropriate wastewater discharges may lead to pollution of nearby water resources. For example, major health risks can occur if latrine pits spill over into local streams that are used for drinking water by the local community.
- **Increased demand on potable water resources:** The provision of clean drinking water and water for hygiene purposes can result in increased pressure on water resources in the project or camp site area.
- **Camp-related land use, access roads, noise and lights:** In ecologically sensitive areas, workers' camps can have impacts on the local wildlife. This may include disturbance of species, as well as workers hunting or fishing illegally. In the same context, new access routes for workers' camps may have impacts on natural habitats or impede access to the communities' traditional hunting and gathering areas.
- **Increased deforestation, ecosystem degradation, and species loss:** These can result from forest or land conversion for worker housing and workers' agricultural subsistence activities.
- **Increased use of / demand for natural resources:** This can include logging for construction, fuelwood collection, use of water resources, farming and grazing, hunting, fishing and gathering, trade in endangered species, potential introduction of invasive or non-native species, and land degradation.

### Box 3. Accommodation in Workers' Camps

***Providing workers with dedicated accommodation in camps can have positive and negative effects, for the workers, the local community, and the environment.*** Depending on the local context, as well as the project's size, duration and risk profile, the ESA should review plans to provide incoming workers with dedicated accommodation in camps and the impacts that may result from this.

Camp accommodation may be recommended in ***rural and remote*** settings, especially where the incoming workforce outnumbers or is large in proportion to the local community. In these settings, the local capacity for accommodation is typically small and individual accommodation of incoming workers would likely stress local resources, contributing to the risk of illegal lodging arrangements or the establishment of shanty towns and their attendant problems, and increase usage of utilities and health services, which may already be limited. Rural or remote settings are often also characterized by limited local government presence and law enforcement. In such situations, closed worker camps provide some level of supervision and security, so that public order is maintained, and unlawful conduct minimized.

In ***urban and peri-urban*** settings, it is usually less difficult to find qualified local workers, which reduces the project's need for incoming workers from other areas. If the project still requires additional workers, the urban context may allow them to mix with the local population more easily than in a rural one. Further, the availability of affordable options for individual or small group accommodation in hostels or apartments is typically better in cities, and often more attractive to workers in any case, making separate workers' camps less necessary. The ESA would need to consider other impacts in urban and peri-urban settings, such as stress on public transport, and mitigate accordingly, for example by providing transport to the worksite.

11. ***It is important to recognize the different roles and functions of the instruments to assess and mitigate project-related risks:*** (i) the project ESIA and ESMP, which are prepared by the Borrower and reviewed and cleared by the Bank, and the ESCP, which is part of the Bank's Financing Agreement with the Borrower, and (ii) the C-ESMP, which is part of the contract between the Borrower and the contractor. ***Contractually, the contractor must follow the C-ESMP, which is why it is important to ensure that the C-ESMP builds upon the findings and proposed measures identified in the project ESCP, ESIA and ESMP.***

### 3. Assessment and Management of Risks and Impacts

#### Screening of Projects

12. **Early in the project preparation stage, environmental and social screening is conducted by the Bank in accordance with the Environmental and Social Policy (ESP).** At the same time, the Borrower's ESA will be informed by an initial scoping or screening of the environmental and social risks and impacts in accordance with [ESS1](#). See the [Technical Note on Screening and Risk Classification under the ESF](#) for further guidance. These initial assessments should consider whether the project may have impacts on local communities due to labor influx, as well as to help understand the significance and likelihood of such impacts, in accordance with the mitigation hierarchy. This includes the relevant aspects of the project and the environment in which it is developed, and may include relevant technical, legal, procurement, social and environmental specialists. It also includes the broader country or regional context (see Box 4).

#### Box 4. Understanding the Country and Regional Context

**Assessment of project-level risks that potentially result from related labor influx should include consideration of the country and regional context.** This includes specific risks that are based on the country and region's socio-economic, legal, cultural and historical situation, and which are generally known to the Bank's Country Management Units. Such elevated risks are typically reflected in global or national statistics (e.g., high rates of gender-based violence, child or forced labor, etc.) and indicate that project preparation and implementation will need to employ extra efforts to ensure that they do not trigger new social ills or exacerbate pre-existing ones. The Bank has more than 60 years of global experience working in most sectors of Bank member states.

13. **The goal of screening is to identify the risk profile of the labor influx, which will provide a basis for an adequate, accurate, and objective ESA, including appropriate mitigation measures** (see Figure 1).

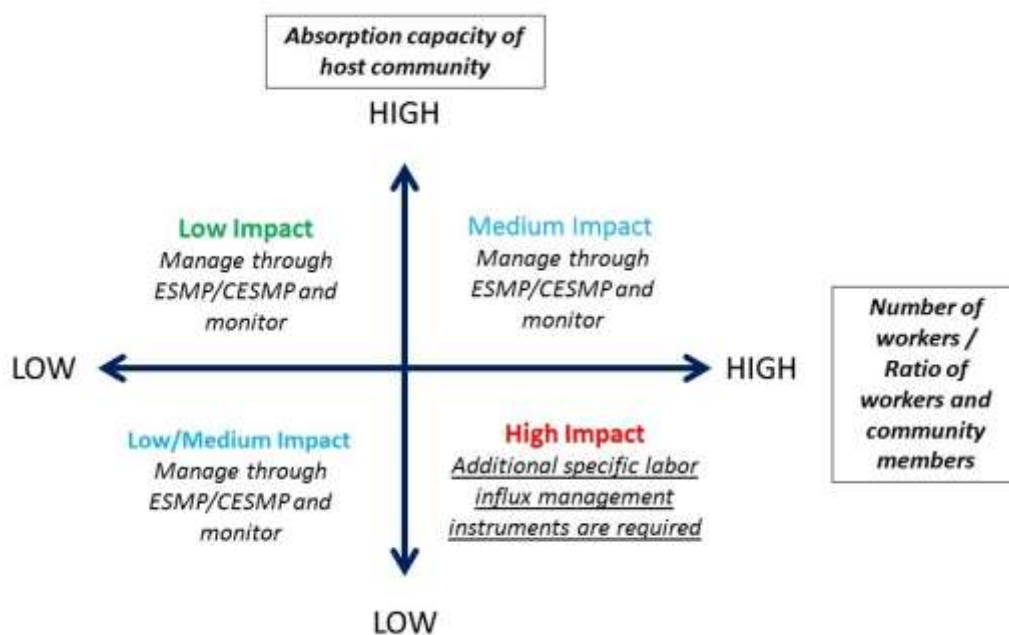


Figure 1: Labor influx-related risk profile and indicative management measures

**Initial Screening: Will the project require labor influx?**

14. **During initial screening or scoping, it is recommended that the Borrower respond to the key questions set out in Table 1. If the answer to any of the questions is yes, it is recommended that the Borrower conduct a full assessment to understand the potential significance and likelihood of potential impacts.** Depending on the stage of project preparation and the timing of selection of the contractor, answers to some of the screening questions may not be available.<sup>2</sup>

Table 1. Initial Screening Questions	
Key Screening questions	Aspects to Consider
<p><b>1. Will the project potentially involve an influx of workers to the project location, and will the influx be considered significant for the local community?</b></p>	<ul style="list-style-type: none"> <li>• How many workers will be needed for the project, with what skill sets, and for what period of time?</li> <li>• What is the size and skill level of the existing local workforce?</li> <li>• Can the project hire workers from the local workforce?</li> <li>• If the skill level of the local workforce does not match the needs of the project, can they be trained within a reasonable timeframe to meet project requirements?</li> <li>• How will the workers be accommodated? Will they commute or reside on site? If so, what size of camp will be required?</li> </ul>
<p><b>2. Is the project located in a rural or remote area?</b></p>	<ul style="list-style-type: none"> <li>• What is the size of the local population in the project area?</li> <li>• Is the project located / being carried out in an area that is not usually frequented by outsiders?</li> <li>• What is the frequency and extent of contact between the local community and outsiders?</li> <li>• Are there sensitive environmental or social conditions that need to be considered?</li> </ul>
<p><b>3. Based on the socio-economic, cultural, religious and demographic qualities of the local community and the incoming workers, is there a possibility that their presence or interaction with the local community could create adverse impacts?</b></p>	<ul style="list-style-type: none"> <li>• Is it likely that the incoming workers and the local community come from a shared socio-economic, cultural, religious or demographic background?</li> <li>• What is the adequacy/level of existing public services and natural resources, and will the incoming workers use or create competition for these resources?</li> <li>• What is the expected duration of the incoming workers' presence in the community?</li> <li>• Given the characteristics of the local community, are there any specific adverse impacts that may be anticipated?</li> <li>• Are there specific characteristics that need to be taken into account in the Worker's Code of Conduct for the project, or in the project grievance mechanisms (GMs)?</li> </ul>

**Environmental and Social Assessment: If labor influx impacts are expected, what are the types of impacts and the degree of risk?**

15. **Where labor influx is expected for a project, the Borrower will assess the impacts in accordance with ESS1.** To achieve this, the Borrower takes into account the results of the initial screening, lessons learned from similar projects, and the characteristics of the project area and of the project itself. This assessment is typically summarized in the ESA for the project and will identify appropriate and proportionate mitigation measures.<sup>3</sup>

<sup>2</sup> For Bank-supported projects which consist of multiple sub-projects and for which an ESMF is developed, the initial screening will likely be more general as specific sub-project details are likely not known at the time of preparation.

<sup>3</sup> In specific circumstances, it may be appropriate to develop a standalone plan, such as a Labor Influx Management Plan.

16. **Screening and assessment of project-related labor influx requires understanding the factors specific to the national and local context, the project and the type of work force.** Depending on project size, the significance and likelihood of particular impacts may differ. Table 2 sets out factors to be considered for the most common characteristics of both large-scale, single-site projects, such as hydropower or mining, and linear projects, such as roads or transmission lines. Some project footprints combine both types of impacts, with a single-site core infrastructure investment and associated linear investments such as access roads and evacuation lines. Depending on the project and the timing of selection of the contractor, answers to some of these questions may not be available at this time. The questions in Table 2 are indicative and can be considered as they become relevant or if changes during the project cycle occur.

<b>Table 2. Assessing Labor Influx Impacts</b>	
<b>Factors relating to</b>	<b>Aspects or information to consider</b>
<b>Project and civil works</b>	<ul style="list-style-type: none"> <li>• Project size, the duration of construction (and possible stages).</li> <li>• Type of project footprint (single site, linear, clustered).</li> <li>• Project size in relation to local community, taking into account project type and distance.</li> <li>• Community experience with similar projects in the area, including possible legacy issues from other projects.</li> <li>• Likely number of contractors and sub-contractors.</li> <li>• Presence of other projects in the area with work force requirements and cumulative impact.</li> </ul>
<b>Incoming labor force and followers</b>	<ul style="list-style-type: none"> <li>• Ability to employ local workers to reduce labor influx.</li> <li>• Likely numbers of expected incoming workers and where they would come from (non-local, national, foreign, rural, urban).</li> <li>• Proposed accommodation options for workers.</li> <li>• Proposed mode of transport from point of origin, and between worker camp(s) and work site(s).</li> <li>• Likelihood that family members accompany workers (visiting, resident).</li> <li>• Formal and informal service providers, including businesses and individuals aiming to provide goods and services to the project, contractors, sub-contractors, and workers.</li> </ul>
<b>Labor issues and conditions</b>	<ul style="list-style-type: none"> <li>• National legislation on employment of workers relevant to project (migrant workers, minimum age, disability, etc.).</li> <li>• Country- and sector-specific considerations, including coverage and enforcement of legislation.</li> <li>• Borrower capacity to manage labor influx issues with support from supervision engineer.</li> <li>• Capacity and track record of contractors and sub-contractors to manage labor influx issues.</li> </ul>
<b>Local community</b>	<ul style="list-style-type: none"> <li>• Size of working-age population and capacity (education, skills, experience).</li> <li>• Capacity of local public infrastructure, services and utilities (including health, education, transportation, water and sanitation, electricity, etc.) and budget supporting their provision.</li> <li>• Local government capacity and track record in the project area, including law enforcement.</li> <li>• Socio-economic and cultural characteristics of local population.</li> <li>• Availability of worker accommodation in the community and related cultural rules.</li> <li>• Level of local food supply and possible shortages and cost issues.</li> <li>• Existing health or environmental issues and potential for deterioration.</li> <li>• Existing security or conflict risks, and potential for increased tensions.</li> </ul>



**Table 2. Assessing Labor Influx Impacts**

<i>Factors relating to</i>	<i>Aspects or information to consider</i>
	<ul style="list-style-type: none"> <li>• Presence of specific marginalized, vulnerable, ethnic, and/or indigenous groups and considerations relating to these.</li> </ul>
<b>Borrower / Government</b>	<ul style="list-style-type: none"> <li>• Capacity and commitment of the responsible line ministry or agency for the preparation and implementation of the project.</li> <li>• Capacity and track-record of entities responsible for managing labor issues, including project-specific labor influx.</li> <li>• Capacity to assess and manage social and environmental risks.</li> </ul>

## Project Preparation

17. ***Project preparation typically involves the following actions by the Bank task team (see also Box 5 and Table 3, below:***

- Assessing the relevant policy and legal framework of the Borrower.
- Assessing project institutional arrangements and resources required (including for implementation of relevant mitigation plans), and governmental inter-agency coordination for implementation.
- Assessing the institutional capacity of the implementing agency (in particular, capacity to manage and enforce contracts, capacity to manage social and environmental issues, etc.).
- Reviewing the ESMF/ESMP, ESIA, Labor Influx Management Plan and/or Workers' Camp Management Plan, commensurate with the risks of the project, including consultations with local communities and other relevant stakeholders outlined in the SEP. Depending on the significance of the labor influx, the management plans could form part of the ESMP, or be standalone documents and agreed by the Bank and Borrower in the ESCP.
- Reviewing terms and conditions for construction work bidding documents and contracts, and any third-party supervision, to complement the supervision engineer, for labor influx and workers' camp management.

18. ***Projects address labor influx through the ESMP, reinforced by the ESCP. The ESMP should be consistent with the project Environmental and Social Assessment which identifies and, to the extent possible, assesses the potential impacts resulting from labor influx.*** The specific arrangements for construction may not be fully known at the preparation stage, and are confirmed only later once a contractor has been selected. The more specific assessments and mitigation measures will need to be developed as part of the ESMP, and later the C-ESMP, as agreed in the ESCP. Those should reflect findings of the ESA and measures proposed in the ESMP which may need to be updated. The C-ESMP should also be updated when there are changes to the anticipated project area or impacts on local communities.

19. ***In accordance with ESS10, labor influx-related risks and proposed mitigation measures should be consulted on with local communities and stakeholders*** as part of the preparation of the SEP, ESIA, ESMP and C-ESMP, and agreed in the ESCP. To understand the variety of potential impacts stemming from labor influx on the community, it is recommended that the SEP include enhanced efforts to reach out to men and women separately, particularly in cultures where women may not be able to attend or be reluctant to speak up in mixed-gender meetings. Different age groups and vulnerable groups should also be consulted, as the impacts or necessary mitigation measures may differ from the majority. The [Bank Directive on Addressing Risks and](#)

[Impacts on Disadvantaged or Vulnerable Individuals or Groups](#) includes further directions for Bank staff regarding their due diligence responsibilities towards these groups, including requiring Bank staff to review relevant terms of reference for the ESA (if any), the ESA itself, and promote participation of vulnerable groups in consultations.

20. ***During project preparation, the Bank task team assesses the institutional capacity of the Borrower or other applicable governmental entities so that adequate capacity, resources and measures are in place during implementation and that they are able to identify and manage labor influx issues.*** This may include an assessment of the track record with other infrastructure projects in the region, human resources and financial resources of the Borrower for contract management, social and environmental management and stakeholder engagement. The task team can then identify the measures to address any capacity gaps, such as the use of specialists or consultants, provision of training or technical assistance. Dialogue with the government on these measures needs to start as early as possible, and may include budget commitments and inter-agency budget transfers, as well as enhanced inter-agency cooperation, such as between a line ministry, local government, and police force.

### ***Making mitigation measures contractually binding***

21. **The Bank's Procurement Framework was updated in 2018 to reflect the ESF.** The World Bank's standard procurements documents (SPDs) have all been updated to include ESF requirements. For large works procurements, the Bank's SPDs now operationalize the FIDIC Red Book 2017 contract form. This is amended by Particular Conditions that implement procurement related aspects of the ESF. Relevant provisions/requirements include: (i) stating the works' policy goals in the procurement documents to integrate the minimum ESHS requirements; (ii) rigorous minimum requirements for a CoC; (iii) a requirement for a plan to manage relevant risks and impacts that must be set out in the C-ESMP to be approved by the supervision consultants prior to execution of relevant works; (iv) bidders should demonstrate that they have suitably qualified ESHS specialists among their key personnel; (v) the contract provides for related notices, ESHS reporting requirements, and remedies to support enforcement; (vi) a separate performance security is available to cover ESHS risks in high risk contracts; (vii) remedies include removal of contractor's personnel, withholding payments, cashing out performance securities, and termination.

22. **To improve management of SEA/SH risks in works projects a new Contractor Disqualification system was implemented on January 1, 2021.** For works procurements rated as high risk of SEA/SH, additional clauses are now included which require hiring of an SEA/SH expert, agreement of SEA/SH prevention and response obligations, SEA/SH performance declarations and agreement to be disqualified by the Bank from future contract awards for up to two years if found to be non-compliant with their SEA/SH prevention and response obligations. All large works projects now include the requirement to use a Dispute Avoidance and Adjudication Board (DAAB) to regularly visit the site and review contract performance concerns and disputes arising by either party – this will enhance contract supervision and better performance. All high SEA/SH risk procurements must now be prior review by Bank Procurement Staff. Other non-works SPDs have been updated to include ESF provisions pertinent to goods, consultant, and non-consulting services procurement including forced labor, child labor, primary suppliers, safety, etc. The Procurement Regulations have been updated to remind Borrowers for National Procurements (lower value procurements that do not use the Bank's SPDs) that their "Procurement Documents include sufficient provisions, as agreed with the Bank, to mitigate against environmental and social (including SEA/SH), risks and impacts" (Section V, 5.4). For more information and guidance, please refer to the the [OPCS procurement website](#).



**Box 5. Ensuring Contractors Know Their Responsibilities<sup>4</sup>**

**Prior to starting construction, the contractor should prepare and submit the C-ESMP to the supervision engineer (who is the Borrower’s representative) for implementation.** The C-ESMP should provide a detailed explanation of how the contractor will comply with the project’s environmental and social commitments in the ESCP and the ESMP, and demonstrate that sufficient funds are budgeted for that purpose. The C-ESMP must include specific mitigation measures based on the ESCP/ESMP, the final design, the proposed work method statements, the nature of the project site, etc. It is recommended that it include specific management plans for: (i) work activities; (ii) traffic management; (iii) occupational health and safety; (iv) environmental management; (v) social management; and (vi) labor influx. More detailed plans may be required on individual topics, such as security risk.

The C-ESMP needs to address relevant risks identified in the project ESA effectively or additional issues identified through Borrower monitoring, Bank supervision, and public and worker GMs. To that end, the Borrower needs to verify and ensure consistency of the ESCP, ESMP and C-ESMP and the Bank task team will confirm such verification. If issues emerge during implementation for which the C-ESMP does not contain appropriate mitigation measures, the Borrower needs to have the contractor update the C-ESMP to include such mitigation measures and, if necessary, the Borrower amends the civil works contract.

**The Borrower should not permit civil works to commence until the C-ESMP, which properly identifies and proposes risk mitigation measures, is being applied.** Should works begin without this being done, the Borrower will not be able to meet the requirements of the ESCP and Bank task teams will raise this to both the Borrower and Bank management’s attention and consider appropriate remedial steps.

**Table 3. Suggested Due Diligence for Social and Environmental Mitigation Measures in Contracts**

<i>Stage of Contractual Process</i>	<i>Suggested Due Diligence (Bank Staff)</i>
<b>Before bidding</b>	<ul style="list-style-type: none"> <li>• Terms of reference should clearly define the supervision engineer’s responsibilities regarding oversight of, and reporting on, labor influx and workers’ camps. For high-risk projects, have independent environmental and social supervision.</li> <li>• Terms of reference clearly include key staff qualified and experienced in managing environmental and social issues of similar projects, and demonstrated capacity to manage social and environmental issues, including issues pertaining to worker and community health and safety.</li> <li>• The project GM is established, and its use is publicized.</li> </ul>
<b>Preparation of bidding documents</b>	<ul style="list-style-type: none"> <li>• Review contract conditions included in bidding documents so that:               <ul style="list-style-type: none"> <li>○ The relevant mitigation measures in the ESCP/ESMP are reflected and budgeted in the contract.</li> <li>○ The ESCP/ESMP forms part of, and is explicitly referred to in, the bidding documents.</li> <li>○ Identify relevant provisions (workers, camps, prohibitions on child and forced labor, safety, GMs for workers and the public, the Code of Conduct, etc.) regulating the contractor’s responsibility and identify any gaps, inconsistencies or areas of concern that could be addressed through additional provisions in the “particular conditions of contract” and/or technical specifications.</li> </ul> </li> </ul>

<sup>4</sup> For more complex projects there may be several contractors and sub-contractors.

**Table 3. Suggested Due Diligence for Social and Environmental Mitigation Measures in Contracts**

<b>Stage of Contractual Process</b>	<b>Suggested Due Diligence (Bank Staff)</b>
	<ul style="list-style-type: none"> <li>○ Include a requirement that all workers sign ‘Codes of Conduct’ governing behavior, and identifying sanctions.</li> <li>○ Clearly identify that training programs on environmental and social topics, including HIV/AIDS, implementing the Codes of Conduct, and others as identified in the ESA will be undertaken by external providers.</li> <li>● The contract conditions clearly specify what type of penalty the contractor will face if the provisions of the ESCP, ESMP and C-ESMP are not adhered to—including by sub-contractors. This may include direct penalties to contractors for poor performance on social and environmental matters or specific Performance Securities for ESCP, ESMP and C-ESMP compliance, and/or incentives for good performance, such as a low accident rate.</li> <li>● Bidding documents make clear the responsibilities of the contractor to prepare and adhere to a C-ESMP based on the ESMP and ESCP commitments, and that no civil works will commence until the C-ESMP has been approved by the supervision engineer.</li> <li>● The bidding documents detail how the contractor and supervision engineer will be required to monitor and report on the impacts on the local community, issues related to labor influx and workers’ camps.</li> <li>● Propose Key Performance Indicators for contract management, reflecting issues and risks specific to the contract and the monitoring plan.</li> </ul>
<b>Bidding evaluation</b>	<ul style="list-style-type: none"> <li>● Review the Borrower’s bid evaluation report and request to review the bids where appropriate, to verify for the recommended bidder that documents related to the ESCP/ESMP, environmental and social implementation capacity, and other obligations of the contractor required to be submitted with the bid are sufficiently detailed and cover the contractual requirements.</li> <li>● Require the contractor’s representative or dedicated community liaison staff to have the ability to communicate in the language of the Borrower and/or the local language.</li> <li>● Verify that the contract management framework identifies clearly lines of communication and that these are formalized, and a consistent record is provided.</li> <li>● The contractor is required to meet the project’s occupational health and safety (OHS) requirements for capability and experience.</li> </ul>
<b>After contract signing</b>	<ul style="list-style-type: none"> <li>● Prior to commencing works, the contractor submits site-specific C-ESMP(s) based on the ESMP and ESCP commitments, which includes specific management plans as identified in the ESA, such as: (i) work activities; (ii) traffic management; (iii) occupational health and safety; (iv) environmental management; (v) social management; and (vi) labor influx.</li> <li>● Supervision engineer reviews and approves the C-ESMP—with inputs from appropriate Government agencies—before any works start. The Bank should also review and clear the C-ESMP. Borrower should publicly disclose the approved C-ESMP.</li> <li>● Ensure that the Borrower sets up a process for contract management that plans for regular meetings of the parties to monitor the contractor’s performance in all areas.</li> <li>● Ensure the ESCP, ESMP, C-ESMP and mitigation plans are updated promptly and re-disclosed as appropriate to address new issues.</li> <li>● Ensure that the Borrower’s reports to the Bank include: <ul style="list-style-type: none"> <li>○ Training activities for workers on OHS, activities related to the Code of Conduct, etc.</li> <li>○ Performance for the six areas of recommended specific management plans.</li> <li>○ GM reports, including number and type of complaints, disposition of complaints.</li> <li>○ Status of stakeholder engagement, including information disclosed on issues related to labor influx.</li> </ul> </li> </ul>

**Table 3. Suggested Due Diligence for Social and Environmental Mitigation Measures in Contracts**

<b>Stage of Contractual Process</b>	<b>Suggested Due Diligence (Bank Staff)</b>
	<ul style="list-style-type: none"> <li>○ Key Performance Indicators (including the local community/stakeholder engagement plan, if applicable).</li> <li>○ Labor status (including planned influx or egress of workers) in reporting period and projections for next reporting period.</li> <li>○ Identification of any adaptation of management plans needed.</li> </ul>

### Project Management: Examples of Mitigation Measures

23. **Table 4 summarizes examples of mitigation measures that can be used to mitigate the impacts of labor influx.** This list is not comprehensive, and project-specific measures are typically established as part of the labor influx assessment. The table is organized according to the type of impact and outlines the different mitigation measures and responsibilities of the contractor, the Borrower and the Bank. The assignment of responsibilities between the contractor and Borrower may vary in a specific project to improve effectiveness and efficiency in implementation.

### Community Engagement

24. **As required by ESSs 1 and 10, information disclosure, community involvement, and GMs are fundamental, particularly for projects that have significant social and environmental impacts.** Extensive guidance has been written on community engagement in general, and specifically regarding labor influx issues. The section below highlights some key elements.

25. **Stakeholder engagement should begin during initial project decision-making and continue routinely throughout the life of the project.** The key objectives of a project’s SEP are to: (i) provide accurate and timely information, (ii) help manage community expectations, (iii) help promote awareness and understanding of potential issues and measures to address them, and (iv) benefit from local knowledge about potential risks and pre-existing problems. In this context, it is important to focus specifically on disadvantaged or vulnerable individuals or groups who may be disproportionately impacted and/or have less opportunity to voice their comments, including women and children. Engaging community service organizations to reach such groups may help to provide this outreach.

26. **Collecting timely feedback from local communities on the project’s social and environmental performance is an invaluable tool for risk management.** To allow for such feedback, the project requires an effective communication system to provide relevant information and receive input in a timely manner. For small projects, this might be done through regular community meetings, quarterly newsletters or an annual report. Good international practice includes appointing a community liaison, independent from the contractor or Borrower to be a focal point to manage community relations, inquiries, and complaints, and document any such engagements and their outcome. Ideally, this person would be involved in the GM process.

27. **An accessible and inclusive project-level GM is a key requirement under ESS10 to manage labor influx-related risks. It is important that the GM promptly and effectively respond to all reported concerns**

***and not be limited to dealing with specific issues only (i.e., compensation or land acquisition).*** An effective GM should require all grievances to be treated confidentially without risk of retaliation and be able to refer complainants to police and other service providers where appropriate (e.g., in case of GBV complaints). Annex 1 of ESS10 provides an outline for a GM. The Guidance Note for ESS10 also carries a checklist on GM components.

**Table 4. Representative Examples of Mitigation Measures by Impacts during Project Implementation**  
*(Note: The designation of responsibilities between contractor and Borrower may vary on a project-specific basis, in order to improve effectiveness and efficiency in implementation and associated results)*

<b>Assessed Risk and Impact</b>	<b>Potential Mitigation Measures</b>			
	<b>Contractor</b>	<b>Borrower</b>		<b>World Bank</b>
		<b>Project-specific – With Support of the Supervision Engineer</b>	<b>Broader Enabling Environment</b>	
<b>Social Risks</b>				
<b>All</b>		<ul style="list-style-type: none"> <li>▪ Establishment and operation of an effective GM accessible to community members—ideally with involvement of civil society organizations—to facilitate early identification of problems and targeted mitigating interventions by Borrower;</li> <li>▪ Provision of information to communities on how to use the GM to report issues;</li> <li>▪ Monitoring and taking appropriate actions to ensure C-ESMP provisions are met;</li> <li>▪ Inclusion of relevant provisions in the ESMP;</li> <li>▪ Inclusion of relevant provisions in the contract.</li> </ul>		<ul style="list-style-type: none"> <li>▪ Inclusion of relevant provisions in the ESMP and Legal Agreement;</li> <li>▪ Provision of advice on expected or likely issues based on Bank experience;</li> <li>▪ Implementation support to verify compliance with the ESMP and C-ESMP;</li> <li>▪ Monitoring of GM resolution rates and identification of recurring issues to discuss with Borrower.</li> </ul>
<b>Risk of social conflict</b>	<ul style="list-style-type: none"> <li>▪ Provision of training and socialization of Code of Conduct for workers in local language(s);</li> <li>▪ Provision of cultural sensitization training for workers regarding engagement with local community.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consultations with and involvement of local communities in project planning and implementation;</li> <li>▪ Awareness-raising among local community and workers.</li> </ul>		
<b>Increased risk of Code of Conduct</b>	<ul style="list-style-type: none"> <li>▪ Paying adequate salaries for workers to reduce incentive for theft;</li> <li>▪ Paying salaries into workers’ bank accounts rather than in cash;</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reinforcement of local law enforcement staff;</li> <li>▪ Enforcement of laws on drug abuse and traffic;</li> </ul>		

**Table 4. Representative Examples of Mitigation Measures by Impacts during Project Implementation**  
*(Note: The designation of responsibilities between contractor and Borrower may vary on a project-specific basis, in order to improve effectiveness and efficiency in implementation and associated results)*

<b>Assessed Risk and Impact</b>	<b>Potential Mitigation Measures</b>			
	<b>Contractor</b>	<b>Borrower</b>		<b>World Bank</b>
		<b>Project-specific – With Support of the Supervision Engineer</b>	<b>Broader Enabling Environment</b>	
<b>violations, including inappropriate behavior and crime (including prostitution, theft and substance abuse)</b>	<ul style="list-style-type: none"> <li>▪ Sourcing of local workforce;</li> <li>▪ Creation of supervised leisure areas in workers’ camp;</li> <li>▪ Cooperation with local law enforcement;</li> <li>▪ Introduction of sanctions (e.g., dismissal) for workers involved in criminal activities;</li> <li>▪ Provision of substance abuse prevention and management programs.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Police monitoring to prevent drugs trafficking;</li> <li>▪ Sensitization campaigns both for workers and local communities.</li> </ul>		
<b>Adverse impacts on community dynamics</b>	<ul style="list-style-type: none"> <li>▪ Provision of services in the workers’ camp to reduce the need for workers to use local community facilities (internet, sports);</li> <li>▪ Provision of entertainment and events for workers within camp to reduce incentives for mixing with local community.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Liaison with civil society organizations to create integrative action plans; provision of upfront information on potentially detrimental impacts on local communities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Investment in community participation and engagement programs.</li> </ul>	
<b>Influx of Additional Population (“Followers”)</b>	<ul style="list-style-type: none"> <li>▪ Contractor to hire workers through recruitment offices and avoid hiring “at the gate” to discourage spontaneous influx of job seekers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Communications campaign to manage expectations and discourage spontaneous influx of job seekers;</li> <li>▪ Local government to address this additional influx of the “followers” to prevent illegal and unsafe settlements from developing;</li> <li>▪ Explore options for orderly accommodation on open space that can be monitored by law enforcement.</li> </ul>		

**Table 4. Representative Examples of Mitigation Measures by Impacts during Project Implementation**  
*(Note: The designation of responsibilities between contractor and Borrower may vary on a project-specific basis, in order to improve effectiveness and efficiency in implementation and associated results)*

<b>Assessed Risk and Impact</b>	<b>Potential Mitigation Measures</b>			
	<b>Contractor</b>	<b>Borrower</b>		<b>World Bank</b>
		<b>Project-specific – With Support of the Supervision Engineer</b>	<b>Broader Enabling Environment</b>	
<b>Increased burden on public service Provision</b>	<ul style="list-style-type: none"> <li>▪ Workers’ camp to include electricity, wastewater disposal and septic systems, dedicated healthcare facilities or support of local healthcare services;</li> <li>▪ Identification of authorized water supply source and prohibition of use from other community sources;</li> <li>▪ Separate service providers for community and workers’ camp/construction site;</li> <li>▪ Code of Conduct or worksite procedures on personal water and electricity consumption.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Contingency plans for temporary rise in demand for utilities and public service provision.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Investment in and capacity building of local public service providers.</li> </ul>	
<b>Increased risk of communicable diseases (including STDs and HIV/AIDS)<sup>5</sup></b>	<ul style="list-style-type: none"> <li>▪ Screening worker influx for communicable disease and providing treatment, as appropriate, to reduce exposure to local population</li> <li>▪ Vaccinating workers against common and endemic (locally prevalent) diseases;</li> <li>▪ Contracting of an HIV service provider to be available on-site in high risk areas, where worker numbers are above a certain threshold;</li> <li>▪ Implementation of HIV/AIDS education program;</li> <li>▪ Information campaigns on STDs among the workers and local community;</li> <li>▪ Education about the transmission of diseases, age of consent in project area, and reminder about Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establishment or upgrade of health centers at camp and construction sites (unless designated as contractor responsibility);</li> <li>▪ Free testing facilities;</li> <li>▪ Provision of condoms;</li> <li>▪ Monitoring of local population health data, in particular for transmissible diseases.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Community sensitization campaigns;</li> <li>▪ Awareness raising about public health impacts from labor influx.</li> </ul>	

<sup>5</sup> Toolkit available at [www.theroadtogoodhealth.org](http://www.theroadtogoodhealth.org)

**Table 4. Representative Examples of Mitigation Measures by Impacts during Project Implementation**  
*(Note: The designation of responsibilities between contractor and Borrower may vary on a project-specific basis, in order to improve effectiveness and efficiency in implementation and associated results)*

<b>Assessed Risk and Impact</b>	<b>Potential Mitigation Measures</b>			
	<b>Contractor</b>	<b>Borrower</b>		<b>World Bank</b>
		<b>Project-specific – With Support of the Supervision Engineer</b>	<b>Broader Enabling Environment</b>	
	<ul style="list-style-type: none"> <li>commitments and sanctions for non-compliance;</li> <li>▪ Provision of condoms.</li> </ul>			
<b>Gender-based violence, including sexual harassment, child abuse and exploitation</b>	<ul style="list-style-type: none"> <li>▪ Contractor Code of Conduct developed, incorporated into workers’ contracts, and training and socialization on it provided to workers</li> <li>▪ Mandatory and regular training for workers on required lawful conduct in local community and legal consequences for failure to comply with laws;</li> <li>▪ Commitment / policy to cooperate with law enforcement agencies investigating perpetrators of gender-based violence;</li> <li>▪ Creation of partnership with local civil society organization to report workers’ misconduct and complaints/reports on gender-based violence or harassment through the GM;</li> <li>▪ Provision of opportunities for workers to regularly return to their families;</li> <li>▪ Provision of opportunities for workers to take advantage of entertainment opportunities away from rural local communities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Instruction and equipping of local law enforcement to act on community complaints;</li> <li>▪ Information and awareness-raising campaigns for community members, specifically women and girls;</li> <li>▪ Provision of information to local community about the contractor’s policies and Code of Conduct (where applicable).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increased security presence in nearby communities;</li> <li>▪ Reinforcement of police force where needed;</li> <li>▪ Deployment of female police officers in project area;</li> <li>▪ Application of long-term community-based approaches to address the issue;</li> <li>▪ Enforcement of laws on sexual violence and human trafficking.</li> </ul>	
<b>Child labor and school drop out</b>	<ul style="list-style-type: none"> <li>▪ Local community provided with information on contractor’s policies and Code of Conduct</li> <li>▪ Ensuring that children and minors are not employed directly or indirectly on the project.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Communication on hiring criteria, minimum age, and applicable laws.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Enforcement of legislation on child labor.</li> </ul>	
<b>Local inflation of prices and</b>	<ul style="list-style-type: none"> <li>▪ Appropriate mix of locally and non-locally procured goods to allow local project</li> </ul>		<ul style="list-style-type: none"> <li>▪ Monitoring of local prices and security of supply.</li> </ul>	



**Table 4. Representative Examples of Mitigation Measures by Impacts during Project Implementation**  
*(Note: The designation of responsibilities between contractor and Borrower may vary on a project-specific basis, in order to improve effectiveness and efficiency in implementation and associated results)*

<b>Assessed Risk and Impact</b>	<b>Potential Mitigation Measures</b>			
	<b>Contractor</b>	<b>Borrower</b>		<b>World Bank</b>
		<b>Project-specific – With Support of the Supervision Engineer</b>	<b>Broader Enabling Environment</b>	
<b>crowding out of local consumers</b>	benefits while reducing risk of crowding out of and price hikes for local consumers.			
<b>Increased pressure on accommodation and rents</b>	<ul style="list-style-type: none"> <li>When accommodation supply is limited establishment of workers’ camp facilities with sufficient capacity for workers—including sub-contractors—and associated support staff.</li> </ul>	<ul style="list-style-type: none"> <li>Inclusion in contract of funding for establishment of workers’ camp.</li> </ul>		
<b>Increased traffic and rise in accidents</b>	<ul style="list-style-type: none"> <li>Preparation and implementation of a traffic management plan to be approved by supervision engineer;</li> <li>Building additional/separate roads to project and workers’ camp sites;</li> <li>Organization of commute from camp to project to reduce traffic;</li> <li>Road safety training and defensive driving training for staff;</li> <li>Sanctions for reckless driving, speed limits on project vehicles, and route/time management where in proximity to populations, such as lower speed limits near schools and avoidance of certain times of day when more pedestrians are on the road.</li> </ul>	<ul style="list-style-type: none"> <li>Local government engagement with contractor and communities to identify accident hotspots and formulation of solutions.</li> </ul>	<ul style="list-style-type: none"> <li>Upgrading and maintaining roads affected by project (unless designated as contractor responsibility).</li> </ul>	
<b>Environmental Risks</b>				
<b>Inadequate waste disposal and creation of illegal waste disposal sites</b>	<ul style="list-style-type: none"> <li>Reduction of waste generation;</li> <li>Sound practices for waste disposal.</li> </ul>	<ul style="list-style-type: none"> <li>Inspection of waste disposal arrangements.</li> </ul>		
<b>Wastewater Discharges</b>	<ul style="list-style-type: none"> <li>Ensuring workers’ camp and associated facilities are connected to septic tank or other wastewater systems which are</li> </ul>	<ul style="list-style-type: none"> <li>Regular inspection to ensure proper functioning.</li> </ul>		

**Table 4. Representative Examples of Mitigation Measures by Impacts during Project Implementation**  
*(Note: The designation of responsibilities between contractor and Borrower may vary on a project-specific basis, in order to improve effectiveness and efficiency in implementation and associated results)*

<b>Assessed Risk and Impact</b>	<b>Potential Mitigation Measures</b>			
	<b>Contractor</b>	<b>Borrower</b>		<b>World Bank</b>
		<b>Project-specific – With Support of the Supervision Engineer</b>	<b>Broader Enabling Environment</b>	
	appropriate and of sufficient capacity for the number of workers and local conditions.			
<b>Increased demand on freshwater resources</b>	<ul style="list-style-type: none"> <li>▪ Assessment of local water capacity and mitigation, as appropriate;</li> <li>▪ Water conservation and recycling of water;</li> <li>▪ Consideration of use of rainwater where feasible;</li> <li>▪ Avoiding contamination of fresh water sources.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inclusion in contract of requirement for rainwater capture, use of non-potable water for construction works, etc.</li> </ul>		
<b>Camp-related land use, access roads, noise and lights</b>	<ul style="list-style-type: none"> <li>▪ Placement of workers' camp away from environmentally sensitive areas to avoid impacts on the local wildlife;</li> <li>▪ Routing of new access routes for workers' camp to avoid/minimize environmentally sensitive areas.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inclusion in contract of requirements for camp locations.</li> </ul>		
<b>Increased deforestation, ecosystem degradation, and species loss</b>	<ul style="list-style-type: none"> <li>▪ Only wood from legal commercial sources to be used on the project;</li> <li>▪ Use of wood for fuel prohibited;</li> <li>▪ Reduction in energy demand, reduced noise and light generation, reduced and safe use of dangerous chemical substances.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cooperation with environmental organizations in the area to seek their advice and allow for early feedback on adverse impacts.</li> </ul>		
<b>Increased use/demand on natural resources</b>	<ul style="list-style-type: none"> <li>▪ Minimized land use change and use of other natural resources;</li> <li>▪ Avoidance of deforestation around camp area;</li> <li>▪ Prompt and effective response to environmental and social issues raised by supervision engineer.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Close monitoring of impact on natural resources with enforcement of contract or legislative options.</li> </ul>		

## Monitoring, Reporting and Supervision during Implementation

### Monitoring and Reporting

28. **As part of the ESMP or related management plans reflected in the ESCP, a monitoring and reporting system is required for the Borrower, the project implementing agency, the supervision engineer and the contractor to monitor implementation progress and report to the Bank.** The cost of monitoring is included in the cost of the ESMP, related management plans or Operation Manual (as applicable). The main objectives of the monitoring are to:

- Help identify the presence and significance of project-related impacts on local communities;
- Ensure that mitigation measures are implemented in a timely manner (and modified as needed);
- Ensure that the mitigation measures are achieving their objectives of addressing corresponding impacts, and
- Provide information to adapt the ESMP, related management plans or Operation Manual according to the results achieved and new circumstances or findings (including reporting on accident rates, traffic incidents, fatalities, grievance management, etc.).

29. **Monitoring of and reporting on the project should be complemented by an effective GM in order to address issues arising from project implementation, and this is particularly important when labor influx is a significant issue in the project. An effective GM also helps to detect unanticipated or recurring problems, and to manage them.** The project implementing agency sets up and supports the GM, in a manner satisfactory to the Bank, to receive, manage and facilitate resolution of stakeholders' concerns and grievances in a timely manner. **It is important that the GM be designed to accommodate all issues raised, including issues related to labor influx.** The way to make complaints needs to be simple and well publicized. The GM is usually scaled to the risks and potential adverse impacts of the project. The success of project-level GMs depends on a number of factors, such as: (i) their publicity and accessibility, (ii) the transparency of their operation, (iii) the credibility of their decision-making process and structure, (iv) their confidentiality and hence protection from any potential retaliation, and (v) the effectiveness of the associated business processes to resolve grievances where appropriate.

30. **The Borrower is responsible for contractor compliance with the applicable management plans (ESIA, C-ESMP, Labor Influx Management Plan and/or Workers' Camp Management Plan).** This includes a regular review of progress and compliance reports issued by the supervision engineer and contractor, facilitating consultation meetings with the local community during site visits, and tracking and recording the number of project workers recruited by contractors within and from outside the communities.

31. **In high-risk projects, good international practice recommends that Borrowers be encouraged to supplement project monitoring and reporting with external third-party monitors or independent experts, in addition to oversight by the supervision engineer and the implementing agency.** Third-party monitoring is defined as monitoring by parties that are external to the project's direct beneficiary chain or management structure, who assess whether intended outputs and outcomes have been achieved by the project and impacts have been addressed. Such monitoring is mainly used to provide an independent perspective on project or implementing agency performance. It can be conducted by civil society organizations, think tanks, academic institutions, or private firms. A separate [GPN on Third-party Monitoring](#) is available.

### Implementation Support

32. ***The Bank task team’s role is to provide implementation support based on the monitoring and reporting conducted by the project implementing agency or external parties, the reporting on the GM, and its own direct monitoring site visits.*** The frequency and detail required in the reporting provided by the implementing agency and the Bank’s implementation support visits will vary according to the risk level of the project. Bank task team site visits should include visits to workers’ camps; review of the GM’s complaint receipt and resolution statistics; discussion with the contractor’s and/or Borrower’s community liaison focal point; and meetings with affected community members. Each implementation support site visit must be followed by clear communication to the Borrower, the contractor and the supervision engineer regarding any compliance concerns or emerging risks. The role of the supervision engineer is critical in overseeing the contractor, providing reports on progress and compliance, and assisting the implementing agency to enforce the contract and impose sanctions when needed.

33. ***Bank implementation support helps to ensure that the Borrower and its supervision engineer are familiar with the environmental, social, and health and safety requirements in the Bank-Borrower agreement and the construction and construction supervision contracts.*** For example, the Bank task team works to ensure that:

- The Borrower has a contract management framework with a risk management plan identifying all risks and mitigating measures and providing for regular meetings of the parties to monitor the contractor’s performance in all areas.
- The contractor, the supervising/resident engineer and/or supervision engineer are familiar with the ESCP, ESMP and C-ESMP.
- The supervising/resident engineer or supervision engineer retains at all times key staff qualified and experienced in managing social and environmental issues, including issues pertaining to labor influx and community health and safety.
- Communications between the Borrower, the contractor and the supervision engineer are well managed.
- The contractor and the Borrower follow up on feedback from community leaders, beneficiaries and other project-affected parties.
- Mitigation measures for issues that were previously not identified but have emerged during implementation are swiftly planned and implemented.
- Consultation and stakeholder engagement activities are carried out as planned and publicized. It is particularly important to communicate project changes or delays in schedules that have been disclosed, so stakeholders can rely on the information received from the project.
- The GM is in place and functioning effectively.

34. ***Even with the best programs and management measures in place, unexpected and unforeseen project impacts can occur, and this is the basis for requiring monitoring and adaptive management. It is recommended, therefore, that adaptive management measures, including contingency plans and associated resources, be put in place to address such situations.***

35. ***Under exceptional circumstances, the Borrower may fail to comply with its legal obligations concerning the management of social and environmental risks due to labor influx.*** In such cases, the Bank will exhaust all available measures to support the Borrower in implementing corrective measures. If such efforts are unsuccessful in obtaining adequate corrective action, the Bank may consider applying its legal remedies, including suspension of disbursement and cancellation.