



KESATUAN PELAUT INDONESIA

(THE INDONESIAN SEAFARERS' UNION)

AN AFFILIATE OF INTERNATIONAL TRANSPORT WORKER'S FEDERATION (ITF)
CONFEDERATION OF ALL INDONESIA TRADE UNIONS (K-SPSI)

Jl. Cikini Raya 58 AA/BB Jakarta 10330-Indonesia
Phone +62 21 3141 495 - 3193 6040 - 315 1550 - 314 4735, fax : +62 21 3141 491
E-mail : ppkpi@Indosat.net.id website : www.kpiunion.org



Jakarta, 23 July 2014

Re: Labor Safeguards in the World Bank's Safeguard Policy Review

Sundaran Annamalai
World Bank Executive Director for Indonesia
Stock Exchange Building Tower 2, 12th Floor,
Jl. Jenderal Sudirman, Kav. 52 – 53
Jakarta 12190, Indonesia

Dear Mr. Annamalai,

The Indonesian Seafarers Labor Unions (KPI) has been engaging in and actively following the process of the World Bank's Safeguard Policy Review. In fact, KPI was one of many Indonesian unions that sent the attached resolution to the safeguard policy review committee in March 2014.

We have been informed that the World Bank's Committee on Development Effectiveness (CODE) will be meeting on 30 July 2014 to discuss the latest draft of the Environmental and Social Standards 2 (ESS2). The ESS2 represents an important step for the World Bank and unions are glad the Bank included a labor safeguard in this draft policy. However, ESS2 is weaker than labor safeguards used by other major development banks, such as the IFC and the African Development Bank, and it should be revised to meet these higher standards.

Hence, KPI strongly recommends that:

1. ESS2 should guarantee that all Core Labor Standards are protected in World Bank-funded projects and should reference relevant ILO conventions.
2. ESS2 should protect freedom of association and the right to collective bargaining in all World Bank-funded projects.
3. ESS2 should apply to all affected workers, including contract workers that are not employed directly by the borrower.

Unions worldwide are submitting these recommendations to the CODE and KPI strongly urges you communicate these recommendations to them before their 30 July deliberations as well. Thank you in advance for your assistance and cooperation.

Sincerely,

Sony Patuselanno
Secretary of KPI



Resolution
Indonesian Trade Unions to the World Bank Group (WBG)
Safeguard Policy Review

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

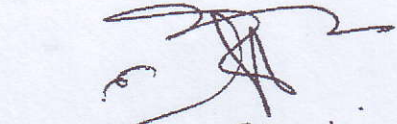
Indonesian Trade Unions:

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Indonesian Trade Unions to the World Bank Group (WBG)
Safeguard Policy Review

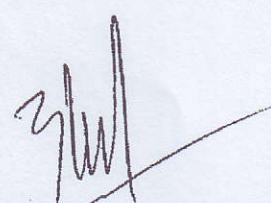
| NO. | NAME | POSITION | ORGANIZATION |
|-----|--------------------------|---|--|
| 1 | Djufnie Ashari | President | Federation of Pharmacy and Health Trade Unions (FARKES) |
| 2 | Agus Toniman | President | Federation of Indonesian Muslim Workers Union (FSP PPMI) |
| 3 | Edi Mawadi | President | Federation 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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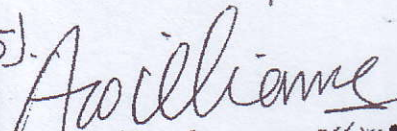

Mediator
Presiden KSBBI

13).


Sony
KPI

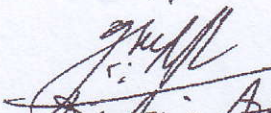
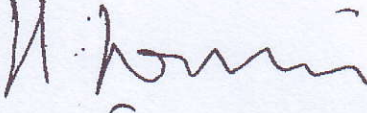
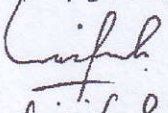
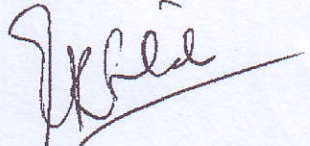

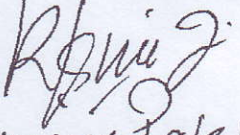
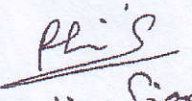

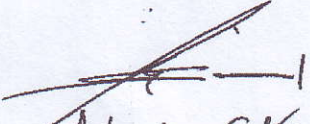
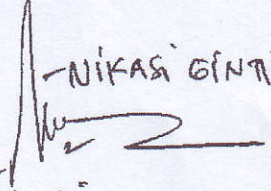
14). 
Edward P. Marpaung
General Secretary of Fomenik SPSi


Markus S. Sidauruk
General Chair of FESDIKARI

15). 
Andy Williams

Cord. Program PMAE KSBBI/
President FTA

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- 1). 
Durgie Achary
Ketua Umum
FSP FARWES/12
- 2). 
AGUS IOUMAN
KETUA UMUM
FSP-PPMI-KSPI
Kali Buaradi,
Presiden
- 3). FSP 181
- 4). Ketua Umum
FSP-KEP

Syaiful
- 5). Raf.
MUHAMAD RUSDI
SERJEND FSPi
- 6). Ketua Umum Gudek

Roly Roly Hidar
- 7). Sekretaris Umum.
DPP SPPI

RAMIDI
- 8). Ketua Umum
KUI SBSI

Rasmia Palepaka
- 9). Sekjend DPP
FHUKATAN

Parulian Sianturi
- 10). Sekretaris Jenderal
DEN KSBSI

TOGAR MARBUN
- 11). Ketua Umum
DPP FESDIKAR

Markus S. Kikawa
- 12). 
NIKAS GINTING
Sekjend DPP FPE SBSI