



## 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.

On March 1, 2017 Elena Urlaeva, a CAO complainant on this case, was arrested and subsequently involuntarily committed to a psychiatric hospital in Tashkent. A CAO representative was able to meet with Elena at the hospital on March 7 and CAO continues to monitor her situation. The assessment period for the case has been extended and CAO intends on having more in-depth discussions with Elena upon her release, as part of the case assessment.

**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*