As the World Bank Group (WBG) undergoes a review of its environmental and social safeguard policies, unions in Indonesia urge the WBG to adopt a comprehensive labor safeguard to guarantee that Core Labor Standards (CLS) and other workers' rights are protected in all projects and at all companies that receive financing from the WBG.

A number of Indonesian trade unions, as members of the Asian Labor Network on International Financial Institutions (ALNI), have investigated labor conditions in World Bank funded projects and found evidence of CLS violations including child labor, gender discrimination and anti-union activities on project sites in Indonesia. Similar conditions were also found at the work places of companies receiving loans from the International Finance Corporation (IFC). We understand first hand the need for a strong labor safeguard that applies to both public- and private-sector projects to guarantee workers' rights are not violated in projects financed by the WBG.

By adopting a labor safeguard, the WBG can meet the standards being set by other multilateral development banks (MDBs) to protect workers' rights, including the European Bank for Reconstruction and Development (EBRD), the African Development Bank (AfDB) and the World Bank Group's own private sector arm, the IFC.

Trade unions in Indonesia, in solidarity with the ITUC, Global Unions and other organizations urging the inclusion of a strong labor safeguard that applies to all WBG lending, recommend the following:

- The safeguards policy that the World Bank safeguards team submits for review by the Board of Executive Directors and for public consultation should include a robust labor standards policy consistent with progress made in other divisions of the WBG and other MDBs, notably the EBRD and the AfDB.
- The policy should require compliance with all four CLS and properly adapted requirements for other basic working conditions (namely, provision of information to employees and occupational safety and health, retrenchment procedures, grievance mechanisms and supply chain standards). It should be developed through communication with trade unions and the International Labor Organization.

- The policy should require adequate monitoring of compliance by WBG staff and the Inspection Panel must be an avenue of recourse to examine complaints about possible non-compliance.
- The policy should require that grievance mechanisms be established in all country offices of the WBG.
- As with other safeguards provisions, corrective action should be taken promptly to correct incidences of non-compliance, and failure to take corrective action would result in loss of financial support. This requirement should be included in all contracts with borrowing institutions.
- Acknowledging that governance and policy issues can have a significant impact on workers' rights, the safeguard policy should apply to all types WBG lending including development policy loans and technical assistance. In providing policy-related loans, the WBG should also consult with relevant stakeholders, such as civil society, trade unions, workers, and others who will be impacted by potential policy changes.
- The policy should include provisions that require borrowers to take responsibility for the conditions of "third party" (subcontracted) workers, specifically by requiring borrowers to incorporate safeguard requirements in contractual agreements with contractors, subcontractors and intermediaries. The WBG, contractors, and subcontractors should ensure that CLS and other WBG safeguard policy requirements are fully implemented.
- Given that a large portion of WBG investments go through financial intermediaries, WBG staff should monitor the application of safeguard requirements in the end-projects funded through financial intermediaries. Information about end-projects funded by the WBG through financial intermediaries should be made available on the WBG website in order to allow trade unions and other civil society groups to independently monitor projects to ensure compliance with safeguard requirements. The WBG should include safeguard policy requirements in contracts with financial intermediaries, and financial intermediaries must include safeguard policy requirements in contracts with borrowers.
- The WBG safeguards policy should guarantee compliance with local laws protecting workers' rights in borrower countries, such as social security, minimum wage, and occupational health and safety, among other requirements. WBG staff should monitor the implementation of these laws in WBG funded projects.
- The safeguard policy should require a monitoring team composed of representatives from borrower institutions, the WBG, and civil society,

including trade unions, be involved in planning and monitoring the implementation of the safeguard policy for each project. Project budgets should allocate funds for monitoring and monitoring results should be transparent and made accessible to the public.

 The safeguard policy should require the WBG to hold regular discussions with civil society, particularly trade unions, to follow up on the status of incoming safeguard violation complaints.

Indonesian trade unions celebrate the WBG's support for promotion of all four of the core labor standards. We hope the WBG can continue this support through a strong labor safeguard that meets the above requirements and by taking all possible steps to make the promotion of CLS central to all WBG activities.

We understand the consultation period of Phase I of the safeguard policies review has ended and that WBG staff are currently preparing a first draft of an integrated safeguard policies framework to be presented to the Board of Executive Directors later this year.

Given our interest in this process, we ask that a Phase II consultation be held in Jakarta after this draft is made public. We also ask that adequate time be designated during this consultation for Bank staff to meet with trade union leaders to discuss in detail elements of the draft safeguard policy that relate to workers' rights and to hear trade union recommendations and concerns.

Given that Indonesia is one of the major borrowers of the WBG, we also ask that the draft safeguard policy and all other documents produced during the review process be translated into Indonesian and provided to the Indonesian public and published on the World Bank website.

Jakarta, March 6, 2014

Indonesian Trade Unions:

List sign on organizations here

NO.	NAME	POSITION	ORGANIZATION
1	Djufnie Ashari	President	Federation of Pharmacy and Health Trade Unions (FARKES)
2	Agus Toniman	President	Federation of Indonesian Muslim Workers Union (FSP PPMI)
3	Edi Mawadi	President	Federation of Indonesian Cement Industry Trade Unions (FSP ISI)
4	Sjaiful	President	Federation of Chemical, Energy and Mining Workers Union (FSP KEP)
5	Rusdi	Secretary General	Confederation of Indonesian Trade Union (KSPI)
6	Elly Rosita Silaban	President	Federation of Garment and Textile Workers Union (GARTEKS)
7	Ramidi	General Secretary	Federation of National Workers Labor Union (FSPN)
8	Rasmin Pakpahan	President	Federation of Construction, General and Informal Workers Union (FKUI)
9	Parulian Sianturi	Secretary General	Federation of Forestry and Wood Workers Union
10	Mudhofir Togar Marbun	President General Secretary	Confederation of Indonesian Workers Welfare Union (KSBSI)
11	Markus Sidauruk	President	Federation of Education, Training and Civil Servants labor Union (FESDIKARI)
12	Nikasi Ginting	Secretary General	Federation of Mining and Energy labor Union (FSB PE)
13	Sonny Pattiselano	Vice President	Indonesian Seafarers Union (KPI)
14	Eduard P. Marpaung	General Secretary	Federation of Metal, Machine and Electronic labor Union (LOMENIK)
15	Andy William	KSBSI Monitoring and Evaluation Coordinator and FTA President	Federation of Transportation Labor Union (FTA)

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Cord Poparam Prat

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