



## International Financial Institutions (IFIs)

### **Purpose of brief:**

- To inform EB-148 of progress in IFI work.

### **Relates to:**

- ✓ Global policy.

**Background:** PSI's efforts focused on the environmental and social safeguard revision process at the World Bank Group, including the establishment of a labour safeguard. PSI continues to monitor the IFIs' policies and programmes with respect to privatisation in general and public-private partnerships specifically. PSI will also continue to monitor the Inter-American Development Bank's safeguard process, as it unfolds in parallel to the World Bank, as well as the International Monetary Fund with respect to its fiscal policies and programmes.

### **Discussion:**

#### **The World Bank Safeguard Revision Process**

PSI supports the ITUC's most recent communication regarding the World Bank safeguard revision process, including criticisms of the revised labour safeguard, as reported in the August 2015 ITUC document:

*"The World Bank should correct the remaining flaws in the draft labour safeguard by*

- *Including explicit reference to the ILO's core labour standards conventions;*
- *Including all project workers, whether or not they are defined as public servants, as being subject to the protections of ESS 2;*
- *Prohibiting acts of discrimination and retaliation against workers who seek to freely associate and bargain collectively in Bank-financed projects, without distinction as to the status of these rights in national law;*
- *Removing the right of borrowers to determine on their own which requirements of ESS 2 apply to the project and should be addressed."*

See the entire ITUC document here:

<http://www.ituc-csi.org/revised-draft-of-world-bank-s?lang=en>

#### **IFI Engagement at Washington Privatization Meeting (December 2015)**

The Washington Global Leadership Meeting on Privatization also included discussions with representatives from the International Monetary Fund (IMF), the World Bank, and the United States government (Treasury, Labor, and State Departments). These discussions focused on the IMF's and World Bank's policies and programmes that often support and evaluate privatisation schemes, including public-private partnerships.

Meeting participants questioned these speakers and shared their historical perspectives and relevant national experiences. Guests from the IMF, World Bank, and U.S. government welcomed the engagement and encouraged PSI to deepen consultations on a broad range of issues. PSI participants agreed to follow-up and test this invitation by bringing concerns about specific cases of privatisation to the attention of the U.S. Treasury as well as the IFIs.

**Budget implications:** Nil

**Next steps:**

- Continue to engage the IFIs on the issue of labour safeguards and privatisation with a focus on public-private partnerships.

**It is recommended that EB-148:**  
**1. ENDORSE continued engagement.**

**YES / NO**