

INTERIM ADVICE FOR IFC CLIENTS ON SUPPORTING WORKERS IN THE CONTEXT OF COVID-19

COVID-19 presents many challenges to employers globally, including IFC clients, as providers of jobs and livelihoods for workers and their families. These challenges include providing safe working conditions for those still working; ensuring business continuity when workers are absent; supporting workers who cannot work due to sickness, safety, caring, or economic reasons throughout the crisis; and dealing with potential changes in labor regulations.

Many countries are modifying national laws and policies to respond to the challenges presented by COVID-19, and IFC clients should be aware of the changing legal landscape. IFC clients should continue to follow labor-related national laws and regulations, as well as IFC Performance Standard 2 (PS2) on Labor and Working Conditions. This Tip Sheet sets out useful information to support decision making in response to the impacts of COVID-19 on workers and employment. It focuses on the following areas:

- Health and safety, including actions to prevent transmission;
- Job protection, including supporting workers through difficult times and building resilience for businesses to operate during and after the immediate crisis;
- Responsible retrenchment as an option only if there is no other alternative, and how to reemploy those workers, when possible, once the situation has improved.

Each section provides a short overview of the relevant issue, suggested approaches, and practical tips to consider. Clients may share this internally and with contractors working on IFC-supported projects. Please see the disclaimer at the end of the paper.

UNDERSTANDING THE IMPACTS AND RISK OF COVID-19

The speed of COVID-19's spread, and the nature of the virus, has given rise to concerns with respect to the safety of workers as well as that of members of the public with whom workers may come into contact.

There are further risks to workers which businesses should carefully consider and plan for, including: workers' temporary or longer-term loss of income, accommodating workers' needs to self-isolate or care for others, and the general uncertainty and insecurity experienced by the workforce.

To better understand physical and economic risks to workers, businesses should ensure that these considerations are properly integrated into their emergency response planning. For details see Interim Advice for IFC Clients on Developing a COVID-19 Emergency Preparedness & Response Plan (EPRP).

COVID-19 may disproportionately impact vulnerable segments of the workforce. Examples include:

| Potentially vulnerable groups | Vulnerability factors |
|---|--|
| Casual, temporary, gig economy, seasonal, or informal workers | May face elevated job insecurity, have less recourse to state protection mechanisms, and face literacy (or other) challenges when receiving COVID-19 related information. |
| Older workers, workers with underlying health issues, and workers with disabilities | May be more vulnerable to illness, may be a higher risk group for COVID-19 infection, and may already be subject to social stigma. |
| Migrant workers | May face added vulnerabilities due to greater reliance on the employer. Job loss may be accompanied by an inability to return home, to access state protection mechanisms, or to apply for alternative employment, and could lead to potential immigration law violations. Migrant workers may also face literacy or comprehension challenges when receiving COVID-19-related information. |
| Women and girls | May face direct or indirect discrimination if workforce restructuring or dismissals are considered, for instance where women are overrepresented in noncore areas of a business. Added vulnerabilities may stem from additional unpaid responsibilities resulting from the traditional caregiving role of women, including risks of transmission to / from those in receipt of elder care. Also, there could be an increased risk of gender-based violence (GBV), including domestic and intimate partner violence due to reasons noted above. |

ACTION: ADDRESSING SAFETY

Ensuring that workers are safe in the workplace, or that workers who are at risk or could put others at risk are not at work, is a crucial first step. For more details see Interim Advice for IFC Clients on Preventing and Managing Health Risks of COVID-19 in the Workplace.

A brief and nonexhaustive overview of prevention and response measures is included below:

| Possible measures | Description |
|-----------------------------------|--|
| Providing information on COVID-19 | <p>This can include awareness campaigns, training, or the establishment of specific communication channels (for example, WhatsApp groups or email).</p> <p>There should be no discrimination against, or stigmatization of persons affected by COVID-19 or their families.</p> |

| Possible measures | Description |
|---|--|
| Ask sick or potentially infected workers to stay home or work from home | Encouraging workers to stay at home if they report symptoms of COVID-19 may require awareness-raising (see above), as well as distributing brief medical questionnaires and making revisions to company sick leave policies. |
| Cough hygiene | Awareness about proper cough hygiene should be accompanied by adequate water and soap for cleaning facilities. |
| Social distancing | Ensuring that workers keep a safe distance of 2 meters (6 feet) apart might involve reorganizing the workplace, limiting gatherings, and adjusting shift structures where necessary. |
| Hand sanitation | As with cough hygiene, the workforce should be informed of proper handwashing technique and should be provided with adequate facilities. |
| Cleaning and disinfecting | Determine whether more thorough cleaning /disinfecting of the workplace is needed and confirm that appropriate cleaning supplies are available. |
| Food preparation | Cleaning and disinfecting protocols should extend to food preparation facilities, and kitchen staff should be prohibited from reporting to work if they experience COVID-19 symptoms. |
| Air quality control | Improving ventilation or air filtration is of particular importance in areas where crowding is likely and difficult to avoid (for example, elevators and control rooms). |
| Personal protective equipment | This might involve requiring gloves or breathing protection, particularly if workers are likely to come into contact with infected persons. |
| Worker accommodation | It should always be considered how workplace preventive measures can be extended to worker accommodations or camps, including those located in remote areas. |

COVID-19-related health and safety responses should be applied to all workers, including contractors. Wherever possible, sector-specific advice should be sought, and special consideration should be given to the health and safety needs of vulnerable workers. This includes ensuring that any health and safety information is disseminated in a way that is accessible and can be understood by illiterate or transient members of the workforce.

ACTION: PROTECTING JOBS AND ADDRESSING INSECURITY

Workers may face significant job and personal insecurity as a result of COVID-19. Examples include:

- Worrying that they need to continue to work for fear of losing their job, even though they are unwell or have family at home who are unwell or are being isolated;
- Worrying about losing their job if the company is in a lockdown situation or they are subject to movement restrictions;
- Worrying about being dismissed due to an employer's financial situation;
- Worrying that they will not be reemployed if a business shuts down temporarily or if they are furloughed (that is, temporarily dismissed);
- Struggling to combine work and caring responsibilities – such as if childcare centers and schools are closed – particularly when they are engaged in essential services which cannot be performed remotely;
- Fearing not getting a salary and benefits for a period of time; and
- Worrying that if they seek alternative short-term employment, or other income sources, this will jeopardize their return to work in the future.

Keeping employees in work or other support – some approaches

For businesses to be resilient and to better recover from this crisis, retaining skills and experience – and the goodwill of staff, customers, and communities – is essential. Businesses that can quickly reestablish their labor force are more likely to be able to respond to reestablished economic activity, and even benefit from new opportunities.

There are a range of alternatives to dismissals, which should be the last resort. Many of these alternatives can be low cost and can be gradually introduced or relaxed. The decision framework below can help businesses consider which approach is most appropriate. This may be a staged approach which develops over time. The rule of thumb should be to start with those measures which have the least negative impact on workers.

Key elements of the process include:

- **Consider national legal and policy developments.** Some countries are limiting dismissals based on COVID-19 or are requiring special approvals. Government support may also be available. For instance, some governments are providing grants or tax relief if workers are retained.
- **Consult with workers and their representatives.** Workers may have good ideas on how to support employment during difficult times. Consulting and agreeing on certain approaches, such as temporary wage reductions or changes to work schedules, is generally advisable and often legally required. The way in which consultations are performed should be sensitive to the health risks posed by COVID-19. Large in-person meetings should be avoided and alternative (virtual) communication methods should be considered.
- **Review, revisit, revise. Circumstances surrounding COVID-19 are constantly changing, but it is clear that the impacts of the virus will diminish over time.** Ensuring flexibility to change a response is better than making decisions which are irreversible or difficult to reverse. For example, dismissing groups of workers at the outset will likely leave the company without skills and experience to lead a recovery once the crisis abates.
- **Maintain open communications.** Regular and open communication is important, especially when there are likely to be rumors, contradictory information, and significant concerns among the workforce. Regular information can minimize confusion or misunderstanding, build trust, and provide much-needed reassurance to the workforce.

COVID-19: Job Protection Framework

INITIAL QUESTIONS

| Business restructuring | State specific C-19 measures | Vulnerable workers | Third parties | Laws and standards |
|---|--|--|---|---|
| Can output/ services be changed to meet emergency C-19 needs? | Are there C-19 specific government measures being put in place? | Are there parts of the workforce that are particularly prone to income shocks? | Are alternative payment measures for suppliers or contractors possible? | What are the relevant OHS/labor standards, e.g. sick pay, right to refuse unsafe work? |
| How can workforce skills transition to meet new scale/type of operations? | Examples include income protection schemes, limitations on C-19 related dismissals | Examples include migrant workers, contracted workforce, workers with care-giving roles | Examples include forward ordering, interim payments, payment on order/receipt | What are the relevant social security provisions, e.g. unemployment, sickness benefits, workers' comp.? |

POTENTIAL RESPONSES

| Preventing transmission | Working time reorganization | Workforce restructuring | Holding measures |
|--|---|---|--|
| Minimize workplace transmission (distancing, accommodation, transport, hygiene measures) | Make best efforts to provide paid sick leave / care leave which is at a minimum compliant with national law | Temporarily release workers with defined skills to support emergency response | Temporary lay-off / furlough - particularly if there is state income support |
| Working from home / telecommuting / flexible working | Reduce working hours / work week / shifts (also to reduce physical proximity) | Redeployment of workers to other parts of business | Move workers to internal development activities or cleaning, upgrade and maintenance |
| Implement protocols for sending home sick workers | Allow workers to take unpaid / voluntary leave | Training / re-training of workers to meet alternative skills needs | Allow / encourage workers to volunteer in their communities |
| Implement hygiene protocols, safety guidance | | | Livelihood support such as food subsidies or allowing workers to remain in workplace accommodation |

Action steps under a COVID-19 Job Protection Framework

IFC PS2 provides that, before moving to retrenchment, clients should “carry out an analysis of alternatives to retrenchment.” It provides examples of alternatives that include negotiated working-time reduction programs, employee capacity-building programs, and long-term maintenance works during low-production periods.

Some further examples of possible job protection responses, based on the framework above, include:

- Transferring employees to other parts of a business, or other businesses in the group, can be a way to maintain workers (along with preserving skills and increasing worker commitment).
- Identifying maintenance, research, or development tasks that can be accomplished over the short- to medium term.
- Reducing working hours or adjusting shifts can, to a certain extent, spread the impact of reduced labor requirements. Examples include “job sharing” schemes where two (or more) workers are engaged on a part-time basis to fulfil a job normally done by one full-time worker. This situation is ideal if worker salaries are supplemented by government schemes or other sources of funds.
- Some workers may be able to take voluntary or unpaid leave. This approach should involve full consultation with workers and their representatives through a clear and transparent process. Impacts on workers can be reduced if government support is available.
- Temporary layoffs or furloughs is an alternative if there are no other options. Again, some degree of financial support from governments or employers will help workers and can minimize the possibility that they do not seek alternative work. Pending national provisions, clients can consider maintaining some part of salary and / or benefits (specifically, healthcare insurance coverage) during furloughs.
- Some manufacturing companies have changed their production processes to produce outputs that meet COVID-19 emergency needs. This can include clothing companies producing masks and surgical gowns, alcohol companies producing hand sanitizer, and engineering companies producing medical ventilators. There is significant potential for adaptation and innovation, and business restructuring has an added advantage of preserving jobs and worker commitment.
- Some companies have encouraged their workers to volunteer for emergency response duties where they have the appropriate skills.

Consideration of job protection measures should also consider impacts on vulnerable segments of the workforce outlined above. Some examples of questions to ask are: Do measures consider the specific situation of migrant workers? Are older workers’ needs considered and accommodated in protocols, particularly in light of heightened vulnerability to COVID-19? Do changes in working hours disproportionately impact certain segments of the workforce? Can sick pay support particularly vulnerable workers, for example, by ensuring that older or more susceptible workers can stay at home for full-quarantine and post-quarantine periods?

Other additional measures beyond job protection

- Where employers provide worker accommodations, determine whether workers can safely remain in those accommodations even if they are not currently at work due to long-term sickness, suspension of contract, or transfer to emergency response work.
- Consider suspending or forgoing any rent or other charges which are paid by workers.
- Support training measures to allow workers to skill-up for working in emergency or postemergency response.
- Identify opportunities to support workers’ childcare needs where daycare centers and schools are closed. These include ensuring that essential staff have access to childcare, allowing home-based work and flexible working hours, and allowing staff to take (paid) family and emergency leave. See IFC Note on ‘Employer-Supported Childcare in the COVID-19 Era: A guidance note for employers’.

ACTION: RETRENCHMENT AS A LAST RESORT

In some cases, after consideration of all alternatives in consultation with the workforce, retrenchment (also known as collective redundancy or mass layoff) may be unavoidable as a last resort. In this case, it is important to notify IFC as early as possible that retrenchment is likely to occur.

Retrenchment must be carried out in accordance with the provisions of national law and applicable collective bargaining agreements. IFC PS2 sets out a series of requirements for the conduct of responsible retrenchment in line with the principles of nondiscrimination and consultation. Practical guidance is available from https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_gpn_retrenchment.

- Carry out an analysis of alternatives to retrenchment, in line with the job protection measures highlighted above. If no viable alternatives are identified, develop a retrenchment plan which includes measures to reduce and mitigate the adverse impacts of retrenchment on workers.
- Consult with trade unions or other workplace representatives over the proposed retrenchment. Consultation should be about avoiding or reducing retrenchment, considering the method of selection, and mitigating the effects of the retrenchment. This consultation may need to be conducted remotely in light of the health risks posed by COVID-19. The outcome of the consultation should be reflected in the final retrenchment plan.
- Ensure that the criteria for selection for retrenchment are objective, fair, and transparent. In particular, the client will aim for a gender-neutral impact in retrenchment. Consider preferential rehiring conditions for workers subject to retrenchment.
- Implement a procedure which provides individuals with the right to challenge their selection for retrenchment.
- Pay all outstanding back pay, social security benefits, and pension contributions and benefits to those affected by retrenchment in a timely manner. Where payments are made for the benefit of workers, workers should be provided with evidence of such payments. Particular consideration should be given to the impact on retrenched workers' healthcare coverage where this is dependent on employment, and whether there is a possibility of extending such benefits over a defined time period, particularly covering illness derived from COVID-19 or related factors.
- In a position of insolvency, the insolvency practitioners will be responsible for determining whether workers have been paid any outstanding wages or other debts due to them. National law will determine whether workers have special preferential rights over other creditors.

TOOLS: CLIENT JOB PROTECTION AND EMPLOYMENT SECURITY CHECKLIST

Assessing state support and relevant legal requirements:

1. What measures does the government have in place to inform job protection options?
 - a. Business measures: tax relief, preferential loans / credit
 - b. Workforce measures: extended social protection (temporary unemployment, extended sickness or caring absence pay), wage guarantee or income support for workers
2. What are the relevant statutory safety requirements with respect to the following?
 - a. Updating workplace risk assessments
 - b. Provision of adequate personal protective equipment (PPE)
 - c. Hygiene facilities
 - d. Workers' right to refuse unsafe work

3. What are the applicable statutory requirements on paid sick leave and paid care leave as they apply to workers with (suspected) COVID-19 or who have caring responsibilities as a result of COVID-19, and mitigating measures? If national law does not provide for sick or care leave, is it possible to provide sick leave or care leave? Are there other forms of support that can be provided, or leveraged, in relation to workers who are sick or caring?

Assessing potential worker safety and job protection measures:

4. What options are available to support workers' welfare and income security during the crisis?
- Worker support allocation
 - Basic needs / food allowance
 - Allowing workers continued use of accommodation or canteen facilities, with corresponding health and safety measures
5. If employing workers whose continued activity is essential to COVID-19 crisis response, what additional arrangements can be put in place with regards to the following?
- Worker health and safety, minimizing transmission
 - Support for childcare through direct and indirect means
6. Which members of the workforce are most vulnerable to the following?
- Potential exposure to / infection by COVID-19
 - Income shocks associated with job insecurity / job loss
7. Where COVID-19 response entails restrictions on workforce mobility, which business elements can be performed remotely / from home?
- Do workers have the necessary equipment to perform these tasks remotely / from home?
 - Do these workers have additional responsibilities, for example as a result of school closure?
8. Are there ways in which activities or outputs / services can be repurposed to meet crisis response needs associated with COVID-19?
9. Is accommodation provided to workers? What health and safety measures are needed to minimize risk of transmission?
10. Have the workforce and their representatives been consulted on options to protect jobs and maintain income security for workers?
11. What are the options to reorganize working time arrangements in order to protect jobs?
- Reduce working hours / work week / shifts (also to reduce physical proximity)
 - Require paid leave to be taken
 - Allow workers to take unpaid / voluntary leave
12. How can workers be made aware of the potential impact of alternative working / leave arrangements on other benefits/ entitlements (social insurance, pension, health insurance), if any?
13. What are the options to restructure the workforce to protect jobs?
- Temporarily release workers with defined skills to support emergency response
 - Redeploy workers to other parts of business
 - Train / re-train workers
14. Is there formal reemployment guarantee to workers upon recovery?

15. What holding measures are available to the client to maintain workers on the books, even if not active?
- Temporary layoff / furlough – particularly if there is state income support
 - Move workers to internal development activities or cleaning, upgrade, and maintenance
 - Allow / encourage workers to volunteer in their communities
16. Have you shared this Tip Sheet with contractors and other business partners and emphasized the shared importance of seeking to protect jobs and prepare for recovery?

Where retrenchment is unavoidable

17. If all alternatives have been fully considered and some form of retrenchment is unavoidable, has IFC, and where required, the relevant authorities, been notified, and has the company begun to consult workers and develop a retrenchment plan? Are you familiar with national legal requirements and the requirements of IFC PS2 paragraphs 18-19?

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Disclaimer: This document contains advice intended to assist IFC clients in responding to the COVID-19 pandemic. Clients should also refer to COVID-19-related information and recommendations from the World Health Organization (WHO) and other specialized international health and disease control organizations, as well as information from local, regional and national governmental health authorities, noting that such recommendations are subject to change. Relevant information may also be available from international organizations within clients' business sectors. This document is not intended to be exhaustive, and it provides generic and general information rather than sector-specific guidance. Clients in high risk sectors should refer to sector-specific procedures and standards.

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