CDC
Investment works

Guidance

COVID-19 Guidance for investors and financial institutions on job protection

In association with

Ergon

Published: April 2020
Last updated: 14 April 2020

Guidance lead:
CDC Group

Important note

CDC Group plc (CDC) is the UK's development finance institution and not the US Center for Disease Control and Prevention. This guidance does not constitute medical advice and is not a substitute for professional advice from international public health organisations such as the World Health Organization, national public health authorities, and national governments, which should be consulted for qualified and more detailed information in relation to health care and infection risk.

Audience

This is guidance for financial institutions (FIs) and investors, including debt and private equity (PE) investors and private equity fund general partners (GPs), on responses to the jobs-related challenges raised by COVID-19. Although it focuses on job protection measures, other related considerations such as employee health and safety should be addressed in parallel. This guidance is a work in progress that reflects some initial and ongoing thinking on COVID-19 and jobs, it will be updated as circumstances evolve and on the feedback we receive.

By maintaining an investor and FI focus, this guidance supports and complements existing COVID-19 guidance, particularly the International Finance Corporation's (IFC), Interim Advice for IFC Clients on Supporting Workers in the Context of COVID-19 (2020), which is aimed directly at companies.

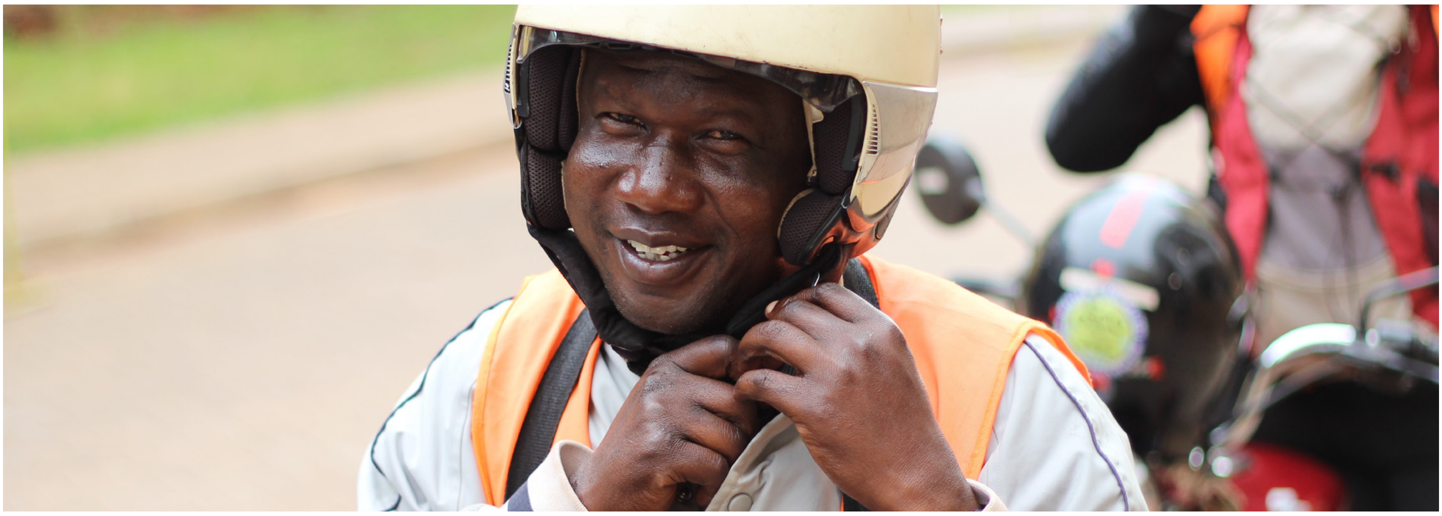
Acknowledgement

This guidance was drafted by Ergon Associates in close collaboration with CDC. Ergon is a labour, human rights, and gender consultancy that works with a range of clients including development finance institutions, international organisations, and the private sector. Ergon Associates does not accept responsibility for any errors, omissions or misleading statements in this document, or for any loss, cost, damage or liability which may arise from reliance on materials contained in this document. Certain parts of this document may link to external Internet sites, and other external Internet sites may link to this report. Ergon Associates is not responsible for the content of any external references.

Disclaimer

This guidance is for general information only and is not intended to be used and must not be used as legal, commercial or business continuity advice, whether generally or in relation to any specific company, risk or other COVID-19 related issue. The contents of this guidance are based upon conditions as they existed and could be evaluated as of 14 April 2020 and CDC does not undertake any obligation to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent.

Contents



01

Context and structure

Wherever possible, investors and FIs should support companies to integrate job protection considerations into broader COVID-19 planning such as business continuity measures or emergency management planning.

There is a strong business case for companies to take such measures (see box below). These business case arguments are also relevant to investors and FIs in terms of preserving company value or the integrity of borrowers. Additionally, investors, FIs and companies should consider applicable requirements under IFC's *Performance Standard 2* (PS2). Although businesses may be considering retrenchment due to difficult economic circumstances, PS2 directs companies to first analyse alternatives to retrenchment. The job protection approaches discussed in this guidance offer some potential alternatives.

The business case for addressing job protection

COVID-19 as an immediate cause of economic pressures is likely to be time-limited. It is therefore important that adequate continuity planning is in place which allows businesses to recover quickly and effectively when demand recovers.

Jobs, and therefore job protection, are a crucial part of this ability to recover. Skills and labour are valuable company resources, and retention of these skills can allow businesses to maintain a competitive edge beyond the crisis, avoiding potentially costly hiring and re-training costs in the future. This is especially relevant if there is likely to be competition for skills and talent in certain sectors once the COVID-19 crisis is over. Broader consideration might be given to the macro-economic benefits of job protection, particularly the linkage between income, ongoing consumption, and the overall functioning of the economy.

Clearly demonstrating commitment to the workforce has significant additional benefits including maintaining the goodwill of workers, customers, and the broader community.

This guidance focuses on practical measures, including advisory and financial measures, that can be taken in response to COVID-19 to mitigate impacts on jobs. It has the following structure:

Overview of the jobs-related challenges raised by C-19	How investors and FIs can prioritise jobs-related risks in the portfolio	Advisory and investor governance measures	Financial measures to support jobs in crisis
Focusing on job protection implications as well as potential safety considerations	Including a consideration of relevant sectors, workforce characteristics, and potential scale of impact	Focusing on advisory and job protection strategies for companies, and approaches to responsible retrenchment where no alternatives are viable	Identifying measures which can support companies to sustain job security for their workers and in order to enhance resilience for recovery

Summary of overall approach

Private equity and debt investors

The following approach to addressing jobs impacts of COVID-19 acknowledges that influence will vary significantly between institutions. This might entail an active role in job protection planning (e.g. investors with majority or significant minority positions), or a role in communicating the business case and advisory support in the case of lenders or investors with less influence.

Identify jobs as key to business continuity	Determine your organisation's internal viewpoint on maintaining jobs. What is the investment case? What sectors need some labour continuity or ability to pick up quickly?	
Prioritisation	Identify and prioritise portfolio companies where jobs are at risk. Have conversations with management to understand where business continuity planning discussions have already identified pressures on jobs. Understand liquidity risks and draw linkages to jobs risks.	
Advisory and governance	Identify investee needs and investor capacity to provide advisory support; systematise delivery of advisory support on HR / jobs. Use board seat to hold management accountable for job protection where equity position allows.	Identify national provisions which determine options for investees to maintain job / income security for workers. Identify sector or industry specific opportunities for collaboration. Can support be provided cross-portfolio (e.g. on law or policy developments, gender-sensitive approaches), or client-specific? Can support be provided on job protection planning? If retrenchment is necessary, is responsible retrenchment promoted and supported? Ensure HR advisory has senior management oversight where equity position allows.
Financing options	Where jobs are under threat due to business continuity concerns, but business is viable, identify options available to mitigate this threat.	Determine if liquidity can be provided to support investees to maintain job security (including via debt relief). Identify scope for contractual provisions (ringfencing use of proceeds, requirement for job protection plan) and reporting requirements to strengthen link to job protection.
Ongoing advisory and monitoring	Foster linkages between company continuity management and job protection advisory / governance inputs.	Ongoing reporting on job protection outcomes

Financial institutions (Debt providers)

Certain COVID-related challenges, such as defaults and an inability to meet clients, can mean that both client and FI (particularly microfinance or MFI) workforces are vulnerable. The following summary therefore considers the situation of both FI's own staff and borrower companies.

Identify jobs as key to business continuity	Determine your organisation's internal viewpoint on job protection in relation to both own staff and borrowers. What is the business case from a lender viewpoint?	
Internal FI workforce considerations	Identify job protection priorities within FI's own workforce, including and contractors.	Is remote working feasible, and if so are there procedures / technologies in place?
		Can public point of access be reduced or removed to reduce risks?
		Do temporary branch closures risk jobs of bank staff? Do COVID-19 related restrictions impact front line staff operating in the community (e.g. loan officers)?
Information and advice to borrowers	Identify relevant, practical information, advice, and initiatives to share with borrowers, some of whom may have limited HR capacity, particularly (M)SMEs.	Identify national provisions – tax, banking, welfare - which determine options for clients to maintain job / income security for workers, as well as other opportunities for collaboration or financial support. Consider, if feasible, cross-portfolio information sharing on sector-specific good practice and opportunities.
Financing options	Where jobs are under threat due to business continuity concerns, but business is viable, identify options available to mitigate this threat through improving liquidity or reducing immediate pressure.	Identify forbearance options (in line with national requirements) – these can include deferred repayment, fee waivers, overdrafts etc.
		Where additional financing is required - e.g. bridging loans - identify reporting requirements or seek clarity on use of proceeds (if possible) to strengthen link to job protection.
Ongoing advisory and monitoring	Foster linkages between borrower's continuity management and job protection advisory / governance inputs.	Sharing emerging good practice.
		Ongoing reporting on job protection outcomes.

03

Overview of jobs-related challenges raised by COVID-19

COVID-19 and workplace safety

There are obvious risks of COVID-19 transmission and infection in the workplace. Within investments and companies, appropriate responses such as hygiene protocols, awareness campaigns, and workplace distancing, should be applied to all workers including contractors.

Although health and safety responses are crucial, they are not the focus of this guidance. Further information on specific measures on health and safety responses are provided in CDC's COVID-19 Guidance for Employers, IFC's Interim Advice for IFC Clients on Preventing and Managing Health Risks of COVID-19 in the Workplace; DEG, Guidance for Employers – Coronavirus disease (COVID-19).

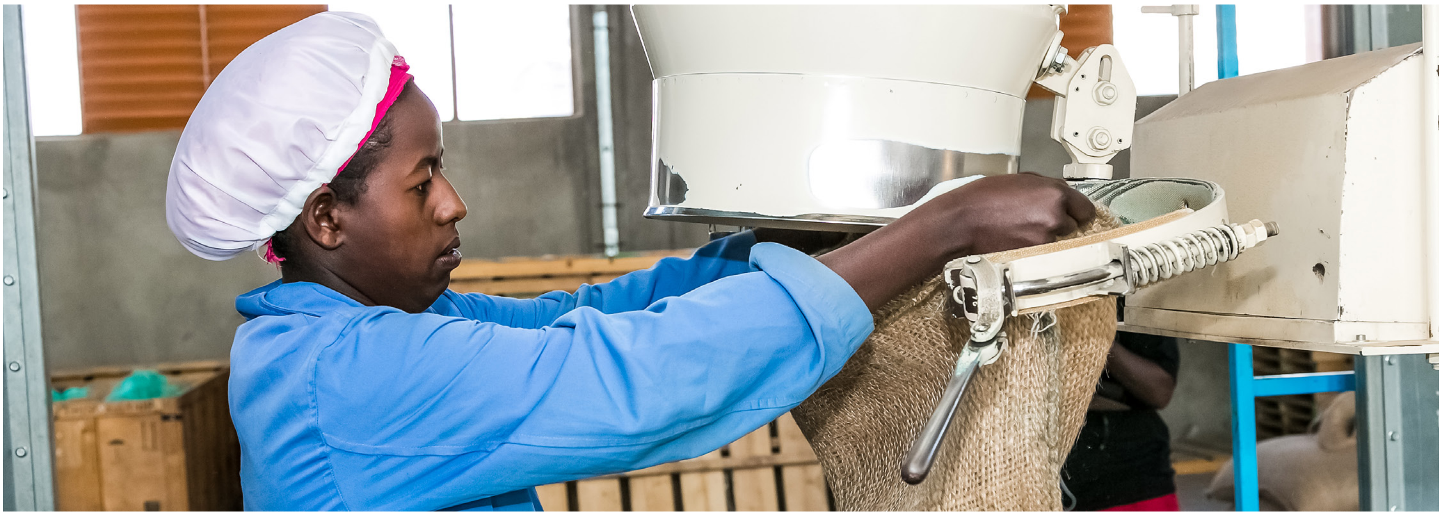
COVID-19 and job protection

The economic consequences of COVID-19, particularly the potential for large-scale job losses, have significant and far-reaching implications. Many workers who lose their jobs will not be able to find new work due to movement restrictions, illness, and caring responsibilities. Beyond loss of income, workers may also lose access to worker accommodation or benefits such as health insurance. In addition, job competition in the near to medium-term competition is likely to be intense. Vulnerable workers such as migrant, women, and precarious workers (discussed in more detail below) face further challenges, particularly where workers have multiple vulnerability characteristics (e.g. migrant women).

Vulnerability considerations	Underlying factors
Casual, temporary, gig economy, seasonal or informal workers	Precarious workers are prevalent in most economies and 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 and a higher risk group for COVID-19 infection and may already be subject to social stigma. May face additional challenges in seeking new employment.
Migrant workers	May face added vulnerabilities due to greater reliance on the employer, particularly if housed in employer-provided accommodation. Job loss may be accompanied by an inability to return home, access state protection mechanisms or apply for alternative employment or lead to potential immigration law violations. Migrant workers may also face literacy or comprehension challenges when receiving COVID-19-related information.
Gender	Occupational exposure to COVID-19 may have gender dimension. Across the world, women are overrepresented in the healthcare sector, particularly in key frontline positions such as nursing, and thus face greater transmission risk. Early research suggests that men may be more susceptible to catching and dying from COVID-19. Pregnant women are also considered an at-risk group. Women may face direct or indirect discrimination in the context of workforce restructuring or dismissals, for instance where women are concentrated in unskilled roles or have less service due to career breaks. Added vulnerabilities may stem from increased child or elder care responsibilities. Also, women face an increased risk of gender-based violence, including domestic and intimate partner violence, due to economic insecurity, forced co-existence and fears about the virus.

Investors and FIs can promote job protection efforts within their portfolio through advice, support, management engagement, or financing measures as the case may be. Merely focusing on retrenchment, without adequate consideration of alternatives, may amplify the negative economic and health impacts of COVID-19. From a company perspective, poorly planned retrenchment may result in reputational or future hiring challenges, especially if it is perceived that vulnerable workers are disproportionately impacted.

An ability to communicate the business case for job protection (see above) can assist investors in supporting their companies.



04

How to prioritise job-related risk in the portfolio

Focusing on higher-risk portfolio companies

Investor resources can be limited, and it is therefore necessary to develop a framework for prioritising responses. The following sectors or types of businesses may be viewed as an initial basis for prioritising job protection considerations due to the higher risk of livelihoods impacted as a result of COVID-19's economic effects, or the likely effects of measures aimed at containing COVID-19, for example lockdowns and curfews.

Prioritisation based on job protection considerations: sectors with higher risk of livelihoods impact as a result of COVID-19 economic effects and state measures aimed at containing COVID-19

- Business-to-consumer and service sectors reliant on discretionary consumer spending, e.g. hospitality, leisure, non-food retail / logistics
- Companies with large workforces and labour-intensive processes
- Companies with significant international supply chains or with an export focus, e.g. manufacturing processes, textiles, electronics, automotive, agribusiness
- Financial services (particularly MFIs and small finance banks)
- Construction contractors
- SMEs (with more limited working capital or access to finance)

An understanding of higher risk sectors or business types can supplement an overall portfolio analysis of company viability, with investor efforts focused towards businesses which may face resiliency challenges as a consequence of COVID impact with business continuity. Separate considerations may be needed for companies which have already requested support, either HR advisory or finance, and have pre-existing pressures on jobs.

Focusing on vulnerable workers

When prioritising job protection responses, focusing on vulnerable groups with the objective of minimising potentially harmful economic and social impacts is crucial. IFC's PS1 (on Assessment and Management of Environmental and Social Risks and Impacts) and PS2 directs applicable clients to consider disproportionate impacts on vulnerable groups.

There are different categories of worker who may be more vulnerable to the economic impacts of COVID-19. Some vulnerable worker groups are described in the section above, and include: **older workers**; **migrant workers**; **informal, contract and temporary workers**; **and women**. During times of crisis, vulnerable workers may be unable to seek alternative employment, or may be driven to accept poorer-quality work, thus exposing themselves to further risks. These workers may also be more impacted by COVID-related restrictions imposed by government (e.g. movement restrictions).

An analysis of sectors with higher risks of livelihoods impact (see above) should also align with a consideration of vulnerable groups. Some sectors may be prioritised where they are characterised by a prevalence of vulnerable worker groups, for instance women in textile supply chains, or informal workers in agriculture.

Focusing on scale of impact

Action might be prioritised based on the number of jobs under threat or types of jobs under threat (e.g. in lower skilled classifications, which may affect women disproportionately), and this information should be requested if unknown. Although specific thresholds for triggering action are likely to be context-specific and somewhat arbitrary, priority might be given to investments where at least 25% of the workforce OR over 500 jobs are under threat.

It may be worth considering how to track the scale of impact. For example, investors might consider asking the following questions:

– *If the information is available* – How many workers [add contractors for infrastructure under construction] have reported symptoms of COVID-19?

– Over the past 3 weeks, has the company implemented any *additional/new* measures or *strengthened* the measures to manage COVID-19 risks?

– Has there been any significant retrenchment over the past 3 weeks or is this expected to take place in the next 1-2 months? *Significant retrenchment means a reduction of at least 20% of workforce or the loss of over 500 jobs (including direct contractors).*

– Please briefly describe any measures implemented by the company [or any key contractors – for construction] which may adversely affect workers and increase their vulnerability (e.g. salary reduction). Has the company [and contractors] engaged with the workers [and contractors] to agree or discuss these measures?

05

Job protection: advisory and governance measures

Companies may not have the expertise to manage the human resource implications of COVID-19. Investors and FIs may therefore find it helpful to provide cross-portfolio or investee-specific support on key topics, including emerging good practice and job protection.

The ability to provide and oversee HR advisory support will differ between investors and FIs, and the following section provides indicative examples of options and approaches.

Information sharing on supports and emerging good practice

Investors and financial institutions can play an important role by providing information to companies on relevant guidance, support options, and collaborative initiatives. These will be context specific, and might include:

- Guidance for businesses on how to access government support, where available, in relation to jobs and livelihoods. This can include job subsidy payments, social protection for citizens, which can involve debt support, holidays on tax and other payments, reductions in utility costs, etc.
- Facilitating information exchange between portfolio companies about common challenges, approaches, and support.
- Information on portals or other relevant opportunities or agencies for linking labour demand to labour supply.
- Guidance for how companies can communicate relevant COVID measures to workers (e.g. notice boards) or connect workers to relevant social support.
- Overviews of specific labour law changes related to COVID-19.
- Sectoral, philanthropic, or other initiatives aimed at providing COVID-19 relief.
- Examples of business responses to COVID-19, including approaches to HR management, job protection efforts, and gender-related considerations.

Some examples of support or collaborative initiatives include:

Name, geography	Theme	Description
India Workers' Fund, India	Income and social protection	Collective CSR fund for economic support and recovery of workers, including gig economy workers. Fund includes immediate cash transfer relief, and measures to facilitate access to government schemes.
Primark Wage Fund, Asia	Income and social protection	Fund to help pay the wages of garment workers affected by Primark's decision to cancel clothing orders.
Rupert and Oppenheimer fund for SMEs, South Africa	SMEs	Grants and low interest loans to SMEs. NB this is inevitably a fast evolving set of opportunities. We recommend active search for opportunities by investors for opportunities which are relevant / appropriate to circumstances
2X Challenge and Gender Finance Collaborative, Global	Gender	Recommendations on incorporating gender-related considerations into COVID-19 relief strategies (2X recommendations).
South African Venture Capital and Private Equity Association (SAVCA) Support to SMMEs in SA, South Africa	Advisory support	SAVCA members are offering assistance in the form of experts and professionals (e.g. marketing, finance, legal) to support small, medium and micro-enterprises (SMMEs) impacted by COVID-19.

Advice on 'job protection plans'

While there may be a tendency for companies to resort to retrenchment (also referred to as mass lay-offs or collective dismissals) in response to economic pressures, job protection plans can be used to evaluate what options are available to a company as alternatives to retrenchment, or to minimise the scale of retrenchment. A template 'Job Protection Plan' is included in Annex 1.

Investors may be in a stronger position to adopt a job protection planning approach through advice or board oversight (for some equity shareholders), particularly if technical assistance (TA) facilities are available in addition. However, FIs may find it useful to provide clients with information about job protection alternatives. Overall, job protection planning should be driven by some key considerations:

– **Available job protection plan measures will depend significantly on national provisions, and companies should be acting in line with national responses**. There is an emerging range of state measures which seek to provide options to employers to avoid termination of employment, either by providing some sort of support through expanded access to social security, or indeed by prohibiting employers from asserting COVID-19 as a grounds for dismissal. The shared objectives of these measures are the prioritisation of continued employment and provision of some ongoing income.

– **The impact of different job protection measures on vulnerable groups should be assessed and addressed by companies**. As discussed in the context of prioritising response, investor and FI support should ensure appropriate consideration for vulnerable groups including older, migrant, precarious, and women workers. The 'Job Protection Plan' in Annex 1 directs companies to consider vulnerable groups, the ways in which they might be impacted differently, and whether specific provisions are needed.

The figure in Annex 2 provides an overview of job protection plan measures which investors and FIs can explore with companies. Where possible, considerations should extend beyond the workforce, particularly where significant contractor workforces are present.

Although appropriate interventions will depend on local context, some examples of job protection responses which might be explored with companies include:

1. Measures to make continued work possible with full wage payment	Distancing measures, hygiene measures, and remote / more flexible working can make continued work possible. Redeployment of certain workers to other functions or areas, such as cleaning or maintenance, might also be viable.
2. Modifications to working arrangements to make continued work possible with some reduction to worker income	Short-time working may allow workers to continue working, albeit with lower income. Examples include job sharing arrangements where multiple employees on reduced hours share a single full-time job.
3. Measures to retain workers on books with partial wage payment or reductions to worker income	Measures might include furloughs (i.e. temporary dismissals) or using combinations of paid and unpaid leave. For instance, instead of furloughing an entire workforce, rotating furloughs might be used (e.g. two weeks on, two weeks off) in order to reduce impacts on worker incomes.
4. Measures to retain workers on books with no income	Furloughs and unpaid leave may be the only option if partial wage payments are not possible. Employers may consider some additional support such as providing small food allowances, connecting workers to other temporary jobs, or allowing workers to use canteen facilities or stay in employer accommodation if it is safe to do so.

Job protection and financing measures

In some instances, job protection measures will entail maintenance of (wage) costs or additional costs (such as payment of paid sick leave). Depending on the company's cashflow position, there may be a strong case to look for financing options to support the company to maintain its skills as a resilience measure to enable stronger recovery.

Where financing options are considered to support job protection efforts, and the business is deemed viable for additional financing, additional engagement with the company may be required to provide technical support and to ensure transparency of decision-making and end-use of proceeds. To this end, a template for a 'Job Protection Plan' is provided at Annex 1, which can form the basis of discussion around the financing requirements of the company, and reporting on the ongoing results of job protection efforts.

For investors, depending on their relationship, leverage and role in company governance, it may be feasible to ringfence funds for payment of worker wages and to encourage responsible governance with regard to use and allocation of new funds. This may entail both modifications to dividend payments and moderation in executive remuneration.

Considerations for supporting small and medium enterprises (SMEs)

SMEs may face greater COVID-related jobs challenges due to more precarious cashflow, less capital, limited HR capacity, and greater reliance on informal workers or informal supply chains. Given these challenges, investors and FIs may need to provide further support. Although this will depend on relevant financing arrangements and relationships, it might involve:

- Support for basic business continuity and emergency response planning, including maintaining any HR structures and management systems.
- Linking companies to networks of other SMEs in order to share responses and practices.
- Informing companies of relevant state, philanthropic, or other support, if applicable.
- Developing a basic communication plan with the company to ensure workers are informed of company developments and relevant support, including use of noticeboards, mobile phone messaging or other channels of communication.
- Dialogue and brainstorming on job protection planning options, particularly for investors. Where such options might involve negative impact on workers, for example reduced pay, providing information on relevant services or hardship support for workers.
- If there are no alternatives, provide advice on responsible retrenchment (see below), and ensure that the company has a way to communicate with retrenched workers to provide information on any new developments, support, and possibility of recall post-crisis.

Retrenchment where there are no viable alternatives

Where no viable alternatives to collective dismissals are identified and retrenchment will be required, investors should consider how retrenchment can be conducted responsibly. Options and opportunities for influence will be context specific, and will ultimately depend on an investor's position and relationship with a company, however a few considerations include:

- The need to have advance notice of retrenchment and oversight of the retrenchment process.
- What advisory support might be necessary for companies, including in relation to the development of a retrenchment plan, avoiding discrimination in the retrenchment process, considering differential impacts on vulnerable groups including women, ensuring adequate worker consultation, appropriate payment to workers, and other active support measures.
- Active measures including support for workers to find new employment as soon as possible – this may involve participation in a labour market skills-matching programme, either through state employment agencies or private entities. Particular consideration must also be given to identifying and pursuing ways to support retrenched workers to access social protection.
- Specific risks relating to the COVID-19 context, including risks of discrimination, approaches to workforce consultation in view of mobility constraints, and access to (employer-supported) healthcare.

Specific considerations relating to responsible retrenchment and areas for investor advice to clients are included in IFC's Good Practice Note on Managing Retrenchment as well as IFC's Interim Advice for IFC Clients on Preventing and Managing Health Risks of COVID-19 in the Workplace.

06

Job protection: financial measures

Given the limited capacity of emerging market governments to provide financial measures aimed at job protection, companies will be looking to investors for financial as well as advisory support. Wherever feasible, investors and lenders should adopt a flexible and supportive approach across the portfolio.

Financial measures, such as additional working capital or forbearance measures, can have significant positive impacts for workers. This could include financing to support job protection measures such as:

- Ongoing operations and hence the continued and timely payment of salaries and benefits;
- Paying for any newly-introduced paid sick / care leave provision;
- Topping up of salaries or provision of benefits (e.g. health insurance) for workers who are unable to work full hours;
- Providing some income for inactive workers (e.g. those on furlough).

From an investor perspective, supporting job protection through these measures must strike a balance between client flexibility to direct cash flow and ensuring that job protection is appropriately considered. For FIs, it is important to consider what advisory support can be provided to clients along with financing options.

Some example measures as well as options to support job protection are included in the table below.

<table>
<tr><th>Actor</th><th>Measures</th><th>Options to support job protection</th></tr>
<tr><td rowspan="2">Private equity and debt investors</td><td>Additional working capital provided to investee company where additional capital is permitted or through TA facilities. Investors can seek flexibility with the terms of their legal documentation – for instance, providing liquidity beyond the investment date, extending bridging loans or forms of forbearance toward investees.</td><td rowspan="2">Capital injection can be specifically linked to job protection measures or job protection planning. Measures can be taken in coordination with other creditors, e.g. provision of working capital in conjunction with forbearance from existing lenders, in order to ensure new capital is not used for refinancing.

Where job protection measures – such as paid sick leave – require additional financing, the direct costs associated with maintaining worker incomes can be disaggregated by investees and financing ring-fenced for wage payments.

On-going transparency on end-use of funds is critical, and investors should look to exercise influence through investee governance on responsible business decision-making around allocation of additional liquidity. This should also include regular reporting from investee company on impact of measures on job retention.</td></tr>
<tr><td>Forbearance measures. These could involve repayment holidays; acceptance of partial repayments; late fee waivers; refraining from classifying overdue loans as unrecoverable; and suspension of foreclosures/repossessions.</td></tr>
<tr><td rowspan="4">Financial institutions with their portfolio</td><td>Forbearance measures. These could involve repayment holidays; acceptance of partial repayments; late fee waivers; refraining from classifying overdue loans as unrecoverable; and suspension of foreclosures/repossessions.</td><td rowspan="3">Provide advice to business customers on the following:

– Available support from government and other external sources – e.g. wage support, tax and business relief
– Any national requirements relating to employment and dismissals
– Practical tools to support companies on retaining staff in part or full during the crisis
– Information on emerging good practice.</td></tr>
<tr><td>Extension of overdraft facilities or interest-free overdrafts in order to quickly provide access to emergency funds or to cover temporary shortfalls.</td></tr>
<tr><td>Reducing commercial loan rates for existing commercial customers.</td></tr>
<tr><td>Additional or preferential financing. This might include additional credit lines, pre-approved loan facilities for clients in specific portfolios (e.g. SMEs) or liquidity facilities for SMEs.</td><td>Additional or preferential financing should consider how the loan can be applied to job protection and identify any job-related outcomes. This might include preferential rates for borrowers that report and tie their use of funds to job protection planning.</td></tr>
</table>

Annex 1: Job protection plan template (for companies)

<table>
<tr><th colspan="2">Query</th><th>Response</th></tr>
<tr><td>Total no. of workers</td><td>Include information disaggregated by gender

Include information disaggregated by direct and third-party workforce where possible</td><td></td></tr>
<tr><td>Total no. of jobs at risk due to COVID-19</td><td>Include information disaggregated by gender

Include information disaggregated by direct and third-party workforce where possible</td><td></td></tr>
<tr><td>Business reason for risk to jobs</td><td></td><td></td></tr>
<tr><td rowspan="4">Options available to avoid retrenchment (tick all that may apply)</td><td>Measures to make continued work possible with full wage payment
☐ workplace distancing / hygiene measures;
☐ remote working;
☐ redeployment (eg cleaning, maintenance or training)</td><td rowspan="4">Provide further details (e.g. other options)</td></tr>
<tr><td>Modifications to work arrangements to make continued work possible with some reduction to worker income:
☐ job sharing;
☐ short-time working;
☐ paid leave (incl paid sick/care leave)</td></tr>
<tr><td>Measures to retain workers on books with continued payment of (some) wage / some reduction to worker income:
☐ rotating furloughs;
☐ furlough with limited wage / benefits;
☐ combination of paid and unpaid leave</td></tr>
<tr><td>Measures to retain workers on books with no payment / income / benefit coverage:
☐ furlough (ie temporary lay-off);
☐ unpaid leave</td></tr>
<tr><td>For all those options marked 'not available', provide reason why not</td><td></td><td></td></tr>
<tr><td>Are there workers in the workforce who are particularly vulnerable to economic impacts?</td><td>Consider potential vulnerable groups (e.g. women, workers of different age groups, migrant workers) and reasons why these workers may be impacted differently. This might include mobility constraints, literacy, reliance on employer accommodation etc.</td><td></td></tr>
<tr><td>Are there targeted provisions for these vulnerable workers?</td><td></td><td></td></tr>
<tr><td>Workforce consultation taken, with any notable responses or suggestions</td><td>Ensure that representatives of vulnerable groups (e.g. women, older workers, migrant workers) are included in consultation processes</td><td></td></tr>
<tr><td>Proposed job protection measures adopted and timeframe</td><td></td><td></td></tr>
<tr><td>Additional cost of job protection measures</td><td>NB: Additional costs refers to costs which are additional to what the business can afford in view of the current state of operations</td><td></td></tr>
<tr><td>Proposed reporting indicators</td><td>E.g. No. of jobs protected – regularity of reporting</td><td></td></tr>
</table>

Annex 2: Job protection framework

The following diagram provides an overview of potential job protection approaches which may be integrated into job protection planning, and can be explored once a company has considered business restructuring options, state-specific supports, vulnerable elements of the workforce, and relevant laws. Appropriateness of different responses will be highly context specific, and options should be considered in light of this guidance's overview of advisory and financial measures.

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 OSH / labour standards, e.g. sick pay, right to refuse unsafe work
Can costs be saved by outsourcing non-core activities, streamlining activities, re-organising?	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 reorganisation	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

For further information:

- **CDC Group plc:**

123 Victoria Street
London SW1E 6DE
United Kingdom

T: +44 (0)20 7963 4700

E: enquiries@cdcgroup.com

cdcgroup.com

CDC
Investment works

UKaid
from the British people