CAO COMPLIANCE ADVISOR OMBUDSMAN

The Independent Accountability Mechanism for IFC & MIGA

Dispute Resolution Conclusion Report

Regarding the Complaint Concerning IFC's Investment in ESIP Liftit 2018-01 in Mexico (IFC Project #41635)

October 2026

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Acronyms

CAO	Compliance Advisor Ombudsman
IFC	International Finance Corporation
MIGA	Multilateral Investment Guarantee Agency

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EXECUTIVE SUMMARY

In July 2025, a group of five former employees of ESIP Liftit (“Liftit” or the “company”) submitted a complaint to the Compliance Advisor Ombudsman (CAO) raising concerns regarding the termination of employees and the conciliation agreements carried out during the closure of the company’s operations in Mexico, as well as the severance payments calculated and paid to employees through those processes.

During CAO’s assessment, the complainants expressed an interest in participating in a dispute resolution process. The company was willing to participate in a dispute resolution process only with the two complainants (complainants 1 and 2) who had not signed conciliation agreements at the time of the operational closure but did not consider it appropriate to do so with the other three complainants (complainants 3, 4, and 5), with whom it had already concluded such agreements. Therefore, the issues related to complainants 3, 4, and 5 would be transferred to CAO’s Compliance function. The company and complainants 3, 4, and 5 agreed to put the compliance process on hold until the conclusion of the dispute resolution process with complainants 1 and 2.

The portion of the case involving complainants 1 and 2 was transferred to CAO’s Dispute Resolution function, resulting in a signed agreement between Liftit and complainant 2. The company and complainant 1 were unable to reach an agreement, and his case will be transferred to CAO’s Compliance function, along with the cases of complainants 3, 4, and 5, for an appraisal of IFC’s environmental and social performance.

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BACKGROUND

Project

The complaint relates to an equity investment by the International Finance Corporation (IFC) in Liftit, an asset-light B2B e-logistics technology start-up headquartered in Bogotá, Colombia, which provides affordable and efficient urban cargo delivery services from distribution centers to retail stores and end consumers. To support Liftit's expansion into Mexico and to further build out a sales and technology team ("the project"), IFC made an equity investment of US$2.8 million in December 2018 and another US$2.6 million in April 2020, for a total exposure of US$5.4 million.

The project was classified as an Environmental Category B investment, with limited environmental and social impacts. According to IFC, since its investment, Liftit has experienced intense market competition and reduced margins, resulting in the closure of its operations in Brazil in 2022 and in Mexico in April 2025. The company continues to operate in Ecuador and Colombia.[1]

The Complaint

On July 3, 2025, five former Liftit employees in Mexico submitted a complaint to CAO concerning the termination of employees as part of the closure of Liftit's operations in Mexico. The complaint raised concerns about the conciliation agreements offered to employees and the severance payments calculated and paid through that process. CAO found the complaint eligible in August 2025.

The complainants allege that the amounts offered through the conciliation process did not reflect Liftit's obligations under Mexican labor law for termination without fault attributable to the employee. They also allege that they felt coerced to accept the proposed amounts because, once Liftit ceased operations in Mexico, there would be no local entity against which to pursue a legal claim.

Complainants 3, 4 and 5 signed conciliation agreements prior to submitting a complaint to CAO but remained dissatisfied with the settlement amounts contained in those agreements. Complainants 1 and 2 refused to sign conciliation agreements because they considered the amounts offered to be unfair. Consequently, they received no compensation.

Liftit alleges that its financial situation was constrained at the time of the closure of its operations in Mexico, but that both the conciliation agreements signed with complainants 3, 4 and 5 and the amounts offered to complainants 1 and 2, who did not sign, complied with Mexican labor law and regulations. The company states that the employees were not coerced into signing the conciliation agreements and that the conciliator informed each of them of their rights and that they had the option not to sign and to file a legal claim against the company. The company also states that the conciliation process is not an

[1] For additional information, see the IFC Disclosure page.

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investigative forum regarding the causes of termination of employment and allows for a broad range of agreements between employer and employee.

CAO Assessment

During the assessment, complainants 1 and 2 and the company expressed a willingness to participate in a CAO-facilitated dispute resolution process to address the issues raised in the complaint. On January 27, 2026, in accordance with CAO Policy, the complaint was transferred to CAO's Dispute Resolution function for complainants 1 and 2 who had not signed conciliation agreements.[2] The complaint and the CAO Assessment Report provide further details on each complainant's specific concerns about the termination process.[3]

DISPUTE RESOLUTION PROCESS

Mediation Team and Initial Preparatory Meetings

To design a culturally appropriate dispute resolution process, CAO retained a Mexican mediator, certified in labor conciliation, as part of the mediation team. The team would be responsible for designing and facilitating the process.

The process began with the mediation team organizing a series of bilateral preparatory meetings to familiarize the parties' with the process and to better understand and manage their expectations. CAO also delivered a brief conflict-resolution capacity-building workshop focused on distributive mediation and the use of objective criteria in negotiations. Through shuttle diplomacy, the parties also agreed on a set of ground rules that would govern the dispute resolution process.

During this preparatory phase, important differences were identified in the circumstances of each complainant and their specific needs. Liftit and complainant 2 agreed that the issues related to his complaint predated the closure of operations, while the issues related to complainant 1 were directly related to the operational closure. Considering these differences, the two cases were addressed independently, with separate meetings between each complainant and the company.

In both cases, the complainants were given the opportunity to receive advisory assistance. Complainant 2 accepted the offer and invited complainant 1 to accompany him as advisor during the negotiations. Complainant 1 did not considered it necessary to have advisory support.

Sessions and Agreement

The parties held sessions from March until July 2026. The parties participated in good faith and constructively throughout the process. The bilateral communications resulted in an agreement with complainant 2 and an impasse in the negotiations with complainant 1.

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[2] See IFC & MIGA Independent Accountability Mechanism (CAO) Policy. For additional information regarding the assessment phase, see the CAO Assessment Report, January 27, 2026.
[3] See the CAO Assessment Report, January 27, 2026.

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Complainant 1

During the first joint session between the company and complainant 1, the discussions became tense, with both parties expressing frustration with each other. The parties agreed to continue the process through separate meetings and bilateral communications. The mediation team functioned as an intermediary to convey offers and counter offers, allowing the parties to continue exploring potential options for resolution. The parties exchanged proposals but were unable to reach an agreement.

In April 2026, IFC had expressed an interest in participating in the mediation as observer, but the parties decided not to engage the IFC. At the time of the impasse in the negotiations, complainant 1 requested a meeting with IFC. With Liftit's consent, IFC and complainant 1 held a bilateral meeting in July 2026, during which the complainant described his experience during his employment with the company and the subsequent closure of operations. The complainant asked questions regarding IFC's role in supporting and overseeing the operational closure processes of its clients. The complainant shared with IFC severance arrangements he would consider appropriate, proposals he had received, and those he would have been willing to consider. The exchange was informational in nature and did not constitute a negotiation between IFC and complainant 1.

The parties were ultimately unable to reach an agreement on the amount to be paid as compensation for termination of employment. Accordingly, the case of complainant 1 will be transferred to CAO's Compliance function.

Complainant 2

The parties discussed two issues: the payment of compensation following the termination of employment and whether the employment contract provided insurance coverage for the complainant's motorbike. The versions of the employment contract provided separately by the parties to CAO contained different provisions regarding insurance coverage. Despite these differences, the parties were able to negotiate through bilateral sessions and reach an agreement that fully resolved the complaint.

The agreement was signed via Docusign on July 8, 2026, and implemented within the following five business days, with the company transferring the agreed amount in full to Complainant 2. Complainant 2 subsequently confirmed receipt of the full agreed amount and expressed satisfaction with the payment.

Both parties agreed that their specific dispute predated the closure of the company's operations and that the agreement concerned the termination of the complainant's employment relationship as a matter separate from the closure of company operations in Mexico.

Accordingly, the case of complainant 2 has been concluded and will be closed within CAO's Dispute Resolution function.

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CHALLENGES, REFLECTIONS, AND LESSONS LEARNED

This case presented several challenges, reflections, and learning opportunities.

Flexibility in Multi-Complainant Cases

This case illustrates that a single complaint involving multiple complainants may require different procedural pathways. Although the complainants raised related concerns, important differences in their circumstances affected the company's willingness to participate in dispute resolution process with those with whom they had previously signed conciliation agreements. This scenario required CAO and the parties to consider whether the process could proceed with some complainants while putting on hold a process for others, without compromising their rights.

This experience highlights the importance of identifying material differences between complainants early in the process and addressing them transparently with the parties. In such cases, a flexible process may be appropriate, provided that the rationale is clearly explained and the implications for all parties are understood and accepted.

The approach also demonstrated the practical value of maintaining separate procedural tracks for each complainant. The impasse reached in discussions with complainant 1 did not prevent complainant 2 from continuing the process and ultimately reaching agreement with the company.

Limitations of Transactional Negotiations

In negotiations around highly distributive issues, with limited opportunities to create value or develop alternative solutions, communications may primarily involve bilateral exchanges facilitated by CAO's Dispute Resolution team.

In such cases, such as those focused on compensation amounts, where the positions of the parties are far apart and may be relatively rigid, the scope of negotiations may be limited. Under such circumstances, repeated joint sessions may not help and may increase frustration or intensify an impasse. Accordingly, rather than assuming that all cases require the same mediation format, the process should be tailored to the nature of the dispute and allow for a flexible combination of bilateral communications and, if useful, joint discussions.

IFC's Participation

The parties discussed IFC's potential participation at the outset of the mediation process, but neither considered IFC's involvement necessary at that stage. In April 2026, IFC itself expressed an interest in participating in the mediation processes as an observer. The parties considered the possibility again and decided to proceed without engaging IFC. After negotiations between complainant 1 and Liftit reached an impasse, complainant 1 requested a meeting with IFC, which took place in July 2026 with Liftit's consent.

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This experience illustrates the value of discussing the potential role of IFC early in the process, even where the parties do not initially wish to involve it. Early discussions enabled the parties to revisit IFC's participation later in the process and make a quick informed decision about whether such engagement would be useful.

The meeting between complainant 1 and IFC did not advance settlement discussions between the parties. However, it provided a forum for an exchange of information. The complainant was able to share his experience and concerns directly with IFC, while IFC received information regarding the complainant's views on the company's closure process and compensation arrangements.

CONCLUSION AND NEXT STEPS

Following the conclusion of the bilateral sessions, complainant 2, who reached an agreement with Liftit, received the agreed compensation and confirmed that he understood and accepted that his case would conclude at CAO's Dispute Resolution function and therefore *would not* be transferred to CAO's Compliance function.

Complainant 1, who did not reach an agreement with Liftit, joined the complainants 3, 4 and 5, whose cases were pending the completion of the mediation process. Collectively, the four complainants informed CAO of their desire to proceed with CAO's Compliance function.

Therefore, in accordance with CAO Policy, the complaints of complainants 1, 3, 4 and 5 will be transferred to CAO's Compliance function for an appraisal of IFC's environmental and social performance.

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