

THE LABOUR AND GENDER-RELATED SAFEGUARD FRAMEWORKS OF INTERNATIONAL FINANCIAL INSTITUTIONS



QUICK REFERENCE

What are IFIs?

International Financial Institutions (IFIs) like the World Bank are public finance institutions governed by their member states. They provide loans, grants, equity investment (i.e. buying shares), insurance guarantees and technical assistance to governments, public entities and private companies in low and middle-income countries, with the stated aim of promoting sustainable economic development and reducing poverty.

What are IFI safeguards?

Each IFI has a set of 'safeguards' that stipulate the basic environmental and social protective standards which must be met by borrowers in order to receive IFI finance. Requirements of IFI safeguards become legally binding through their inclusion in contractual agreements between IFIs and borrowers.

Why do IFI safeguards matter to transport trade unions?

IFIs impact the lives of many millions of transport workers across the world as a result of their investments in the transport sector, whether this is through lending money to governments or municipalities to support the development of new transport infrastructure or through lending to private transport companies. While lacking in many respects, IFI safeguards set out a number of protections which apply to workers employed directly and indirectly by a borrower and – to a lesser extent - those engaged in a borrower's supply chain ('**project workers**') as well as to workers whose jobs and livelihoods are negatively impacted by an IFI-financed project ('**project-affected parties**'). IFI safeguards also contain specific provisions dedicated to protecting the rights of women and gender equality.

Because they are linked to accessing significant amounts of finance, safeguards can provide an important source of leverage for trade unions to attempt to positively shape the design of transport projects in the interests of women workers and communities, demand improved working terms and conditions and protect their rights, as well as to hold IFIs and borrowers – whether they be governments or private employers – to account.

Which IFI safeguards are most useful to transport trade unions?

General safeguards

IFI safeguard systems generally require borrowers to assess the anticipated environmental and social impacts and risks of planned IFI-financed projects, to consult with project 'stakeholders' (i.e. those affected by or interested in a project), to disclose relevant information and to establish grievance mechanisms to allow those affected by a project to raise concerns and complaints with the borrower throughout the project's implementation phase. Most IFIs also have an 'independent accountability mechanism' (IAM) to which those whose rights or interests have been, or are likely to be, negatively impacted by an IFI-financed project can submit a complaint.

These '**general safeguards**' apply to both 'project workers' – i.e. those employed directly or indirectly by a borrower or engaged in their supply chains - as well as 'project-affected parties', including those whose jobs are negatively impacted by IFI projects. In many cases these general safeguards have specific provisions addressing women's rights and gender equality. For example, IFIs often require borrowers to take into account 'gender-specific risks' as part of their environmental and social impact assessments.

Labour safeguards

Many IFIs have dedicated 'labour safeguards' which set out basic protections for workers employed by a borrower, including those who are employed indirectly through a contractor and – to a lesser extent - those engaged in a borrower's supply chain. The World Bank calls these workers '**project workers**'. Labour safeguards typically cover requirements related to: child and forced labour; occupational health and safety; retrenchment; workers' organisations; non-discrimination and equal opportunity; labour grievance mechanisms; working conditions and terms of employment.



Labour safeguards include a limited number of gender-specific components dedicated to protecting women workers and promoting gender equality. Such components are generally included as part of requirements related to occupational safety and health (OSH), and the right to non-discrimination and equal opportunity. In some cases IFIs require project-level labour grievance mechanisms to be established that include special measures to facilitate the reporting of gender-based violence (GBV).

Economic displacement safeguards

IFI safeguard systems generally require borrowers to avoid, and where avoidance is not possible, mitigate the risk of loss of jobs and livelihoods resulting from the implementation of an IFI-financed project. In cases where such **'economic displacement'** is identified, borrowers are required to consult with 'project-affected parties' whose jobs are negatively impacted by a project and prepare a plan outlining measures aimed at restoring or improving the incomes or livelihoods of those impacted.

Borrowers are generally required to take into account gendered aspects of economic displacement (i.e. how men and women may be impacted differently by a project) and to put in place special measures to allow women to access alternative livelihood opportunities if they have been displaced.

Gender-related safeguards

Women's rights and gender equality are poorly protected by most IFI safeguard frameworks. In fact, only one IFI - the Inter-American Development Bank (IDB) - has a safeguard specifically dedicated to the protection of gender equality. However, women's and gender rights are often covered in the sub-components of other IFI safeguards, including those addressing environmental and social risk assessments, stakeholder engagement, labour protections and economic displacement. Such safeguards can be of use to women who are employed directly or indirectly by a borrower ('project workers') as well as those whose jobs are negatively impacted by IFI projects ('project-affected people').

The scope and content of gender-related provisions varies a great deal between IFIs, but where they exist important **gender-related safeguards** include the requirement for borrowers to assess and manage the gender-specific risks of a project, including those related to economic displacement; to include women in stakeholder participation processes; to implement measures to prevent and protect against gender-based violence (GBV); to protect the right to non-discrimination and equal opportunity for 'project workers', and to address gender-specific risks in the design of occupational safety and health (OSH) measures.

How can unions strategically utilise IFI safeguards to support women transport workers?

Key Points for union engagement/ intervention with IFIs

- 01. Keep track of IFI activity in your country/sector.** Keeping track of IFI activity in your country/sector allows unions to intervene early in the project cycle. This can be done in a number of ways, including regularly checking IFI project disclosure webpages and signing up to the ITF EBRD/ IFC mailing list to receive monthly emails containing early transport project disclosures from the IFC and EBRD (see details below).
- 02. Intervene early in the project cycle.** It is crucial for trade unions to intervene at an early stage in the project cycle in order to influence the project's design and make sure that labour and gender-related risks and impacts, as well as those associated with economic displacement are – where relevant - recognised and appropriate protective and proactive measures are put in place by the borrower.
- 03. Build alliances.** IFI financed projects can impact a huge range of people and therefore provide opportunities to build powerful movements capable of positively shaping a project's design and implementation in the interests of women workers and communities.

It is also important to remember that IFIs are – for the most part – lending out public money ultimately derived from the contributions of taxpayers across the world. The demand that public money should be spent on genuinely publically beneficial projects and be subject to democratic processes of transparency and accountability, is a powerful and unifying rallying call.

- 04. Demand the implementation of existing safeguards.** Trade unions have a crucial role to play in making sure that IFI safeguards related to labour, gender and economic displacement are, as appropriate, applied and implemented in practice.
- 05. Monitor compliance with safeguards and bring complaints in cases of violations.** Trade unions have a key role to play in monitoring borrower and contractor compliance with relevant safeguards, documenting violations and supporting worker complaints to grievance mechanisms, including project level grievance mechanisms and independent accountability mechanisms (IAMs).



06. Evaluate IFI projects and share experiences. Unions, their Global Union Federations (GUFs) and the ITUC play an important role in collecting information and workers' testimonies from IFI projects to both inform strategic union engagement with IFIs in the future as well as highlighting recurrent problems with borrowers and contractors, as well as gaps and weaknesses in IFI safeguard systems.

07. Access support from the ITF and the ITUC. The ITF and ITUC have many years of experience in both challenging and strategically engaging with IFIs, for example, through supporting unions to bring complaints to Independent Accountability Mechanisms (IAMs) and more recently commissioning labour impact assessments to highlight the negative livelihood impacts of IFI-financed bus rapid transit (BRT) systems (see details below).

Our priorities

1) Strengthen women's employment and end occupational gender segregation:¹ IFI financed companies and projects should promote women's employment and implement proactive measures to end occupational gender segregation in the transport industry.

2) Promote decent work: IFI financed companies and projects should promote decent work with strong employment and organisational rights for women workers. This requires terms and conditions that address decent work and labour rights to be included in contracts with employers, including contracted operating companies and sub-contractors.

3) End violence against women transport workers: All IFI projects should incorporate measures to prevent gender-based violence (GBV) in line with the requirements of ILO Convention 190 (ILO C190).

4) Women in decision-making/negotiating teams: Women workers and their representative organisations must be consulted as stakeholders and their views taken into account in project design.

5) Trade unions as stakeholders: Trade unions should be recognised as stakeholders in all IFI-financed transport projects, whether representing workers employed directly or indirectly by borrowers, or workers economically displaced by IFI projects.

6) Worker-led formalisation: IFI-financed projects that economically displace informal transport workers should put in place measures to facilitate a just and worker-led transition from informal to decent formal work for women and men workers.

7) Stronger IFI safeguards. IFI safeguards exist due to decades of pressure from trade unions and other civil society organisations. Trade unions and their allies at local, national, and international level must continue to push for better and stronger safeguards, especially in the area of labour and gender, including demanding that all IFIs adopt dedicated gender safeguards, undertake gender impact assessments for all projects and incorporate the provisions of ILO C190 into their labour safeguards.

For more information on how affiliates can access ITF support related to engaging with IFI safeguards contact: women@itf.org.uk

Sign-up to the ITF EBRD/IFC mailing list to receive monthly emails (English-only) containing early transport project disclosures from the IFC and EBRD: women@itf.org.uk

All resources can be found at: www.itfglobal.org

¹ When we refer to occupational gender segregation, we are talking about the systemic exclusion of women from decent, safe and secure work in the transport and logistics industry.