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President Gerardine (Ged) Kearney
Secretary Dave Oliver

20 February 2015

Dr Jim Yong Kim
President World Bank Group
1818 H Street NW
Washington, DC 20433

Dear President,

Re: Review and Update of the World Bank's Environmental and Social Safeguards

Please find below the ACTU submission to the World Bank's review and update of your Environmental and Social Safeguards.

We appreciated the opportunity to participate in the consultation meeting in Melbourne on 4 February 2015.

The particular focus of the ACTU submission is on ESS 2 which deals with Labour and Working Conditions. Our central concern is that the proposed Safeguard does not extend coverage to contract workers, nor does it incorporate all of the International Labour Organization's Core Labour Standards, including freedom of association and the right to collective bargaining. In stark contrast, existing Safeguards adopted by the World Bank's private sector lending arm the International Finance Corporation do cover contract workers and do incorporate all ILO Core Labour Standards; so too do existing Safeguards adopted by the European Bank for Reconstruction and Development, and the African Development Bank, both of which are regional affiliates of the World Bank.

With all respect, I ask that the World Bank rectifies these deficiencies.

Thank you for the opportunity to participate in the consultation.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Ged Kearney", written in a cursive style.

Ged Kearney

President

ACTU SUBMISSION
Review and Update of the World
Bank's Environmental and Social
Safeguard Policies – Phase 2

16 February 2015

Position by the ACTU on the Review and Update of the World Bank's Environmental and Social Safeguard Policies – Phase 2

The ACTU is the peak trade union body in Australia. Since its founding in 1927 it has grown to become the sole peak union council in Australia.

The ACTU consists of affiliated unions and State and regional trades and labour councils. There are currently 43 ACTU affiliates. They cover the public and private sectors; blue-collar, white-collar and pink-collar workers; encompass all skill levels – labourers, trades, technical, professional, supervisory – with no sectarian divisions. Full-time, part-time, casual, contract and self-employed workers are all represented in Australian union membership. Unions affiliated to the ACTU represent approximately 2 million workers who are members engaged across the full spectrum of industries and occupations. Australian unions play a pivotal role in improving the living standards of millions of Australians and their families.

The ACTU welcomes the intention of the World Bank to adopt a labour safeguard. However, the suggested draft framework is defective as it would have almost no impact in protecting the rights of those who work in Bank financed projects.

The current draft framework:

- Would provide **only incomplete** compliance with the ILO Core Labour Standards – compliance with Freedom of Association and Right to Collective Bargaining “except where national law recognises”; however compliance with the other core labour standards on forced labour, child labour and discriminatory practices would be required whether or not national law recognises them. It would also create a distinct and limited category for rights for public servants, and exclude migrant workers from non-discrimination provisions.

- Would exclude contract workers from protection - the proposed Standard would apply only to workers directly engaged by the borrower

These exclusions mean that the proposed Safeguards would exclude almost all workers engaged in Bank-funded infrastructure projects.

The ILO agreed to the Core Labour Standards in 1988 through the Declaration of Fundamental Principles and Rights at Work. The Core Labour Standards consist of eight ILO Conventions which cover freedom of association and right to collective bargaining, elimination of discrimination in respect of employment and occupation, elimination of forced labour and effective abolition of child labour. The Core Labour Standards are inextricably linked. The Declaration commits Member states to implement the Core Labour Standards regardless of their state of development and regardless of whether the Member States have ratified the relevant Conventions.

By excluding the above mentioned groups of workers the World Bank would undermine and undercut the consensus achieved at the ILO on Core Labour Standards.

Furthermore, the existing AfDB Safeguards include mandatory compliance with all core labour standards, and cover contract workers, as do the Standards adopted by the IFC and the EBRD.

- Two other large regional development banks affiliated to the WB – the Asian Development Bank (ADB) and the Inter-American Development Bank (IDB) – have social and environmental safeguards but these do not presently include full labour safeguards (e.g. the ADB has just one limited to Occupational Health and Safety).
- Both ADB and IDB are waiting for direction from the WB and may be expected to follow its example.

- The WB Safeguards should build on and reinforce - not undermine, diminish or undercut - the standards set by AfDB, IFC and EBRD

The UN Human Rights Council has criticized the World Bank's draft Safeguards, including with respect to these specific points. The UK Department for International Development has done likewise.

The current draft is unacceptable. It must be revised to remove these deficiencies.

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