

INTERNATIONAL TRADE UNION CONFEDERATION

Avianca-Colombia: IFC should follow ombudsman's recommendations for labour standards compliance, say unions

Brussels 19 May 2015 (ITUC Online): The ITUC and the International Transport Workers' Federation (ITF) call on the International Finance Corporation (IFC), the World Bank's private-sector lending arm, to implement the recommendations issued today by IFC's Compliance Advisor Ombudsman (CAO) to improve compliance procedures for IFC Performance Standard 2 on labour and working conditions. <http://www.cao-ombudsman.org/documents/CAOInvestigationReportAvianca-May182015.pdf>

The CAO report, which came in response to a complaint filed by the ITUC and ITF in November 2011, is sharply critical of IFC's handling of serious deficiencies at Avianca Airlines of Colombia, an IFC borrower, in respecting its employees' freedom of association. The report states that, in light of information IFC had received from Colombian unions and the ILO prior to approval of the Avianca loan, it should not have made loan disbursements in 2009. The CAO also faults IFC for its failure to require Avianca to disclose its action plans and assessments regarding compliance with IFC's labour standards obligations, in violation of IFC's Environmental and Social Sustainability Policy adopted in 2006.

ITUC General Secretary Sharan Burrow stated: "We welcome the CAO report and agree with the most important recommendation, which is that IFC should not give financial support to firms that are in clear violation of its social and environmental standards, in this case with workers' freedom of association. It is obvious that once Avianca received the payments on its IFC loan it ceased to take the standards seriously and saw compliance as voluntary."

ITF General Secretary Stephen Cotton deplored the exceedingly long period of time it has taken for the IFC to respond to Colombian unions' complaints about Avianca's labour practices, first lodged before IFC approved the loan in 2008:

"ITF's Colombian affiliates have had to wait two months shy of seven years before being told by the ombudsman that IFC erred in proceeding with a loan to an employer that violated IFC standards by discriminating against union members. Many of these workers lost their jobs or quit their union due to employer pressure. Remember, Colombia is a country where hundreds of labour leaders have lost their lives for exercising their union rights. Even if Avianca is no longer an IFC borrower because it reimbursed its loan in 2013, IFC should publicly call on its ex-client Avianca to cease its acts of intimidation and discrimination against union members."

Questioning IFC management's response that it had strengthened its practices on labour issues since it approved and disbursed the Avianca loan, Sharan Burrow invited IFC to upgrade all of its monitoring, implementation and disclosure procedures regarding of IFC's Performance Standard on labour, such that other workers do not suffer from inadequate or delayed compliance with the standard. http://www.cao-ombudsman.org/documents/Avianca_IFCManagementResponsetoCAOInvReport_Jan232015.pdf

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