EXECUTIVE SUMMARY to LABOR MANAGEMENT PROCEDURES

- 1. The World Bank is supporting the preparation of the "Electricity Sector Transformation and Resilient Transmission" (ESTART)» Project in response to the Uzbekistan's Government request to support energy sector.
- 2. **Project Objective.** The objective of the Electricity Sector Transformation and Resilient Transmission (ESTART) project is to support the establishment of a modern transmission company and improve the capacity and reliability of the power transmission system to integrate large scale renewable energy sources. The proposed project will consist of the following four components:
 - (i) Digitalization of the electricity transmission sector: The objectives of this component are to take advantage of modern digital technologies to support the enhanced monitoring, automation, and control of the power system in Uzbekistan.
 - (ii) Power grid strengthening and renewable energy integration: (a) modernization of 22 priority substations that were identified for rehabilitation across the country; (b) construction of a new substation to release overloading on neighboring substations and to meet growing demand in the respective regions; (c) construction of related 500 kV and 220 kV transmission lines to connect the aforementioned substation to the national transmission network.
 - (iii) NENU institutional development and project implementation support: This component will support developing and improving the institutional capacity, financial substantiality and technical capabilities of National Electric Networks of Uzbekistan (NENU). The component will include the following 4 subcomponents: 3.1- Modernization of NENU business process, 3.2- NENU Financial Sustainability and Preparatory Work to Access Commercial Financing, 3.3- NENU Institutional Capacity Building and Project Implementation Support, 3.4- Working with Technical Supervision Consultants.
 - (iv) Electricity Market Development: This component will provide technical assistance for the design and implementation of the electricity sector's transition plan toward the establishment of a wholesale electricity market. The specific activities will include: (i) establishment of the Energy Market Regulatory Authority (EMRA); (ii) development of a Wholesale Electricity Market; (iii) establishment of a Central Buyer; (iv) establishment of a Balancing Market within NENU; and (v) implementation support to Ministry of Energy and its Project Office.
- 3. The Labor Management Procedures (LMP) is developed to manage risks under the Project implemented by the NENU, and funded by the World Bank. The LMP sets out the Project's approach to meeting national and NENU requirements as well as the objectives of the World Bank's Environmental and Social Framework, specific objectives of Environmental and Socials Standard 2: Labor and Working Conditions (ESS2) and Standard 4: Community Health and Safety (ESS4).
- 4. Good practices are proposed for the project, while issues/ areas of further improvement are proposed, to be followed during the implementation of the program. For example, the Employees Union, Safe Work Environment et al will be practiced in this program. The project will follow the World Bank's interim note on "COVID-19 Considerations in Construction/Civil

Works Projects" and the World Bank's interim note on "COVID-19 Considerations in Construction/Civil Works Projects".

- 5. The key aspect of LMP is to categorically identify, assess, and prescribe on how to address the issues of Child and Forced Labor, Labor Influx, Gender-based Violence, Occupational Health and Safety, and Trafficking.
- 6. The LMP applies into all Project workers whether full-time, part-time, temporary, seasonal or migrant workers.
- 7. The main institutions involved in the implementation of the proposed project are, Ministry of Energy, Ministry of Finance, Ministry of Investment and Foreign Trade, at national level NENU and RENU (Regional Electric Networks) and PIU at local level. The regional administrations (Khokimiyats) will facilitate the implementation of the project at local level and will be indirect beneficiaries of the project.
- 8. The NENU is responsible for coordination with key ministries and public authorities, including the State Investment Committee, Ministry of Finance, Ministry of Investment and Foreign Trade, as well as regional and local authorities of the project areas during project implementation.
- 9. The key labor risks would be associated with health and safety risks related to the construction of agro-logistics centers and rehabilitation of buildings such as exposure to physical, chemical and biological hazards during construction activities, use of heavy equipment, trip and fall hazards, exposure to noise and dust, falling objects, exposure to hazardous materials and exposure to electrical hazards from the use of tools and machinery. As the construction activities will involve hazardous work, persons under the age of 18 will not be employed by the Project.
- 10. The NENU will be responsible for the overall management and implementation of the Project. The Head of the PIU and NENU will be responsible for the operational implementation of the project components, the day-to-day management and implementation of the project.