

## Background: Asian Development Bank labour safeguard consultations

Trade unions are calling for a binding labour standard, or safeguard, to protect workers on loan projects of the Asian Development Bank (ADB). Poor working conditions and violations of labour rights have been documented on projects funded by the ADB. The institution is the last of the major multilateral development banks without a binding labour safeguard and is currently reviewing its environmental and social standards. Positively, ADB is the only multilateral development bank to have fully endorsed the core labour standards of the ILO.

The Global Unions group urges the ADB to take a comprehensive approach to labour rights and decent work in the joint paper [Promoting and respecting international labour standards in Asian Development Bank operations: A binding safeguard and beyond](#).

We encourage participation in the upcoming safeguard consultations of the ADB, listed below, from the 49 [member countries](#) in the Asia Pacific region, and from the 19 donor countries around the world. Several sessions are being held to accommodate different time zones. More information on the consultations is available on the [ADB review website](#), and background papers will be posted beforehand.

Consultations on labour and working conditions:

- 29 November 2021, 10:00 a.m. Manila (GMT +8) / 2:00 p.m. Fiji (GMT +12): East Asia, Pacific, and Southeast Asia. Register: <https://adb-org.zoom.us/meeting/register/tJcvc-urrTkoH9Pw-1yBSpSTf3G0thEixCF->
- 29 November 2021, 10:00 p.m. Manila (GMT +8) / 9:00 a.m. Washington DC (GMT –5) / 3:00 p.m. Frankfurt (GMT +1): North America and Europe. Register: [https://adb-org.zoom.us/meeting/register/tJ0pcO6oqTgjHN1G\\_Q174W--YypZ5VHyc3DS](https://adb-org.zoom.us/meeting/register/tJ0pcO6oqTgjHN1G_Q174W--YypZ5VHyc3DS)
- 1 December 2021, 5:00 p.m. Manila (GMT +8) / 2:00 p.m. Pakistan (GMT +5) / 2:30 p.m. India (GMT +5:30): South Asia and Central and West Asia. Register: <https://adb-org.zoom.us/meeting/register/tJlIfumrrzopE9zXNDEv19nRJ5TzP4x1pLNb>

Consultations on occupational and community health and safety:

- 2 December 2021, 10:00 a.m. Manila (GMT +8) / 2:00 p.m. Fiji (GMT +12): East Asia, Pacific, and Southeast Asia. Register: <https://adb-org.zoom.us/meeting/register/tJYldOyrqzMqE9O4vcxRyWkswlhnKyZixHp9>
- 2 December 2021, 10:00 p.m. Manila (GMT +8) / 9:00 a.m. Washington DC (GMT –5) / 3:00 p.m. Frankfurt (GMT +1): North America and Europe. Register: <https://adb-org.zoom.us/meeting/register/tJlpceGhqz0oHdCLd8aMUe8OHqo9vOo-Ha2h>
- 3 December 2021, 5:00 p.m. Manila (GMT +8) / 2:00 p.m. Pakistan (GMT +5) / 2:30 p.m. India (GMT +5:30): South Asia and Central and West Asia. Register: <https://adb-org.zoom.us/meeting/register/tJUrdOqprzwoG9CAhTFQF80tE0zFebvqvQem>

This is an opportunity to advocate for trade union priorities and describe experiences with ADB projects. A safeguard at ADB is likely to be patterned after Performance Standard 2 of IFC, an arm of the World Bank. ADB should adopt a safeguard consistent with international labour standards, and avoid loopholes present in other safeguards.

*ADB safeguards on labour and occupational health and safety should:*

**Align completely with core and international labour standards:** A safeguard should fully integrate and reference the fundamental conventions of the ILO, in keeping with ADB's commitment to uphold the core

labour standards. On other topics related to working conditions, the safeguard should be consistent with ILO conventions and recommendations. For example, ADB should prohibit disguised employment on projects with reference to Recommendation 198 on the employment relationship.

**Require compliance with ILO standards on freedom of association and collective bargaining:** While the other elements of the core labour standards – forced and child labour, and discrimination – are prohibited outright in development bank safeguards, trade union and collective bargaining rights are typically protected mostly under national law. An ADB safeguard should require borrowers to uphold Conventions 87 and 98 regardless of the country context.

**Protect project-affected workers:** Safeguards typically apply to ‘project workers’ hired to execute the project, such as the construction of a power plant. However, other workers can experience job loss or damage to their rights and working conditions due to a project. For example, workers at existing power plants owned by the same public utility, or workers whose livelihoods are displaced by construction.

**Require consultation of relevant trade unions throughout the project cycle:** Due diligence is inadequate if it relies solely on the borrower. Local, sector, national, and global unions should be consulted as appropriate in project design to identify risks to labour rights and measures that will ensure safeguard compliance. This should continue during implementation to identify and remedy violations.

**Apply the core labour standards to supply chain workers:** Safeguards at other banks only have requirements for workers in the project supply chain related to forced labour, child labour, and serious occupational health and safety risks. At minimum, a safeguard should include the other core labour standards on non-discrimination and equal opportunity, collective bargaining, and freedom of association.

**Avoid loopholes on mass dismissals, civil servants, core functions, and community workers:** Many project workers, particularly on infrastructure loans, are employed by contractors. Although covered by most elements of safeguards at other banks, contracted workers are excluded provisions on mass dismissal or retrenchment. Civil servants involved in a project are only covered by a small portion of other safeguards, and the World Bank introduced the category of ‘community workers’ that enables fewer requirements to be followed. Application to project and supply chain workers is subject to ongoing involvement in the vaguely defined core functions of the project. These loopholes should be avoided.

**Cover all ADB operations including policy-based loans, technical assistance, and results-based lending:** There is inconsistency across development banks on the coverage of labour safeguards, with some excluding policy and results-based lending while others apply the safeguard. These types of lending are a significant portion of ADB operations and can have lasting and widespread effects such as restructuring of public enterprises or pension reform. A safeguard should ensure that the elements of policy-based lending and other tools are consistent with relevant international labour standards.

**Integrate Convention 190 and uphold equality for women, migrant, and marginalised workers:** In keeping with the approach of fully translating international labour standards, the safeguard should include strong language related to gender-based violence. Gender considerations should be integrated throughout the safeguard, alongside attention to protecting the rights and conditions of other marginalised groups including migrant workers.

**Prohibit the use of asbestos-containing and other highly hazardous materials:** Trade unions in the region have engaged ADB on ending the use of asbestos, which is dangerous in any amount. Progress has been made but is slow. The safeguards should include an exclusion list covering asbestos and other unacceptably hazardous materials such as particularly dangerous pesticides.

*To support the review process and implementation of the safeguard, ADB should:*

**Create a labour advisory group** to provide input and work with ADB in the drafting and implementation of a safeguard. This can include pilots, detailed feedback, staff training, joint inspections, and more.

**Commission a background study that examines adherence to the core labour standards and working conditions on ADB projects.** The safeguard should be informed by the real-world experiences of ADB lending, including common challenges and gaps and how existing requirements are utilised.

**Renew the Memorandum of Understanding with the ILO.** The ADB and ILO have collaborated on the core labour standards, including the comprehensive 2006 [Core Labor Standards Handbook](#). In the context of the safeguards review and its application, cooperation should be expanded.

**Ensure adequate staffing of experts on labour and occupational health and safety.** A lack of on-staff expertise has severely hampered implementation at other banks. ADB should begin proactively hiring more experts. This is especially important with regards to technical occupational safety issues.

**Disclose summary data on occupational health and safety.** Aggregated information, including the number of fatalities, injuries, and major safety incidents funded project helps to identify weak spots and improve prevention.

The ADB has released an [agenda for the labour and working conditions](#) consultations, and another [agenda for the consultations on occupational health and safety](#).

On labour, ADB states:

ADB is considering the inclusion of labor and working conditions as part of the new safeguard policy to consolidate the provisions in ADB's Social Protection Strategy on core labor standards with safeguard practices. The inclusion will cover ADB policies and requirements to operationalize the core labor standards in ADB financed projects and programs covering the four areas: child labor, forced labor, freedom of association and collective bargaining, and discrimination in employment and occupation. The consultations will present the findings of a study on labor and working conditions benchmarking, and seek feedback from stakeholders on any potential implementation concerns to be considered in the process of developing labor and working conditions as part of safeguard.

On community and occupational health and safety:

Among the current environmental safeguard requirements, the health and safety requirements are the most triggered in ADB-financed projects. The consultations will discuss the findings of a study comparing policy provisions and practice on community and occupational health and safety between ADB and other multilateral financial institutions (MFIs). Participants are encouraged to share their insights and experiences on implementation issues challenges (strengths and weaknesses in health and safety management at project level), and harmonization of ADB policy provisions/requirements with other MFI as well as those of the national regulatory requirements. Feedback received during the consultations will further inform recommendations of the analytical study on community and occupational health and safety.