



COMPLIANCE
ADVISOR
OMBUDSMAN

The Independent Accountability Mechanism for IFC & MIGA

JANUARY 2026

Assessment Report

Regarding Mexico: ESIP Liftit 2018-01 in Mexico

IFC Project Number: 41635

About CAO

The Office of the Compliance Advisor Ombudsman (CAO) is the independent accountability mechanism (IAM) of the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA), members of the World Bank Group. We work to facilitate the resolution of complaints from people affected by IFC and MIGA projects in a fair, objective, and constructive manner, enhance environmental and social project outcomes, and foster public accountability and learning at IFC and MIGA.

CAO is an independent office that reports directly to the IFC and MIGA Boards of Executive Directors. For more information, see <http://www.cao-ombudsman.org/about-us>.



List of Acronyms

CAO Office of the Compliance Advisor Ombudsman

IFC International Finance Corporation

MIGA Multilateral Investment Guarantee Agency

1 Executive Summary

In July 2025, a complaint was submitted to CAO by a group of five former Liftit employees from Mexico. The complaint raised concerns related to the employment termination procedures that were undertaken during the company's closure of operations in Mexico. During the CAO assessment, the complainants and the company expressed interest in engaging in a CAO dispute resolution process to address the complaints of the two individual complainants who did not sign conciliation agreements. In accordance with CAO Policy¹, the case will be transferred to the CAO's dispute resolution function. The parties agree that the complaints of the remaining three individual complainants who signed conciliation agreements will be paused pending the conclusion of the dispute resolution process. Following its conclusion, all complainants will be consulted on whether they wish to transfer their cases to CAO's compliance function in accordance with CAO Policy.²

2 Background

2.1 The Complaint

On July 3, 2025, CAO received a complaint from a group of five former Liftit employees in Mexico ("the complainants"), regarding concerns related to the employment termination procedures that were undertaken during the closure of operations in Mexico by LIFTIT S A S ("the company"). The complainants and the company will be referred to as "the parties."

The complainants stated that they had concerns about the termination procedures, in particular that the severance process and payments were calculated and paid incorrectly. The complaint provided detailed information on each individual's specific concerns in relation to the termination procedures.

CAO found the complaint eligible on August 29, 2025, and began its assessment process.

2.2 The Project

The complaint relates to IFC's investment in Liftit, an asset-light, B2B e-logistics technology startup that provides affordable and efficient urban cargo delivery services from distribution centers to retail stores or to end consumers. The company is headquartered in Bogota, Colombia. IFC invested US\$2.8 million in December 2018 and a US\$2.6 million follow-on in April 2020, for a total exposure of US\$5.4 million to support Liftit's expansion into Mexico and to further build out a sales and technology team ("the project").

The project was classified as an Environmental Category B–Limited on environmental and social impacts.

¹ CAO Policy: <https://www.cao-ombudsman.org/policies-guidelines>

² CAO Policy, para. 71

According to IFC, Liftit has faced intense competition and thin margins since IFC's investment, leading to the closure of its Brazil operations in 2022 and Mexico in April 2025. It continues to operate in Ecuador and Colombia.

3 Assessment Purpose & Methodology

3.1 Assessment Purpose

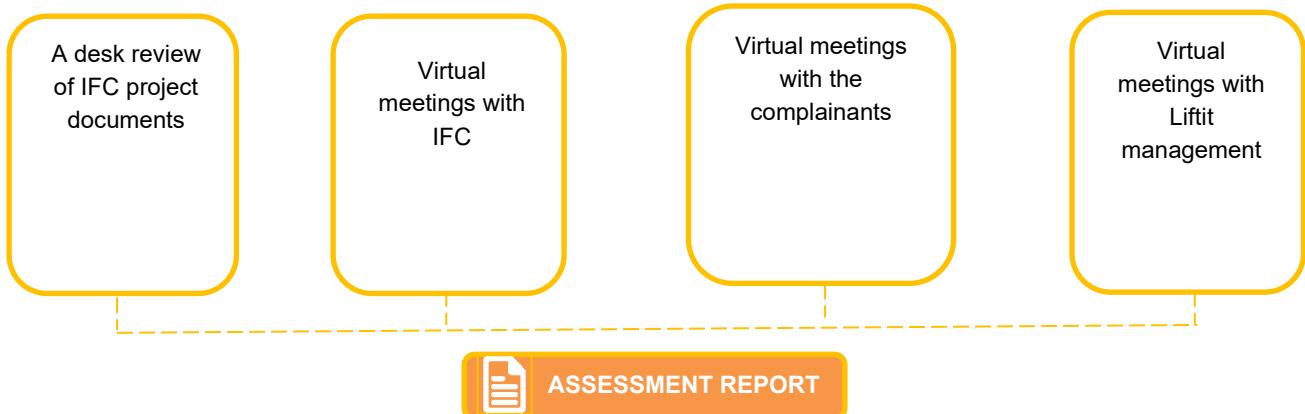
The aim of the CAO assessment process is to develop a thorough understanding of the issues and concerns raised by the complainants, gather information on the views of different stakeholders, and determine whether the complainants and IFC/MIGA's client would like to pursue a dispute resolution process facilitated by CAO, or whether the complaint should be handled by CAO's Compliance function for appraisal of IFC's environmental and social Performance Standards (see Appendix A for information about CAO's complaint-handling process).

CAO's assessment process does not entail a judgment on the merits of the complaint; rather, it seeks to understand the parties' perspectives and empower those involved to make informed decisions on how to address the issues raised.

3.2 Assessment Methodology

Figure 1 shows the approach and methodology to be applied in CAO's assessment process.

Through the assessment process, CAO aims to get a better understanding of the issues and determine whether the parties wish to address the complaint through a dispute resolution or compliance process. This assessment involves:



Outcome: The parties expressed an interest in dispute resolution.

Figure 1. CAO Assessment Process

The assessment was conducted by the CAO team, with the support of a Spanish interpreter. The CAO team communicated with the parties and collected information through multiple in-depth online conversations.

This report summarizes the views expressed to the CAO team by the parties and describes the steps followed, based on the decisions of the complainants and the company.

4 Complainants' Perspective

The complainants are all former employees of the company in Mexico.

The complainants stated that, when the company decided to close its operations in Mexico, they were not duly notified and that the calculations related to the termination of their employment were not carried out in accordance with Mexican labor law. The complainants explained that, in their view, the termination of employment without cause should include two components:

- *Finiquito*, which is the payment of accrued benefits and wages owed by the employer to the employee; and
- *Liquidación*, or severance, which is a statutory compensation applicable when termination is attributable to the employer.

They shared that, while they were all terminated without cause, they were offered conciliation agreements (termination agreements or *acuerdos de conciliación*) that did not comprehensively include all the elements that should be calculated in the components mentioned above. According to the complainants, the three main elements missing from the calculations related to the termination of their employment were:

- the calculation and payment of **tenure-related compensation** for all years worked (12 days per year worked);
- the calculation and payment of **accrued but unused leave** for all years worked; and
- the payment of the **50% unpaid portion of the severance** applicable in cases of termination of employment without cause under Mexican labor law; they were offered payment equivalent to 50% of the severance, but they believe that 100% is legally required.

According to the complainants, the elements omitted from the calculation are provided for under Articles 48, 50, 132, and 162 of the Federal Labor Law; Article 123, Section A, Subsection XXII of the Constitution of the United Mexican States; and Supreme Court Jurisprudence 2a./J. 66/2020.

Three complainants signed conciliation agreements with the company and received payments calculated by the company. Two complainants did not sign the conciliation agreements and did not receive any payments.

1) Complainants 1 and 2 did not sign conciliation agreements with the company.

Complainant 1 stated that he began working for the company on May 19, 2019, and that his last position was regional head of operations. He shared that he was notified of the closure of the

company's operations in Mexico at the same time he was summoned to attend a conciliation proceeding on April 3, 2025.

Complainant 2 began working for the company on January 10, 2023, as a messenger. He stated his motorbike was stolen while working for the company and added that, although the company had indicated that vehicle insurance would be provided, such insurance was never in place. As a result, he was unable to file an insurance claim in relation to the stolen motorbike.

Both complainants 1 and 2 refused to sign the conciliation agreement as they considered it an insufficient offer not in accordance with Mexican labor law.

2) Complainants 3, 4 and 5 signed conciliation agreements with the company.

Complainant 3 began working for the company on February 21, 2022, as an invoicing assistant and signed a conciliation agreement on June 4, 2025. **Complainant 4** began working for the company on August 14, 2020, as coordinator of traffic and security and signed a conciliation agreement on April 28, 2025. **Complainant 5** began working for the company on July 19, 2019, as an invoicing analyst and signed a conciliation agreement on June 4, 2025.

These three complainants shared with the CAO that while they also considered the conciliation agreement an insufficient offer not in accordance with Mexican labor law, they signed because they felt coerced as the options presented by company representatives were to accept the proposals as offered or receive no payment at all. They felt that in light of the company's imminent exit from Mexico, they had no viable alternative but to sign the documents and accept the offered payment.

All the complainants believe they were offered or paid approximately 30% of what they are entitled to according to Mexican labor law in the termination process. In their view, the conciliation agreements reflected a bad faith interpretation of the law by excluding elements that are mandatory under Mexican labor law in cases of termination of employment without cause and related severance calculations. The complainants added that the termination process in general was carried out under circumstances they perceived as coercive, explaining that they were presented with the option of either accepting the proposed offer or receiving no money at all.

The complainants shared that the unfair termination process resulted in negative personal, economic, and family-related impacts. They stated that the loss of employment created financial strain, as many of them are parents and primary income earners for their households and, following the termination, experienced an abrupt loss of income. They added that, in order to meet basic expenses while seeking alternative employment, several of them incurred debt, including taking out bank loans, due to the absence of income during periods of unemployment. The complainants also shared that the situation contributed to health-related impacts, including stress and anxiety. They added that they experienced difficulties securing alternative employment following the termination of their contracts and noted that one complainant remains unemployed at the time of this report.

5 Client's Perspective

The company stated that the termination of employment of all employees, carried out in connection with the closure of its operations in Mexico, was conducted in accordance with Mexican labor law. The company explained that it also distinguishes between *finiquito* (payment of accrued benefits and wages) and **severance** (statutory termination), and that it structured the calculations and payments for all terminations of employment on that basis.

The company explained that it prepared individual payment proposals for employees using its payroll and human resources processes, and that these calculations were verified internally, including through a payroll software platform. These payment proposals were used as basis for the conciliation agreements offered to each employee.

Regarding the **severance** calculation, the company added that, for the purposes of the conciliation agreements, it applied an approach under which the severance component was calculated based on 45 days' salary. While the company acknowledged that Mexican labor law provides for a severance calculation based on 90 days' salary in cases of termination of employment without cause, they stated that the 45-day approach is promoted by the Labor Conciliation Center as part of the conciliation process, which facilitates negotiation between the parties. The company explained that employees who did not agree with receiving 50% of the statutory severance were free to decline to sign the conciliation agreement.

With respect to **tenure-related compensation**, the company stated that this element is payable in the context of a court proceeding after a court ruling, but not in the context of a conciliation process. Therefore, no tenure-related compensation was included in the conciliation agreements.

With respect to **accrued but unused leave**, the company explained that Mexican labor law states that leave is intended to be taken and that it mandates the calculation and payment of unused leave for the current year and the immediately preceding year only, rather than for all prior years in which leave was not taken. Therefore, the conciliation agreements considered unused leave days for the current year and the immediately preceding year only.

The company stated that it does not agree with the view that employees were coerced into signing the conciliation agreements. It explained that employees were informed of the labor conciliation process and of the availability of free legal advice at the Labor Conciliation Center. In addition, the company explained that the labor authority, acting as the conciliator, explained to each of employees the full set of rights that each worker had at that time and that each of them had the option not to sign and to file a claim against the company. They were informed that, if no agreement was reached, the conciliator would immediately issue a *Certificate of Non-Conciliation*, enabling them to bring a claim for unjust dismissal before the Labor Tribunal for Individual Matters of Mexico City. The company added that, during the conciliation process, staff of the Conciliation Center ask employees to confirm whether they are signing the agreement of their own free will. The company also stated that employees were free not to sign the agreement and could pursue legal action if they chose to do so. The company stated that all conciliation agreements include a clause stating: '*The parties do not reserve any action or right to be exercised through any other legal avenue*'. In the company's view this shows that employees do not waive any rights, in

accordance with Articles 33 and 684-F, section IX, of the Federal Labor Law, and that conciliation agreements reflect workers' express and free consent to accept an employer's proposal. The conciliation agreement, signed by both parties before the conciliator of the Labor Conciliation Center (Article 684-F, section VIII, of the Federal Labor Law), has the effects of a final judgment.

- 1) Regarding **complainant 1**, the company stated that they informed the complainant of the operational closure and that he was provided with a conciliation agreement, which he rejected. The company added they attended the conciliation hearing but that since complainant 1 did not attend, the conciliation file was archived by the authority due to lack of interest by the requesting party on May 12, 2025. No conciliation agreement was executed, and no payment was made.
- 2) Regarding **complainant 2**, the company stated that it summoned the complainant for a conciliation hearing in order to terminate the employment relationship and pay the proportional accrued benefits and wages, but the complainant did not attend the scheduled conciliation hearing. The company added that complainant 2 had ceased reporting to work three days before the conciliation appointment and was not reachable, thus constituting grounds for termination of the employment. Regarding the issue of the stolen motorbike, the company explained that messengers who use their own vehicles are informed that they are responsible themselves for fuel, vehicle documentation, and insurance and that they must comply with the requirements imposed by applicable legislation for circulation. The company is not responsible for these requirements as they do not own those vehicles. The company added that the complainant was enrolled with the Mexican Social Security Institute (IMSS), which covers, among other things, work-related accidents or injuries. On that basis, the company stated that it does not consider the motorbike theft to be the responsibility of the company. No conciliation agreement was executed and no payment was made because the complainant did not attend the conciliation hearing.
- 3) Regarding **complainants 3, 4 and 5**, the company stated that it presented a proposed conciliation agreement to each individual which was accepted and signed at the Conciliation Center and for which they received the agreed amounts for the termination of employment via bank transfers. The company considers the conciliation agreements to reflect voluntary consent expressed by the complainants before the competent labor authority, with effects of a final judgment, and the matter closed, based on the signed documents and the execution of payment.

Finally, the company stated that, under its understanding of Mexican labor law, when a conciliation agreement is signed, the termination of employment is treated as a voluntary termination by mutual agreement. On that basis, the company explained that a separate notice of termination of employment is not required as the sole attendance of each complainant at the premises of the Conciliation Center on the correct date and time means they were duly notified.

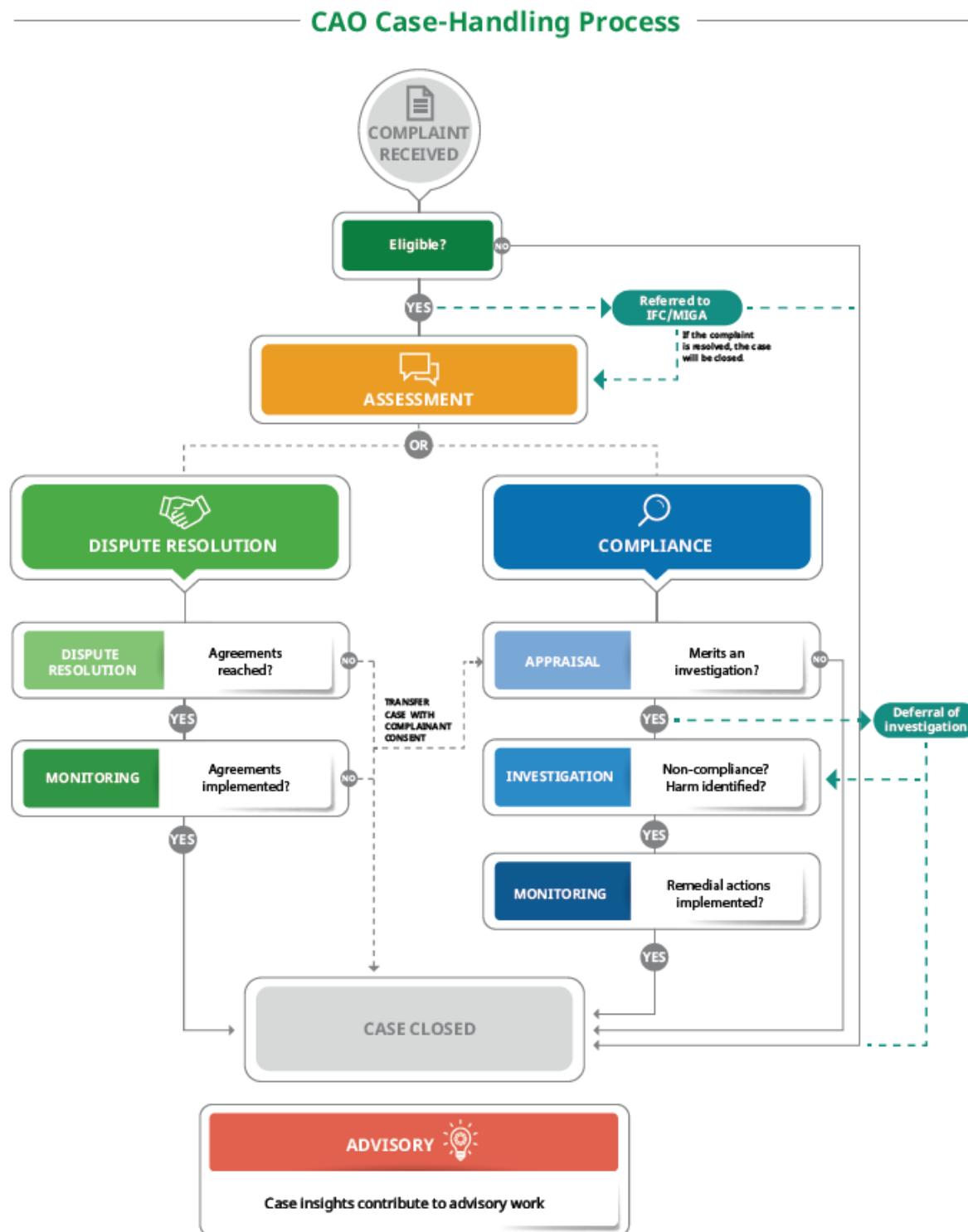
6 Conclusion and Next Steps

During the CAO assessment process, the complainants and the company expressed interest in engaging in a CAO dispute resolution process to address the complaints of the two individual complainants who did not sign conciliation agreements. In accordance with CAO Policy³, the case will be transferred to CAO's dispute resolution function. The parties agree that the complaints of the remaining three individual complainants who signed conciliation agreements will be paused pending the conclusion of the dispute resolution process. Following its conclusion, all complainants will be consulted on whether they wish to transfer their cases to CAO's compliance function in accordance with CAO Policy.⁴

³ CAO Policy: <https://www.cao-ombudsman.org/policies-guidelines>

⁴ CAO Policy, para. 71

Appendix A. CAO Complaint Handling Process



As per the IFC/MIGA Independent Accountability Mechanism (CAO) Policy,¹ the following steps are typically followed in response to a complaint that is received:

Step 1: **Acknowledgment** of receipt of the complaint.

Step 2: **Eligibility:** A determination of the complaint's eligibility for assessment under the mandate of CAO (no more than 15 business days).

Step 3: **Assessment:** Assessing the issues and providing support to stakeholders in understanding and determining whether they would like to pursue a consensual solution through a collaborative process convened by CAO's Dispute Resolution function or whether the case should be handled by CAO's Compliance function to review IFC's/MIGA's environmental and social due diligence. The assessment time can take up to a maximum of 90 business days, with the possibility of extension for a maximum of 30 additional business days if, after the 90-business day period, (1) the parties confirm that resolution of the complaint is likely or (2) either party expresses interest in dispute resolution, and there is potential that the other party will agree.

Step 4: **Facilitating settlement:** If the parties choose to pursue a collaborative process, CAO's Dispute Resolution function is initiated. The dispute resolution process is typically based on or initiated by a Memorandum of Understanding and/or mutually agreed-upon ground rules between the parties. It may involve facilitation/mediation, joint fact finding, or other agreed resolution approaches leading to a settlement agreement or other mutually agreed and appropriate goals. The major objective of these types of problem-solving approaches will be to address the issues raised in the complaint, and any other significant issues relevant to the complaint that were identified during the assessment or the dispute resolution process, in a way that is acceptable to the parties affected.²

OR

Compliance Appraisal/Investigation: If the parties opt for an investigative process, the complaint is transferred to CAO's Compliance function. The complaint is also transferred to the Compliance function when a dispute resolution process results in partial or no agreement. At least one Affected Community Member must provide explicit consent for the transfer, unless CAO is aware of concerns about threats and reprisals. CAO's Compliance function reviews IFC/MIGA's compliance with environmental and social policies, assesses related harm, and recommends remedial actions where appropriate, following a three-step process. First, a compliance appraisal determines whether further investigation is warranted. The appraisal can take up to 45 business days, with the possibility of extending by 20 business days in exceptional circumstances. Second, if an investigation is warranted, the appraisal is followed by an in-depth compliance investigation of IFC/MIGA's performance. An investigation report will be made public, along with IFC/MIGA's response and an action plan to remediate findings of noncompliance and related harm. Third, in cases where noncompliance and related harm are found, CAO will monitor the effective implementation of the action plan.

Step 5: **Monitoring and Follow-up**

Step 6: **Conclusion/Case Closure**

¹ For more details on the role and work of CAO, please refer to the IFC/MIGA Independent Accountability Mechanism (CAO) Policy: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/889191625065397617/ifc-miga-independent-accountability-mechanism-cao-policy>.

² Where stakeholders are unable to resolve the issues through a collaborative process within an agreed time frame, CAO Dispute Resolution will first seek to assist the stakeholders in breaking through impasse(s). If this is not possible, the Dispute Resolution team will inform the stakeholders, including IFC/MIGA staff, the President and Board of the World Bank Group, and the public, that CAO Dispute Resolution has concluded the dispute resolution process and transferred it to CAO Compliance for appraisal.



The Independent Accountability Mechanism for IFC & MIGA