



Uzbekistan: Indorama Kokand/Hamkor Bank-01/Uzbekistan

PROJECT INFORMATION

Institution

IFC

Projects Names & Numbers

Indorama Kokand (38266), Hamkor Bank (30893, 32024, 35062, 33596, 27615, 36170, 30657, 569389)

Departments

Manufacturing, Financial intermediaries

Companies

Indorama Kokand Textile and Hamkor Bank

Sectors

Spinning (Yarn, Including Integrated with Fiber Production) and Commercial Banking - SME Finance

Region

Europe and Central Asia

Country

Uzbekistan

Environmental Categories

A, FI, FI2

Commitments

Indorama Kokand Textile: 40 Million US\$ debt

Hamkor Bank: 13.5 million US\$ debt and 5.3 Million US\$ equity

CASE INFORMATION

Case Name

Indorama Kokand/Hamkor Bank-01/Uzbekistan

Complainants

Cotton laborers and human rights monitors (cotton fields)

Date Filed

June 30, 2016

Concerns

Forced labor, supply chain

Status

Open

Phase

Assessment



Complaint

IFC has an active project with Indorama Kokand Textile (IKT), a cotton yarn producer, to finance the expansion of a textile plant in Fergana Valley, Uzbekistan.

IFC also has eight active projects with Hamkor Bank - a combination of equity and loan investments as well as a Global Trade Finance Program and an Advisory project. IFC's investments aim at enabling Hamkor Bank to strengthen and expand the scope of its lending program to micro and small entrepreneurs.

The complaint submitted to CAO was filed by a coalition of NGOs on behalf of alleged victims of forced labor in the cotton fields and human rights monitors. The complaint raises concerns about the existence of forced labor in IKT's supply chain and claims that Hamkor Bank is involved in what the complaint describes as a State-organized system of forced labor in the cotton harvest in Uzbekistan, from which Hamkor Bank allegedly benefits.

CAO Action

CAO found the complaint eligible for further assessment in August 2016 and has begun an assessment of the complaint.

Status

The assessment of the case is underway.

Note: A CAO assessment does not entail a judgment on the merits of complaints. Rather, the aim is to listen to people's concerns, understand the different perspectives, and determine what options are available to address the complaint through CAO's Dispute Resolution and Compliance functions.

Status as of March 2017