ILO Statement to the Washington DC Consultation of the Review and Update of the World Bank’s Environmental and Social Safeguard Policies
22 February 2016

On behalf of the International Labour Organization, I am pleased to provide the following statement on the ILO’s view of the second draft of the World Bank’s revision of its Environmental and Social Policies for Investment Project Financing.

Since the consultations began in early 2013, the ILO and the Bank have engaged in a number of discussions on the Safeguards update and revision and the ILO has provided written comments on both the first and second drafts. Our aim has been to provide expert advice to help the Bank develop a much needed safeguard on labour and working conditions that is consistent with Bank Borrowers’ own international obligations in these areas. Such consistency would in our view make it easier for the Bank to implement the new Safeguards on the ground as well as facilitate future Bank-ILO operational collaboration. In this regard, we recall our positive experiences with the International Finance Corporation several years ago in the development and subsequent revision of its Performance Standards and the parallel expansion of the ILO-IFC Better Work Programme that continues to improve working conditions and productivity for hundreds of thousands of workers in garment factories across global supply chains. More recently, the successful ILO-Bank collaboration in Uzbekistan to monitor the 2015 cotton harvest for child and forced labour has provided an useful template of how we can work together to assist countries to implement labour standards in the context of World Bank projects.

The ILO is encouraged that the second draft Environmental and Social Framework (ESF) currently under consultation reflects improvements from the first, and we appreciate the effort made to include a number of ILO suggestions on the provisions covering the scope of the standard, worker protections, working conditions and occupational safety and health. These have advanced the ESF and the labour standard section (ESS2) in particular. The Framework now recognizes a variety of employment relationships in connection with projects, including contractors’ and subcontractors’ workers, primary suppliers’ workers, and community labourers. We believe that extending to these project workers the same or equivalent levels of protection as are provided for direct project workers will help ensure that subcontracting and supply chain
arrangements are not used to pass on risks to the health, safety, and rights of workers associated with World Bank projects. Furthermore, in light of the rights of indigenous peoples protected in the ILO Convention on Indigenous Peoples (No. 169), we concur with the decision to use due diligence in identifying indigenous peoples whose livelihood and other rights may need to be safeguarded under the ESF.

This said, we would like to highlight several remaining concerns that need to be addressed in order to safeguard project workers’ rights and working conditions and prevent undermining the Bank’s vision of going beyond “doing no harm” to “maximizing development gains”. Importantly, the second draft still does not require the Bank’s Borrowers to respect their own countries’ obligations under ratified international labour standards relevant to Bank-financed projects. Along with these obligations, the commitment to respect and ensure the internationally-recognized fundamental principles and rights at work is inherent in membership of the ILO’s 186 Members. Fundamental principles and rights at work are a globally accepted baseline for fair treatment in the workplace and a minimum starting point for addressing labour and development.

We therefore urge the Bank to integrate into the ESF the duty to recognize and defer to the Borrower’s international obligations to respect fundamental principles and rights at work and ratified international labour standards when addressing social risks and impacts in all Bank-financed projects. These social risks and impacts should explicitly include internationally-recognized fundamental principles and rights at work as one of their essential elements, The objectives of the labour standard (ESS2) should also include the need to “effectively realize internationally recognized fundamental principles and rights at work”. The four categories of principles and rights are: (1) freedom of association and effective recognition of the right to collective bargaining; (2) the elimination of all forms of forced or compulsory labour; (3) the effective abolition of child labour; and (4) the elimination of discrimination in respect of employment and occupation.

In addition, significant gaps remain in aligning the ESS text with the minimum baselines under internationally-recognized standards. Correcting these would help to avoid confusion in classifying risk, performing due diligence, and assessing the suitability of using the Borrower’s framework. In particular the provisions on child labour do not yet conform to the nearly universally ratified ILO child labour Conventions. Notably, they fall beneath the floor for worst
forms of child labour and fail to enforce the minimum age of employment in relation to compulsory age of education or protect all children from all forms of prohibited child labour on Bank-financed projects. Additional adjustments are needed to ensure the fundamental principles and rights at work apply to government civil servants working in connection with the project and to protect workers from retaliation for engaging with workers’ organizations or similar mechanisms.

Finally, the ESF should be clear that fundamental principles and rights at work and occupational safety and health provisions apply to all categories of project workers, which is not currently the case in the draft. The ILO has extensive experience in assisting countries to apply such standards in the context of community labour and supply chains and building capacities of public and private operators. This includes experience with how such requirements can be efficiently and effectively assured through contractual means for selecting reputable suppliers and incorporating labour-related requirements and feasible means to monitor compliance.

We believe that the World Bank, like the ILO, attaches great importance to the development of a labour safeguard that protects the rights, health and safety of workers contributing to World Bank Group projects. Our respective constituents want an Environmental and Social Framework that is both robust and able to be implemented efficiently and effectively. In this regard the ILO stands ready to continue to share its globally-acquired knowledge from years of engagement on these issues in countries and, we hope to be able to collaborate with the Bank to operationalize a framework that can ensure the best outcomes.

Thank you.