



European Bank
for Reconstruction and Development

EBRD Performance Requirement 2: Labour and working conditions

Guidance note on children, young people and work

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At-a-glance summary

All European Bank for Reconstruction and Development (EBRD) clients must:

- follow the minimum age requirements set out in International Labour Organization (ILO) Conventions or national legislation (whichever offers the greatest protection to young people under the age of 18) and keep records of dates of birth, verified by official documentation
- check the activities being carried out by young workers and ensure that under 18s are not employed in hazardous work, including in contractor workforces. Hazardous work will normally be defined in national legislation and is likely to include most tasks in construction and several in agriculture
- assess any work by under 18s for safety risks and conduct regular monitoring of their health, working conditions and hours
- ensure that contractors have adequate systems in place to identify workers who are younger than 18 years to ensure that they are not engaged in hazardous work and to make sure that their work is subject to appropriate risk assessment and health monitoring
- assess the risk of child labour occurring in the primary supply chain and identify any reported risks of child labour in lower tiers of the supply chain. Where identified, take steps to remediate or mitigate the problem.

1. What are the EBRD's standards on children and young people in the workplace?

The EBRD wants to ensure that the working conditions on the projects it finances comply with national labour and health and safety laws and regulations and are aligned with international good practice. The EBRD's requirements are set out in its Performance Requirement 2 (PR2)¹ on labour and working conditions, with specific provisions on children and young workers in PR2.11 and PR2.12.

EBRD requirements on child labour: PR2.11 and PR2.12

PR2.11: "The client will comply with all relevant national laws or international labour standards regarding employment of minors, whichever provide a higher degree of protection for the child."

PR2.12: "The client will not employ children in a manner that is economically exploitative, or is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development. Young people below the age of 18 years will be identified by the client and will not be employed in hazardous work. All work of persons under the age of 18 shall be subject to an appropriate risk assessment prior to the work commencing and regular monitoring of health, working conditions, and hours of work."

This means that all EBRD clients are required to comply with international standards on the employment of minors (under 18s), or national law, whichever offers the greatest degree of protection. This requirement applies not only to workers directly employed by the client, but to all project workers (workers who work on a project site or perform work directly related to the core functions of a project), including full-time, part-time, temporary, fixed-term, seasonal and migrant workers, whether engaged directly by the client or by a third party. There are also additional requirements relating to child labour in supply chains (see below).

International standards on the employment of minors are set out in two international conventions established by the United Nations (UN) specialist agency for labour and employment, the International Labour Organization (ILO): Convention No. 138 (Minimum Age for Admission to Employment and Work) and Convention No. 182 (Worst Forms of Child Labour).

These ILO standards are the minimum requirements that must be followed by EBRD clients. Although all of the countries in which the EBRD invests have ratified these Conventions, there may still be instances where national law falls short of ILO standards (for example, where the law allows under 18s to perform certain hazardous tasks). EBRD clients must also abide by any provisions in national law that are more stringent than ILO standards.

2. What is unacceptable work for children and young people?

The EBRD follows the international standards of the ILO in stating that work is unacceptable for children if:

- the child is too young to enter work or employment, or
- the work concerned is hazardous.

How old is the child or young person?

The ILO standards identify age groups for the different forms of economic activity (work) that are acceptable. The key age is 15, which is the prevailing norm for admission to employment worldwide. However, it is important to note that national legislation may set a higher age level, which typically coincides with the end of compulsory schooling.

Is the work hazardous?

Even when children are older than the minimum age of employment, their work can still be classified as “child labour” if it involves hazardous conditions. ILO Convention 182 calls on national governments to define hazardous work and to set out a list of jobs prohibited for under 18s, including the following:

- work underground, under water, at dangerous heights or in confined spaces
- work with dangerous machinery, equipment or tools, or which involves the manual handling or transport of heavy loads
- work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels or vibrations damaging to their health
- work under particularly difficult conditions, such as for long hours or during the night, or work where the child is unreasonably confined to the premises of the employer
- work that exposes children to physical, psychological or sexual abuse.

It is important to check the national definition of hazardous work, the content of any hazardous work list and any restrictions on the type of work that can be carried out by under 18s (for instance, in relation to night work or overtime).

1 EBRD (2019), [Environmental and Social Policy](#), London.

3. What's good for children and young people is good for business

Unacceptable children's work is both a cause and a consequence of poverty. Poverty pushes children into work. Yet, work that is hazardous to the health of a child or interferes with their education can have significant long-term effects on the development of that child and, ultimately, society by producing successive generations of adults who lack the basic skills to escape the poverty trap and function in a modern economy.

Indeed, safeguarding against unacceptable children's work can also generate benefits for business:

- **Risk management:** The EBRD is not alone in requiring adherence to internationally recognised labour standards. Indeed, compliance with international labour standards is an increasingly recognised benchmark, particularly where access to higher-value markets is concerned.
- **Reputation:** Meeting international standards can help secure a "social licence to operate" by demonstrating that the company is a responsible employer.
- **Statutory compliance:** Paying attention to this issue can help firms reduce their exposure to legal liability for non-compliance, thus reducing exposure to inspection visits, fines or the legal costs of addressing claims.
- **Development of a skilled workforce:** Human capital is an essential element of any company. Firms need a healthy, educated labour force, as well as a prosperous consumer base, to facilitate production and market growth. Unacceptable children's work can undermine these objectives by distorting adult labour markets, limiting the growth of human capital and negatively impacting society as a whole.

4. How to safeguard against unacceptable children's work

There are a number of practical steps EBRD clients can take to ensure that they have the appropriate policies and procedures in place to comply with EBRD PR2.11 and PR2.12. These also apply to third-party contractors and labour providers – a particular risk when it comes to construction activities.

- Check the minimum age for employment and hazardous work according to national legislation. Is there a gap between the age for terminating compulsory schooling and the minimum age for admission to employment?
- Set up a procedure to ensure that all workers are above the minimum legal age of employment at the time of hiring (ask for identity documents to check date of birth, for example, and retain copies).
- If your company hires workers under the age of 18:
 - Keep a register of all workers under 18 (including sex disaggregated data) that complies, at a minimum, with national age documentation legislation.
 - Make sure that workers under the age of 18 are not exposed to verbal or physical abuse in the workplace.
 - Make sure that workers under 18 are not required to work in hazardous conditions, such as in jobs that involve hazardous substances, dangerous equipment or heavy lifting.
 - Check to see whether national legislation sets out a list of prohibited jobs for under 18s.
 - Carry out a risk assessment for work carried out by workers aged under 18.
 - Check what national legislation says about working hours for under 18s (on issues such as reduced hours, overtime and night work). At a minimum, ensure that young workers have 12 hours of rest each day and one day off work per week.
 - Establish a system to regularly monitor the health, working conditions and working hours of all under 18s, in line with national data-protection legislation.
- Ensure that contractors have adequate systems in place to identify workers aged under 18 years, to ensure that they are not engaged in hazardous work and to make sure their work is subject to appropriate risk assessment and health monitoring.

5. Identifying child labour in supply chain

Under PR2, EBRD clients are also required to take steps to address child labour in their supply chains. PR2 also has requirements on forced labour and risk of harm, which may be present where there is child labour. There are close links between child labour and forced labour, both of which are more likely to arise in areas where there are high levels of poverty, vulnerability and inequality and weak enforcement of labour laws. According to ILO estimates, children account for 18 per cent of those subjected to forced-labour exploitation.²

EBRD requirements on supply chains: PR2.25, PR2.26 and PR2.27

- **PR2.25:** “As part of the supply chain assessment process outlined in PR1, the client will identify and assess the risk of child labour and forced labour being used in the operations of its primary suppliers.”
- **PR2.26:** “If this risk assessment identifies the presence or significant risks of child labour or forced labour in the operations of the primary suppliers in contravention of ILO standards, or where significant risks of child labour or forced labour are reported in lower tiers of the supply chain of goods and materials which are essential to the core operational functions of the project, the client will take appropriate steps to remedy this in accordance with the following requirements:
 - (i) In relation to child labour, the client will make good faith efforts to remediate or mitigate the problem. The client will only continue to procure such goods or materials from that supplier having received satisfactory undertakings or evidence that the supplier is committed to implementing a programme in accordance with GIP to eliminate such practices within a reasonable time frame. The client will report on progress with the implementation of such programme on a regular basis;
 - (ii) In relation to forced labour, the client will only continue to procure such goods or materials from suppliers having received satisfactory undertakings from the suppliers or evidence that the suppliers have taken appropriate steps to eliminate the conditions that constitute forced labour; and
 - (iii) Where there is a risk of child and/or forced labour, the client will monitor its primary suppliers on an ongoing basis in order to identify any significant changes in its supply chain and new risks or incidents of child and/or forced labour.
- In addition, where there is a risk of harm to workers of a primary supplier, the client will require the relevant primary supplier to introduce procedures and other control measures to prevent or reduce the risk of harm to worker health and safety. Such procedures and control measures will be reviewed by the client periodically to ascertain their effectiveness.”
- **PR2.27:** “The ability of the client to fully address these risks will depend upon the client’s level of management control or influence over its primary suppliers. Where remedy is not possible, the client will reorient the affected primary suppliers over a reasonable timeframe agreed with the EBRD to suppliers that can demonstrate that they are complying with this PR”.

² ILO and Walk Free Foundation (2017), [Global estimates of modern slavery: forced labour and forced marriage](#), Geneva, Switzerland.

PR2.25 requires all clients to assess the risk of child labour in all primary supply chains as part of the supply-chain assessment process outlined in PR1. PR1 defines primary suppliers as “those suppliers who, on an ongoing basis, directly provide goods or materials essential for the core operational functions of the project”.³ The due diligence process should pay attention to both domestic and international supply chains.

In addition, clients are required to identify “reported” risks of child labour in lower tiers of the supply chain. Some of the high-risk supply-chain sectors and regions – based on the findings of the US Department of Labor (2020)⁴ – are indicated below. The assessment should pay particularly close attention wherever a supply chain involves the sectors and countries listed in Table 2, and the results of the supply-chain assessment should be communicated to the EBRD.

Table 2. High-risk supply-chain sectors and regions

	Sector	Supply chain	Countries
Domestic supply chain	Agribusiness (food processing, retail)	Primary agriculture / horticulture	Lebanon (potatoes), Türkiye (citrus, cumin, hazelnuts, peanuts, pulses, sugar beets),
	Manufacturing	Cotton	Azerbaijan, Egypt, Kazakhstan, Kyrgyz Republic, Tajikistan, Türkiye, Turkmenistan,
	Construction	Construction materials	Egypt (limestone, bricks)
	Retail	Garments	Türkiye
		Footwear	Türkiye
		Furniture	Türkiye
	Minerals	Coal	Mongolia, Ukraine
		Gold	Mongolia
		Fluorspar	Mongolia
		Amber	Ukraine
Global supply chain	Trade	Primary commodities and foodstuffs	<i>Cocoa</i> – Brazil, Cameroon, Cote d'Ivoire, Ghana, Guinea, Nigeria, Sierra Leone
			<i>Coffee</i> – Brazil, Colombia, Costa Rica, Cote d'Ivoire, Dominican Republic, El Salvador, Guatemala, Guinea, Honduras, Kenya, Mexico, Nicaragua, Panama, Sierra Leone, Tanzania, Uganda, Vietnam
			<i>Cotton</i> – Argentina, Benin, Brazil, Burkina Faso, China, India, Mali, Zambia
			<i>Fish</i> – Brazil, Cambodia, Ghana, Indonesia, Kenya, Paraguay, Peru, Philippines, Uganda, Vietnam, Yemen
			<i>Palm fruit</i> – Indonesia, Malaysia, Sierra Leone
			<i>Sugar cane</i> – Belize, Bolivia, Brazil, Cambodia, Colombia, Dominican Republic, El Salvador, Guatemala, India, Kenya, Mexico, Myanmar, Paraguay, Philippines, Thailand, Uganda, Vietnam, Zimbabwe
			<i>Tea</i> – Kenya, Malawi, Rwanda, Tanzania, Uganda, Vietnam
			<i>Bananas</i> – Belize, Brazil, Ecuador, Nicaragua, Philippines
	Retail	Garments	Argentina, Bangladesh, India, Mexico, Myanmar Pakistan, Thailand, Vietnam
		Toys	China
	Manufacturing	Electronics	China, Pakistan, Bolivia (silver, tin, zinc), India (mica), Indonesia (tin), Democratic Republic of the Congo (, tungsten, copper, cobalt), Madagascar (mica)
		Information and Communication Technology (ICT) components	Bolivia (silver, tin, zinc), India (mica), Indonesia (tin), Democratic Republic of the Congo (, tungsten, copper, cobalt), Madagascar (mica)
		Timber	Cambodia, Vietnam
		Rubber	Cambodia, Indonesia, Liberia, Myanmar, the Philippines, Vietnam
	Construction	Construction materials	<i>Bricks/stone/gravel</i> – Afghanistan, Argentina, Bangladesh, Bolivia, Brazil, Cambodia, China, Colombia, Ecuador, Guatemala, India, Iran, Madagascar, Myanmar, Nepal, Nicaragua, Nigeria, Pakistan, Paraguay, Peru, Uganda, Vietnam, Zambia
			<i>Timber</i> – Cambodia, Vietnam

Source: EBRD, based on US Department of Labor data.

3 EBRD (2019), [Environmental and Social Policy](#), London.

4 US Department of Labor (2020), [2020 List of Goods Produced by Child Labor or Forced Labor](#), Washington, DC.

6. Further resources

Where risks are identified, the client must take reasonable steps to address them, in line with PR2.26. Moreover, monitoring and reporting systems must be put in place for the duration of the operation/project. There are several examples of international good practice that can be used to remediate or mitigate the problem, such as:

- making new and existing suppliers aware that the use of child labour will not be tolerated and providing clear information about what constitutes child labour
- including child labour requirements in contracts, for example, requiring suppliers to abide by a minimum age for employment and stipulating that hazardous tasks cannot be undertaken by under-18s, as well as requiring regular reporting on the implementation of procedures to ensure that children and young people are not subject to unacceptable work
- encouraging suppliers to obtain labour-standards certification and/or join a credible sectoral or regional initiative to address supply-chain labour standards, including child labour
- working with suppliers to improve conditions, for example, including support to transfer children below the minimum age of employment from work to school or to move children above the minimum age of employment to non-hazardous activities.
- considering the adoption of internationally recognised supply-chain management processes, such as ISO 20400 on sustainable procurement.
- as a final recourse, shifting sourcing away from suppliers that fail to make serious efforts to solve child labour issues. This should be preceded by clear warnings that make clear the consequences of continued non-compliance.

ILO and International Organisation of Employers (IOE) (2015)

How to do business with respect for children's right to be free from child labour, Geneva, Switzerland. Available at: http://www.ilo.org/ipec/Informationresources/WCMS_IPEC_PUB_27555/lang-en/index.htm (last accessed on 14 December 2022).

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