

26 August 2025

Complaint to the  
OFFICE OF THE  
COMPLIANCE ADVISOR OMBUDSMAN

Re: IFC Advisory Project number 607394,  
IME Cable Car, Nepal

Filed by:  
Signatories (see p 17),  
Indigenous Peoples Organisation of Limbu (Yakthung) nation,  
Kirat religious organisation,  
Mukkumlung Conservation Joint Struggle Committee,  
LAHURNIP, AIPNEE, Recourse

Kathmandu, 26 August 2025

Ms Janine Ferretti  
Director-General  
Compliance Advisor Ombudsman  
2121 Pennsylvania Avenue, NW  
Washington DC 20422

We, Lawyers' Association for Human Rights of Nepalese Indigenous Peoples (LAHURNIP) working to promote, defend and protect rights of Indigenous Peoples, are writing to you as legal counsel to the Indigenous Peoples Organisation of Limbu (Yakthung) nation, Kirat religious/spiritual organisation and the local struggle body constituted for the protection of the sacred site of Mukkumlung, to file a complaint in relation to **Project Number 607394, IME Cable Car**, a \$156,746 Advisory Services project of the International Finance Corporation (IFC).

[LAHURNIP](#) is acting as legal counsel to the Complainants, and [Asia Indigenous Peoples Network on Extractive Industries and Energy](#) (AIPNEE), and [Recourse](#) are acting as advisors. With a power of attorney the Complainants have advised that they, with their legal counsel, will have decision-making authority, and the advisors can advise and facilitate in the process.

### **Description of the project and IFC's role**

In September 2022, the IFC began to provide advisory support to IME Cable Car, in a project due to cost \$156,746 and to last two years. The aim of this advice, according to the [project document](#), was "to support IME Group with the technical analysis and tendering of cable car installations (depending on the stage of the projects), develop the bankability assessment of the commercial feasibility/business financial plan, perform Environmental Impact Assessment (EIA) gap analysis and advise on remedial measures, evaluate the legal and regulatory frameworks, for each of the cable car projects. IFC will also provide corporate governance advice on structuring for their corporate entity, which will be responsible for their transport operations/cable cars."

In its description of the project's development impact, the IFC was clear that the project involved four cable car projects: "The project through its commercial, technical, legal and E&S assistance to IME Group for the development of the 4 cable car projects would like to contribute towards the bankability of the investments for further foreign investments."

Equally clear, in the Environmental and Social Risks section of the project document, is the IFC's emphasis on helping its client familiarise itself with the Performance Standards: "IFC's advice will be provided in a manner consistent with the principles of the relevant Performance Standards. The IFC team will assist the client, as the final decision maker, in gaining a good understanding of IFC's Performance Standards."

IME Group is one of Nepal's [largest commercial consortia](#) – involved in energy, manufacturing, infrastructure and trading, as well as running the largest commercial bank in Nepal, Global IME Bank. The IFC has provided over \$50 million to IME Group over the past decade, plus a \$500 million trade finance guarantee. Crucially, IFC continues to invest in Global IME Bank today, providing ongoing leverage and influence. (See *Annex 1*.)

One of IME Group's many subsidiaries is IME Cable Car, and it is this venture to which IFC provided advisory support. According to the IFC,<sup>1</sup> responding to an information request from the Complainants' advisors, the Advisory Project did not fulfil its original intentions: "*IFC started with a mapping of the cable car market in Nepal together with a review of the technical specifications proposed by the developer for the Pathibhara Cable Car Project<sup>2</sup> as part of the first stage. The advisory project did not progress beyond this stage, due to a change in priorities of the parties involved. Therefore, it did not reach the stage where an E&S review would be conducted and advice on Indigenous Peoples and EIA would be provided... No feasibility studies were conducted by IFC under this advisory agreement. Aside from Pathibhara, the other cable car projects that were within the scope of the advisory agreement were at Lumbini, Maulakalika and Chandragiri.*"

The reason the Complainants and their advisors seek to engage with the CAO is because of the social and environmental harms caused by one of the cable car projects in particular: the Pathivara Cable Car project. This cable car project has severe impacts on one of the most sacred sites of the Limbu (Yakthung) Indigenous Peoples, including their forests, flora, fauna, heritage (tangible and intangible) and Mukkumlung mountain. The Pathivara project has been imposed on the local Indigenous communities without their Free, Prior and Informed Consent (FPIC), and has proceeded to destroy their lands, forests, sacred sites and livelihoods. When the people protest, they have been met with extreme violence and repression. This has been extensively documented in national and international media.<sup>3</sup> Through their legal counsel, LAHURNIP, they have fought back through the judicial system – right up to the Supreme Court – but have been unable to achieve justice. At the moment

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<sup>1</sup> Email sent by Ute Reisinger IFC, 19 May 2025 to Recourse.

<sup>2</sup> This has many spellings, also referred to as Patibara, Pathibara, Pathivara, Mukkumlung.

<sup>3</sup> See <https://kathmandupost.com/province-no-1/2025/05/21/pathibhara-cable-car-protests-to-resume>; <https://www.france24.com/en/live-news/20250221-nepal-community-fights-to-save-sacred-forests-from-cable-cars>; <https://globalpressjournal.com/asia/nepal/indigenous-nepalis-fight-cable-car-project-sacred-himalayan-mount-ain/>

there are three cases (case no.: 076-WO- 0803, 077-WO- 0753, and 081-FN-0696), which are pending adjudication in the Supreme Court of Nepal. The first case was filed by Kanchenjunga Conservation Area Management Council and the Supreme Court has issued an interim order in this case. Despite the interim order, the project is continuing in the Conservation Area.

Only in late 2024 were the Complainants and their advisors able to discover that the IFC was supporting IME Cable Car – and that this could provide another route for them to seek to address the harms they have suffered.

### **IFC's exit and the exceptional reasons for the delay in filing a complaint**

According to the IFC, it exited the IME Cable Car project early, in August 2024. *“Aside from Pathibara, the other cable car projects that were within the scope of the advisory agreement were at Lumbini, Maulakalika and Chandragiri. The agreement was terminated before any work began on these projects.”*<sup>4</sup>

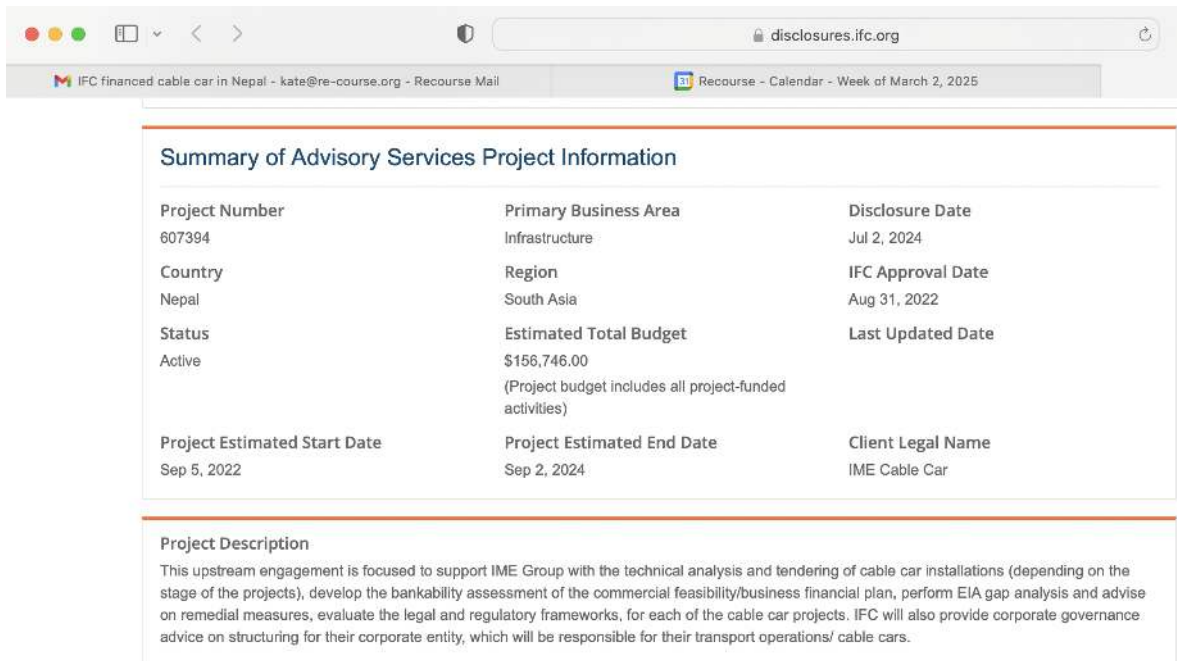
The IFC exited this project in August 2024, and this would normally have a bearing on the eligibility of this complaint. But we will argue that there are exceptional and very good reasons why it would have been impossible for us to file a complaint before now – due to the IFC's own actions and its refusal to confirm its involvement in the Pathivara Cable Car project until May 2025. We will lay out the timeline of our engagement with the IFC below and explain our problems in pinning the IFC down on whether the Pathivara Cable Car project was one of the four projects it supported through IME. We believe this will offer sufficient explanation for why it was simply impossible for the Complainants to file a complaint with any confidence before now.

#### **1. Non-disclosure of IFC's advisory project, early exit, and false 'active' status**

Although you can see, below on IFC's project disclosure page, that this project began in September 2022, having been approved in August 2022, **it was not disclosed publicly until 2 July 2024.**

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<sup>4</sup> Ibid.



**Screenshot taken 18/2/25**

In February 2025, Recourse submitted an information disclosure request<sup>5</sup> to the IFC to ask for an explanation of why the project information was not disclosed until July 2024 - nearly two years after it began - and whether the project was still active as stated. The IFC did not respond within its expected 30 days.

Recourse then followed up and contacted the IFC CSO engagement team (specifically Maria Carolina Hoyos Lievano), and received a response on 3 April 2025 from the IFC Corporate Relations team, stating:

*“The disclosure timeline followed procedure in relation to contractual signing. The engagement did not progress and was concluded in August 2024. The project status has been updated on the disclosure portal to reflect this.”*

In other words, when Complainants noticed that IFC was involved in the project, they thought the project was still active as it showed as such on the website until April 2025. Therefore, there would be no need to rush to file a complaint.

**On the contrary, however, the IFC had exited the project barely a month after it disclosed its involvement publicly on its website – in August 2024. Nowhere was this made clear contemporaneously. Complainants had no way of accessing this vital information.**

<sup>5</sup> See Annex 2 for information disclosure requests and the IFC’s responses.

## 2. Confirming IFC's involvement in the Pathivara project

In order to link the IFC to what was happening on the ground to the Indigenous communities affected by the Pathivara cable car project, we had to be sure that Pathivara was indeed one of the four cable car projects supported through IFC's advisory project. This proved much more difficult than it should have. The IFC's over-complex response to a simple question meant that Complainants' ability to seek justice was further delayed.

Here is the question Recourse submitted in our first formal information request on 18 February 2025 (see *Annex 2*), in consultation with Complainants:

*"IFC provided advisory services to IME Group "for the development of 4 cable car projects..." can you confirm that this included the project Pathivara Darshan Mukkumlung Cable Car Pvt. Ltd.?"*

IFC's response on 3 April 2025 stated:

*"Thank you for your interest in this project. This upstream engagement was not with Pathivara Darshan Mukkumlung Cable Car Pvt. Ltd."*

While it is true that IFC's upstream engagement was with IME, Pathivara Darshan Mukkumlung Cable Car Pvt. Ltd is a subsidiary of IME and is a special purpose vehicle set up to manage the Pathivara cable car project. IFC's advice to IME pertained specifically to the Pathivara cable car project, so there is a clear connection between IFC's advice and Pathivara Darshan Mukkumlung Cable Car Pvt. Ltd, which IFC failed to disclose in this response.

Furthermore, this denial of a connection was then used to refuse Recourse, AIPNEE and LAHURNIP a meeting during the World Bank Spring Meetings in Washington D.C. in April 2025. In response to a request for a meeting with representatives of LAHURNIP, AIPNEE and Recourse, the IFC said, "we are not involved and anyway, we have now exited the project".

It was only because we insisted on a meeting regardless, not taking no for an answer, and then because of an error on IFC's part during that meeting, that we finally succeeded. We managed to get confirmation verbally, then in writing, by 19 May 2025 – fully three months after first asking – that the IFC had indeed advised IME about the Pathivara Cable Car project, and that it had carried out feasibility studies and market analysis.

This confirmation has now given us the green light to go ahead to gather evidence and prepare this complaint to the CAO, within the 15 month deadline after IFC exit.

## IFC's responsibility in Advisory Services projects

It is clear from IFC's responses to our information requests and exchanges that it is trying to argue that it did not get to engage IME as intended on environmental, social and Indigenous rights issues (see Annex 2). For example, IFC's email of 19 May states, *"The advisory project did not progress beyond this stage, due to a change in priorities of the parties involved. Therefore, it did not reach the stage where an E&S review would be conducted and advice on Indigenous Peoples and EIA would be provided."*

However, the IFC has had a long engagement with IME Group and continues to back the business today. Its current advisory project<sup>6</sup> with IME is about risk management, inclusion, gender and climate. IFC is in a position of influence with IME Group, even if it has exited this one investment.

IFC says<sup>7</sup> it had done screening and due diligence as part of the project: "As part of its Due Diligence, and as mandated by IFC's Sustainability Policy, IFC team is screening this project to assess consistency with IFC's Performance Standards." So, IFC must have been aware of the E&S risks. Furthermore, by providing technical advice on the cable cars, IFC enabled the project to go ahead and therefore clearly contributed to the harms.

Additionally, there is precedent that IFC bears responsibility for ensuring its Performance Standards are brought to bear in Advisory Services projects. A few years ago in Panama, Indigenous Peoples filed a complaint regarding an IFC Advisory Project,<sup>8</sup> relating to a transmission line. In December 2019, CAO completed its compliance appraisal, noting that a key requirement for an IFC Advisory Services project is to **"provide advice consistent with the requirements of IFC's Performance Standards (PS)."**

The Panama ETESA case affected Indigenous territories and involved processes of Free, Prior and Informed Consent, as is the situation in the Nepal Cable Car project. The CAO found that,

*"The key IFC Sustainability Policy requirement for an IFC Advisory Services project of this type is that IFC provides advice "consistent with the Performance Standards" as a framework for good international industry practice in environmental and social (E&S) risk management. The Performance Standards (PS) include specific requirements for conducting consultation with Indigenous Peoples and gaining prior consent (FPIC) of Indigenous Peoples **when projects***

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<sup>6</sup> <https://disclosures.ifc.org/project-detail/AS/608686/global-ime-bank-advisory->

<sup>7</sup> <https://disclosures.ifc.org/project-detail/AS/607394/nepal-cable-car>

<sup>8</sup> <https://www.google.com/url?q=https://www.cao-ombudsman.org/case/panama-pl-iv-01multi-locations&sa=D&source=docs&ust=1755187037171330&usg=AOvVaw1ufLNBj7ooxqykW8MZlmoE>

***impact land or natural resources under traditional ownership or customary use.***” [emphasis added].

In the Nepal case, the cable car project tears through Indigenous Peoples’ forests and territories and threatens one of the most sacred sites of the Limbu people - their mountain. Worse, this is happening without their consent or even consultation. In a country where rights are often disrespected, this is leading to violence and repression. This was something the CAO warned of in the Panama case:

*“Absent action to address the shortcomings in IFC’s advice to date, there is significant risk that the project will not achieve FPIC of the affected Indigenous communities as required by the Performance Standards. This may heighten the risk of negative project impacts on the cultural, economic, and territorial (including customary) rights and interests of those Indigenous communities. Taking into account historical opposition to infrastructure development in the region, lack of effective consultation with Indigenous groups could also contribute to increased social tension and potential conflict around the PLIV project.”*

The IFC’s inability to ensure its client integrated the Performance Standards into the implementation of its plan for delivering cable car projects around Nepal has led to severe breaches of the protections that were supposed to safeguard vulnerable and marginalised communities. Today, Indigenous Limbu communities are being beaten, shot at, arrested and terrorised for trying to defend their land and way of life.

## **The Nepal IME cable car project and breaches of the IFC Performance Standards**

In this section, we will lay out how this project is in breach of several of the IFC Performance Standards.

### **Performance Standard 1 Assessment and Management of Environmental and Social Risks and Impacts**

#### ***Breaches of IFC Performance Standard 1***

*“5. In addition to meeting the requirements under the Performance Standards, clients must comply with applicable national law, including those laws implementing host country obligations under international law.”*

Nepalese law requires that project approval is given only after completion of an Initial Environmental Examination (IEE) or Environmental Impact Assessment (EIA). In the case of the Pathivara cable car project, the authorities violated the provisions of national law by approving the construction of the cable car before the IEE had been completed.

In addition, an IEE is meant for projects with minimal impacts to the environment, whereas the more comprehensive EIA is required for projects with more significant adverse impacts. Specifically, Section 6 of the Environment Protection Act 1997 requires an EIA for any project that has a significant environmental impact. The cable car project has a significant adverse impact on the environment – as is noted under Performance Standard 6 below, 10,000 trees have been destroyed for its construction. An EIA was not completed for the Pathivara project; only an IEE.

The Cable Car Company violated Limbu/Yakthung's constitutionally guaranteed fundamental right to protect and operate a religious site (art. 26 of the Constitution 2015), right to participate in the cultural life, preserve and promote cultural heritage (art. 32). Further, the company violated the right to information guaranteed in the Constitution (art. 27). No information was provided to the community, despite the fact that they filed a Right to Information application under the Right to Information Act 2006.

*“30. When Affected Communities are subject to identified risks and adverse impacts from a project, the client will undertake a process of consultation in a manner that provides the Affected Communities with opportunities to express their views on project risks, impacts and mitigation measures, and allows the client to consider and respond to them. The extent and degree of engagement required by the consultation process should be commensurate with the project’s risks and adverse impacts and with the concerns raised by the Affected Communities. Effective consultation is a two-way process that should: (i) begin early in the process of identification of environmental and social risks and impacts and continue on an ongoing basis as risks and impacts arise; (ii) be based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information which is in a culturally appropriate local language(s) and format and is understandable to Affected Communities; (iii) focus inclusive engagement on those directly affected as opposed to those not directly affected; (iv) **be free of external manipulation, interference, coercion, or intimidation**; (v) enable meaningful participation, where applicable; and (vi) be documented.” [emphasis added]*

Article 51 (J) (8) of Nepal’s 2015 Constitution has a specific provision for Indigenous Peoples, which provides the right to live with dignity and identity, including the right to participate in every decision that affects them, and the state is obliged to make a special arrangement to give full effect to the provision. Despite consistent demands of the affected community in this case, the company and the relevant government agencies disregarded the provision.

Importantly, Nepal is a party to/signatory of the ILO Convention 169 and UNDRIP, which provide an obligation to ensure participation, consultation, and Free, Prior and Informed Consent in any activities that take place in the Indigenous territories. The provisions of ILO

Convention No. 169 and UNDRIP are equivalent to the provisions of national laws. The provisions of ILO Convention No. 169 and UNDRIP prevail over national laws (Section 9 of the Nepal Treaty Act 1991). None of these mandatory legal provisions has been complied with. Thus, the project is illegal, culturally genocidal, and a threat to the existence of the community.

The presence of the Armed Police Force and Nepal Police at the project site, who have used live fire against peaceful protesters, constitutes severe repression and intimidation to force the implementation of a project unwanted by the local Indigenous community.

### **Performance Standard 5: Land Acquisition and Involuntary Resettlement**

#### ***Breaches of IFC Performance Standard 5***

*“12. Where involuntary resettlement is unavoidable, either as a result of a negotiated settlement or expropriation, a census will be carried out to collect appropriate socio-economic baseline data to identify the persons who will be displaced by the project, determine who will be eligible for compensation and assistance...”*

Around 800 people, mostly Indigenous and local community members who are self-employed pilgrims' helpers will be displaced and become unemployed, adversely impacting 4,000 dependent members of their families. Small businesses, hotel and transportation workers could lose their source of income. Another estimate in a local newspaper puts the figures slightly differently: saying the project threatens the livelihood of more than 600 porters, 30 small businesses and 1,700 homes.<sup>9</sup>

The IEE of the Pathivara cable car does not analyse the situation of these affected people, and so cannot be expected to address their needs adequately in any compensation plan. Without sufficient consultation with affected communities, as detailed under PS1 and PS7, their needs, baseline livelihoods and the impacts of the project cannot be sufficiently understood and addressed.

### **Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources**

#### ***Breaches of IFC Performance Standard 6***

*“14. The client will not significantly convert or degrade natural habitats, unless all of the following are demonstrated:*

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<https://globalpressjournal.com/asia/nepal/indigenous-nepalis-fight-cable-car-project-sacred-himalayan-mount-ain/>

- *No other viable alternatives within the region exist for development of the project on modified habitat;*
- *Consultation has established the views of stakeholders, including Affected Communities, with respect to the extent of conversion and degradation; and*
- *Any conversion or degradation is mitigated according to the mitigation hierarchy.”*

The IEE conducted by the company identifies only four species “of the 112 species of trees found in the area,” according to an expert interviewed by an international newspaper.<sup>10</sup> The construction of the Pathivara cable car has already caused the clearing of large areas of forest that is sacred to the Limbu people, without their consent. The project developer has felled an estimated 10,000 trees – a major factor in local opposition to the cable car construction.

Fungling Municipality gave permission to construct the cable car, but the project falls in the areas of Sirijanga Municipality, and Faktanglung municipality. The Municipalities objected to the use of their area without their permission.

On 13 May 2024, persons hired by the project developer cut down trees, with the assistance of security forces including APF, to clear the right of way of the cable car that destroyed the habitat of endangered animals, like red pandas and snow leopards. Furthermore, rare herbs and plants listed under CITES have also been destroyed. The community has been protecting those natural resources and heritage for ages in accordance with the norms and values of the *Mundhum*. This destruction was done with the direct involvement of the APF.<sup>11</sup>

The cable car project encroaches on an area of *Kanchanjunga Samrakchan Chetra* (Kanchanjunga Conservation Area) where the Mukkumlung temple is located. Kanchenjunga Conservation Regulation 2007 was introduced to hand over the conservation area to the community. Mukkumlung and the conservation area are home to endangered species such as the Red Panda, Snow Leopard, Himalayan Musk Deer, etc. The endangered species are in direct threat of extinction due to forest clearance and the construction of the Cable Car. No study has been carried out on the adverse impact on the endangered species.

### **Performance Standard 7 Indigenous Peoples**

The Yakthung ( Limbu) are Indigenous People living mainly in the eastern Himalayan region of Nepal, and have distinct language, culture and social structures. As detailed under Performance Standard 8, Mukkumlung - the mountain on which the cable car project is being built - is of central importance to Limbu religion and culture.

<sup>10</sup> See: <https://news.mongabay.com/2025/05/cable-car-project-in-nepal-under-fire-for-flawed-environmental-review/>

<sup>11</sup> [https://khabarhub.com/2024/08/708435/visited\\_30\\_June\\_2025](https://khabarhub.com/2024/08/708435/visited_30_June_2025)

Therefore, the rights of the community to consider their Free, Prior and Informed Consent for this project, and to be protected from any retaliation should they question it, should have been of utmost importance. These rights should be guaranteed under the IFC's Performance Standard 7 on Indigenous Peoples.

### ***Breaches of IFC Performance Standard 7:***

PS 7 begins with a statement of its objectives. The first objective is:

*"To ensure that the development process fosters full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples."*

In this respect, the cable car project breached PS7, as the human rights of the Indigenous Limbu People were repeatedly violated. Lawyers for the Limbu community filed an urgent communication to the United Nations Special Rapporteur on Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (see Annex 3) detailing human rights abuses against local Limbu community members dating from 2023 to February 2025.

These include: 8 November 2024: 70 Armed Police Force (APF) members plus 45 Nepal Police occupied a local citizen's house; two Mukkumlung protestors were cut and severely injured by sharp weapons; and 25 January 2025: the APF beat and opened fire on members of a peaceful rally, when they were gathered to eat food in the evening. Three people were severely injured and 50 suffered minor injuries.

The government of Nepal has stationed security forces at the project site. This militarisation has created an atmosphere of repression and fear of retaliation; leading to a situation of threat and insecurity among the Indigenous community.

PS7 defines Indigenous Peoples as follows:

*"In this Performance Standard, the term "Indigenous Peoples" is used in a generic sense to refer to a distinct social and cultural group possessing the following characteristics in varying degrees:*

- *Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;*
- *Collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;*
- *Customary cultural, economic, social, or political institutions that are separate from those of the mainstream society or culture; or*
- *A distinct language or dialect, often different from the official language or languages of the country or region in which they reside."*

The Limbu Indigenous People clearly meet this definition as they are both self-identify as a distinct Indigenous People and they, and their lands, rights and territories are recognised as such by the Nepalese state, in its 1774 Treaty (*Tasally Muluki*) with the *Limbuwan* nation. Limbu is legally recognized as *Adivasi Janajati*<sup>12</sup> (Indigenous Nationalities) under the National Foundation for Development of Indigenous Nationalities (NFDIN) Act 2002.<sup>13</sup>

*“10 The client will undertake an engagement process with the Affected Communities of Indigenous Peoples as required in Performance Standard 1. This engagement process includes stakeholder analysis and engagement planning, disclosure of information, consultation, and participation, in a culturally appropriate manner. In addition, this process will:*

- Involve Indigenous Peoples’ representative bodies and organizations (e.g., councils of elders or village councils), as well as members of the Affected Communities of Indigenous Peoples...”*

The Limbu people, as custodians, were not appropriately consulted about the project. On the contrary, they have been raising their voices to protect Mukkumlung – not only from a religious and cultural perspective but also to preserve nature, including endangered flora and fauna. Guided by the Mundhum, which shapes their way of life from birth to death, they emphasise the site's sacred and ecological significance. The Limbu people’s customary institutions such as Thargat Sahajikaran, the Kirant religious organisation, and Kirant Yakthum Chumlung submitted written concerns and memoranda to the relevant Ministries of the federal government, provincial government, including the Prime Minister and Chief Minister, objecting to the commercialisation of the sacred site through the construction of the cable car. On 7 March 2021, 149 petitioners, including representative organisations and leaders, submitted a writ to the Supreme Court opposing the project.

*“11. Affected Communities of Indigenous Peoples may be particularly vulnerable to the loss of, alienation from or exploitation of their land and access to natural and cultural resources.5 In recognition of this vulnerability, in addition to the General Requirements of this Performance Standard, the client will obtain the FPIC of the Affected Communities of Indigenous Peoples in the circumstances described in paragraphs 13–17 of this Performance Standard. FPIC applies to project design, implementation, and expected outcomes related to impacts affecting the communities of Indigenous Peoples.”*

The Limbu Indigenous People were not consulted in any meaningful manner and there was no full disclosure prior to the development of the project. Their concerns about potential environmental, cultural and social impacts of the project were ignored by the project developer. The Initial Environmental Examination (IEE) for the project was carried out

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<sup>12</sup>Indigenous Peoples in Nepali Context.

<sup>13</sup>Schedule 1 of the NFDIN Act 2002

without the participation, consultation or FPIC of the Limbu Indigenous Peoples. The IEE does not even mention Limbu *Mukkumlung Mundhumi* identity and no consultation has been carried out with any *Mundhumi* spiritual knowledge holders (such as *Tumyahang*, *Fedangma*, *Yeba*, *Yema*, *Samba*) of the Limbu people.

### Performance Standard 8 Cultural Heritage

To understand the cultural heritage impacts of the cable car project, it is vital to understand the critical importance of the site to the Limbu Indigenous People. *Mukkumlung*, a sacred site in *Mundhumi* heritage, is the mountain in Taplejung district, eastern Nepal where the cable car project is planned. It forms part of the ancestral lands of the Yakthung (Limbu) Indigenous People. "Mukkumlung" is a compound word: "Mukkum," which refers to power, and "Lung," which refers to a hill, mountain or sacred stone in the Limbu language. According to Limbu Mundhum, *Mukkumlung* is a sacred emblem of *Chotlung* (human dignity). *Mukkumlung Yuma Mang* is a deity with supernatural power and is worshiped while doing *Mangena* of every individual Limbu. *Mangena* is an essential *Mundhumi* ritual necessary for the physical, spiritual, and mental healing of a person's vibrant *Chotlung*.

According to Mundhum, *Mukkumlung Yuma Mang*, also known as Deity Grandmother, taught Limbu the weaving of clothes, agriculture, and sustainable hunting, which formed the way of life for the community.

In this way, the central importance of the *Mukkumlung* mountain for the Limbu community can be understood.

The cable car project development forms part of a wider attempt by the Nepalese government to develop *Mukkumlung* and bring in tourism to the Pathivara Devi Hindu Temple on top of the mountain. In 1997, the government created the Pathivara Area Development Board in the name of social, economic, cultural and religious development. The Limbu people view the renaming of *Mukkumlung* as 'Pathivara' as an act of cultural and religious assimilation.

According to Mundhum, the whole environment – including mountains, forests and biodiversity – are living spirits. In this context, the construction of the cable car project is seen as a clear encroachment of *Mundhumi* sites and a violation of the Limbu Indigenous People's right to live with dignity and culture, as enshrined in the Nepalese Constitution, Articles 16 and 32.

### ***Breaches of IFC Performance Standards 1 and 8:***

#### **Performance Standard 1:**

*“5. In addition to meeting the requirements under the Performance Standards, clients must comply with applicable national law, including those laws implementing host country obligations under international law.”*

As above, the construction of the cable car project is seen as a clear encroachment of Mundhumi sites and a violation of the Limbu Indigenous People’s right to live with dignity and culture, as enshrined in Articles 16 and 32 of the Constitution of Nepal.

**Performance Standard 8:**

*“3. ...cultural heritage refers to (i) tangible forms of cultural heritage, such as tangible moveable or immovable objects, property, sites, structures, or groups of structures, having archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values; (ii) unique natural features or tangible objects that embody cultural values, such as sacred groves, rocks, lakes, and waterfalls;”*

Performance Standard 8 clearly applies in this case, given the religious and cultural significance to the Limbu Indigenous People of the mountain, forest and ecosystem affected by the cable car project.

Given the importance of the mountain ecosystem to Limbu culture and religion, we would argue that it counts as critical cultural heritage, under IFC’s definition:

*“13. Critical cultural heritage consists of one or both of the following types of cultural heritage: (i) the internationally recognized heritage of communities who use, or have used within living memory the cultural heritage for long-standing cultural purposes;”*

Such a classification demands extra due diligence and risk avoidance on the part of project developers:

*“14. The client should not remove, significantly alter, or damage critical cultural heritage. In exceptional circumstances when impacts on critical cultural heritage are unavoidable, the client will use a process of Informed Consultation and Participation (ICP) of the Affected Communities as described in Performance Standard 1 and which uses a good faith negotiation process that results in a documented outcome. The client will retain external experts to assist in the assessment and protection of critical cultural heritage.”*

As we have argued under Performance Standard 7, no Free, Prior and informed Consent was sought or given for this project, consultation with communities did not meet the standards required, and the IEE does not even refer to the Limbu people, still less their cultural heritage, since no consultation was carried out with any *Mundhumi* spiritual knowledge holders (such as *Tumyahang, Fedangma, Yeba, Yema, Samba*) of Limbu.

## What we want

We urge the CAO to ensure policy and procedural compliance of the IFC in the project in relation to its Sustainability Framework, including to recommend remedial actions for any harms caused.

We urge the CAO and the IFC to:

- Provide full disclosure of IFC documents about its support to the project and all project documents available to it,
- Facilitate disclosure of information regarding other IFC supported projects listed in Annex 1 to the IME Group entities such as the Global IME Bank, and high-risk sub-projects supported by the Global IME Bank.
- Commission an independent investigation team composed of human rights experts and journalists to look into the gross human rights violations by the project proponents to hold the perpetrators to account and provide adequate remedies and reparations for the harms caused.

Further, while the complaint process is underway, we call on the CAO and the IFC to use their leverage with the IME Group and the concerned authorities to:

- Stop the encroachment of the Mukkumlung sacred site and ensure that the community can profess their cultural, spiritual and religious practices, including protection of tangible and intangible heritage, without any hindrances or State imposed restrictions.
- Stop the ongoing criminalisation and violence against community leaders immediately and unconditionally, including dismissal of the false charges filed against them without any conditions.
- Withdraw the security forces (Armed Police Force and Nepal Police) that have been deployed to construct the project forcefully.
- Stop the construction of the project and associated facilities until the complaint process is completed and the grievances are effectively resolved.
- Carry out actions to resolve intra- and inter-community conflict and foster peacebuilding and reconciliation.

LAHURNIP and the Complainants reserve the right to amend this complaint with additional information should we decide to.

Formal communications about the complaint should be sent in English and (Khas) Nepali. Additionally, if possible, we urge you to also conduct in-person meetings with us, when releasing key documents related to this complaint.

For less formal communication, to facilitate greater ease and faster response times, we give permission for the CAO to communicate in English directly with our legal counsel and advisors, who have committed to keep us up to date on all developments.

Please do not hesitate to contact us with any questions you may have. We look forward to hearing from you.

Filed this day 26 August 2025 by

[See separate page for signatories]

**COMPLAINANTS:**

Name: CONFIDENTIAL

Signature:

*Mukkumlung Samrakshan Sanyukta Sangharsha Samiti* (Mukkumlung Conservation Joint Struggle Committee)

Address:

Email:

Name: CONFIDENTIAL

Signature:

Kirat Yakthum Chumlung (KYC) - National level Indigenous Peoples Organisation of Limbu people

Address:

Email:

Name: CONFIDENTIAL

Signature:

Kirat Chotlung Angsimanggena Sewa Samiti (KCASS) - Indigenous Spiritual Organization)

Address:

Email:

Name: CONFIDENTIAL

Signature:

Limbu Thargat Sanstha (Yakthung Sayang) Sahajikaran Samuha - Kirat religious organisation

Address:

Email:

**LEGAL COUNSEL**

Name: Advocate Shankar Limbu

Signature:

Lawyers' Association for Human Rights of Nepalese Indigenous Peoples (LAHURNIP)

Address:

Email: shankar1database@gmail.com

**ADVISORS:**

Name: Prabindra Shakya

Signature:

Asia Indigenous Peoples Network on Energy and Extractive industries (AIPNEE)

Address:

Email: prabin@aipnee.org

Name: Kate Geary

Signature:

Recourse

Address:

Email: kate@re-course.org

## Annex 1: IFC support for IME Group to date

Project name & number	Amount/ type	Classification	Date approved	Date disclosed	Date completed	Description
<a href="#">Global IME Bank Advisory</a> 608686	\$250,000	Advisory	3 March 2024	17 February 2025	30 June 2026	The advisory project will focus on Risk Management, Gender Finance, and Climate Finance with an objective of strengthening risk governance and improving access to inclusive and sustainable finance.
<a href="#">Nepal cable car</a> 607394	\$156,746	Advisory	31 August 2022	2 July 2024	2 Sept 2024 (August 2024)	This upstream engagement is focused to support IME Group with the technical analysis and tendering of cable car installations (depending on the stage of the projects), develop the bankability assessment of the commercial feasibility/business financial plan, perform EIA gap analysis and advise on remedial measures, evaluate the legal and regulatory frameworks, for each of the cable car projects. IFC will also provide corporate governance advice on structuring for their corporate entity, which will be responsible for their transport operations/ cable cars.
<a href="#">GBIME Nepal SME</a> 48183	\$30 million loan	FI2	13 December 2023	3 October 2023	--	The proposed investment comprises of a US\$56 million investment through a 3-year USD denominated senior loan to Global IME Bank (GIBL or the Bank), to be used

						<p>exclusively for on-lending to small and medium enterprises (SMEs) in Nepal (the Project) with US\$14 million carveout for green financing and US\$14 million carveout for gender financing. Of the US\$56 million, US\$26 million will be through mobilization. <b>The project will not support coal-related activities, or higher risk business activities that may involve a) involuntary resettlement, b) risk of adverse impacts on Indigenous Peoples, c) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage, or d) significant Occupational Health and Safety risks.</b></p>
<a href="#">GTFP Global</a> <a href="#">IME</a> 37956	\$500 million guarantee	F13 trade finance	11 Nov 2004 but not signed until 9 Dec 2015			<p>The proposed project involves establishing an unfunded short term trade finance facility with Global IME Bank Limited ("GIBL" or the "Bank") in Nepal under the Global Trade Finance Program ("GTFP" or "Program") of IFC (the "Project") with a carve out allocated towards climate smart trade finance. GTFP is IFC's response to shortage of trade finance limits in developing economies such as Nepal and the project will support GIBL in addressing the demand and supply gap for its growing trade business.</p>

<a href="#">WCS2 GIME Bank</a> 41537	\$20 million loan	FI2	28 Nov 2018  (Invested 2 October 2019)	5 June 2018	Completed when??	<p>The project is a credit line of US\$20 million to be extended to Global IME Bank Ltd. (the Bank or GIME). The project will provide funding to the Bank to support the entities primarily, but not limited to Small and Medium Enterprises (“SMEs”) <b>engaged in tourism</b>, agriculture, micro finance and small &amp; cottage industry sectors, as defined in the priority sector guidelines by NRB.</p> <p><b>1. Long term funding:</b> <b>This project is part of a concerted effort by IFC in the Nepalese financial sector to enable local banks to access long term USD resources.</b></p> <p>Facing an environment where liquidity shortages are prevalent and frequent, the Bank will be able to secure stable funding that will help them meet the credit demand in the market.</p> <p><b>2. Stamp of Approval:</b> IFC's financing will send a market signal to international banks and other financial institutions that may be reluctant to enter Nepal due to reservations about regulatory uncertainty and sovereign risk. As such, IFC's lending may increase the possibility for additional financing to be provided by external third parties</p>
<a href="#">Corporate Governance</a>	Estimated Total	Advisory	27 Sept 2019	26 Oct 2020	30 June 2021	This project presents a two-year advisory service catered to Yeti Group to

<a href="#">for Yeti Nepal</a> 604269	Budget Pending					provide 1) corporate governance solutions for restructuring its businesses 2) Implementation of the recommendations to the extent possible in the companies under the <b>Tourism and Hospitality sector</b> and other priority companies, and 3) family business governance solutions more specifically for succession planning of second-generation founders ensuring sustainability beyond second generation.*
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\*Yeti Group was granted the land at Pathivhara by the government.

# Annex 2: Information requests to IFC and its responses

## 1. Recourse information request to IFC sent 18 February 2025

Home | Access to Information Policy (AIP) | Transparency and Accountability | Project Mapping

### Request for Information

**Inquiry Type \***  
 General  Disclosure

**Is this the first time you are submitting the request? \***  
 Yes  No

**Request Information**

**Name/Title of Request \***  
Request for information re Nepal project

**Project Number (if applicable)**  
607394

**Requester Information**

**First name \***  
Kate

**Last name \***  
Geary

**Email \***  
kate@re-course.org

**Your Affiliation \***  
NGO

**Street Address 1**  
Krajenhoffstraat 137a

**Street Address 2**

**City \***  
Amsterdam

**State**

**Country \***  
Netherlands

**Zip/Postal Code**  
1018 RG

**Related Links**  
[HOW TO APPLY FOR FINANCING](#)  
[FIND THE IFC OFFICE NEAREST TO YOU FOR JOB SEEKERS](#)


**Enter details of your request \***  
According to the ASPI, IFC provided advisory services to IME Group "for the development of 4 cable car projects". First request: can you confirm that this included the project Pathivara Darshan Mukumlung Cable Car Pvt. Ltd.? Second request: what did IFC's advice entail with regards to respect for Indigenous Peoples and their rights? Third request: The project's approval date is listed as Aug 31, 2022 but disclosure date as Jul 2, 2024 - please clarify. Fourth request: The project is still listed as active - can you confirm this is still the case?

## 2. IFC response to Recourse sent 3 April 2025

Response to IFC Request for Information External Inbox x

IFC Corporate Relations <IFC\_Corporate\_Relations@ifc.org> to me

3 Apr 2025, 20:29

 International Finance Corporation  
WORLD BANK GROUP

IFCH-218659868

Dear Kate Geary,

Thank you for your interest in this project. This upstream engagement was not with Pathivara Darshan Mukumlung Cable Car Pvt. Ltd. The scope of our engagement is found in the public disclosure for Nepal cable car: <https://disclosures.ifc.org/project-detail/AS/607394/nepal-cable-car>. The disclosure timeline followed procedure in relation to contractual signing. The engagement did not progress and was concluded in August 2024. The project status has been updated on the disclosure portal to reflect this.

Best regards, IFC Corporate Relations.

Regards,

IFC Corporate Relations

## 3. Recourse request for meeting with IFC sent 3 April 2024

Excerpt from email send by Daniel Willis to Maria Carolina Hoyos Lievano

### **Project meeting with Advisory Services**

The project we would like to discuss is

here: <https://disclosures.ifc.org/project-detail/AS/607394/nepal-cable-car> Kate submitted a formal information request online on 18 Feb but we have not yet heard any response.

**We prefer to discuss these questions face-to-face** as we will have partners from Nepal in DC with us. Attending from our side would be Kate Geary, one colleague from Nepal attending in-person, and the affected communities' representative in Nepal joining remotely.”

4. **IFC denied this meeting request verbally.** However, during the week of Spring meetings (21-25 April 2025), Kate Geary of Recourse pressured Ute Reisinger of IFC to meet, given Prabindra Shakya from Nepal was in town. Finally, on the very last day it was agreed to meet and went ahead. On Friday 25 April, at midday in Washington DC (nearly midnight in Nepal) we went ahead with a meeting between Ute Reisinger of IFC, Kate Geary of Recourse, Prabindra Shakya of AIPNEE and Shankar Limbu of LAHURNIP. It was in this meeting that the IFC rep confirmed that Pathivara was indeed one of the four cable car projects supported by the IFC (saying, but you already knew that didn't you? And of course, we didn't know this for sure, as to date, IFC had denied this.) This was the breakthrough we needed so we could now demand this in writing. We then verbally submitted questions to the IFC which they committed to reply to.

### **5. IFC email response to Recourse 19 May 2025**

*Dear Kate,*

*It was good meeting you during the Spring Meetings and thank you for your patience, while our regional teams considered your questions. Below, we share additional information for your consideration.*

*The specific client for the advisory project was Dream Hills Pvt. Ltd., a company in the IME Group.*

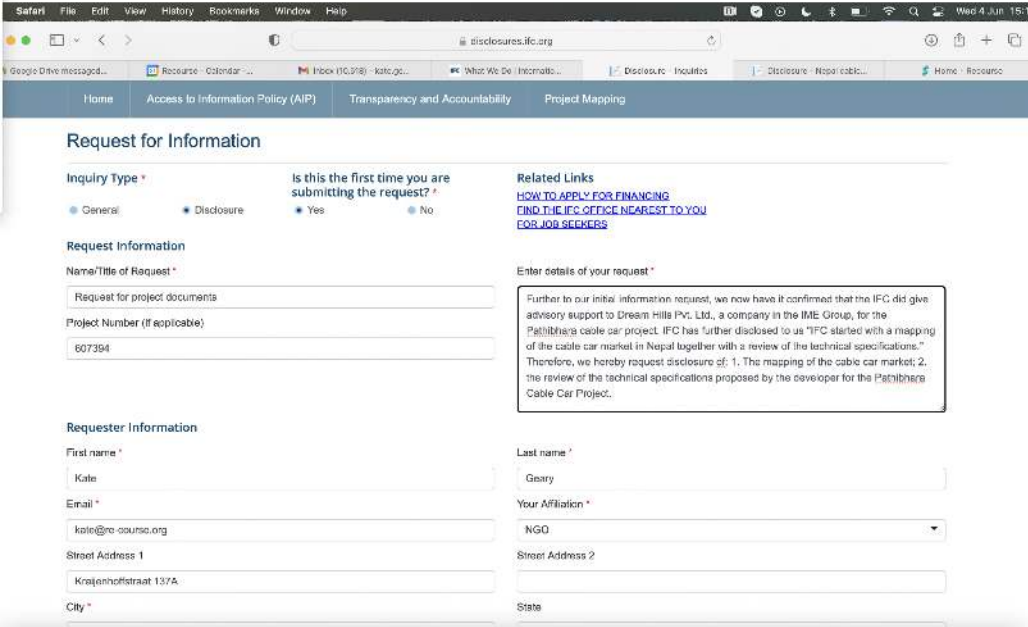
*The activities proposed under the advisory agreement were to provide technical and commercial analysis and Environmental Impact Assessment (EIA) gap analysis on several cable car projects that were in early-stage development by the IME Group. The work was to be phased over various stages. IFC started with a mapping of the cable car market in Nepal together with a review of the technical specifications proposed by the developer for the Pathibhara Cable Car Project as part of the first stage. The advisory project did not progress beyond this stage, due to a change in priorities of the parties involved. Therefore, it did not reach the stage where an E&S review would be conducted and advice on Indigenous Peoples and EIA would be provided. The project was concluded in August 2024.*

No feasibility studies were conducted by IFC under this advisory agreement. Aside from Pathibara, the other cable car projects that were within the scope of the advisory agreement were at Lumbini, Maulakalika and Chandragiri. The agreement was terminated before any work began on these projects.

In line with IFC's Access to Information Policy, IFC does not disclose completion reports for each of its Advisory Services activities. IFC has active projects with Global IME Bank Ltd. focused on SME support and climate smart trade finance. Financing for any of the cable car projects will not fall in either category.

## 6. Recourse information request to IFC, 4 June 2025

Recourse then attempted to get hold of project documents related to the Pathivara project



The screenshot shows a web browser window displaying the IFC Request for Information form. The browser's address bar shows 'disclosures.ifc.org'. The page has a navigation menu with 'Home', 'Access to Information Policy (AIP)', 'Transparency and Accountability', and 'Project Mapping'. The main heading is 'Request for Information'. Below this, there are sections for 'Inquiry Type' (with 'General' and 'Disclosure' options), 'Request Information' (with fields for 'Name/Title of Request' and 'Project Number'), and 'Requester Information' (with fields for 'First name', 'Last name', 'Email', 'Street Address 1', 'City', 'Street Address 2', and 'State'). A 'Related Links' section includes 'HOW TO APPLY FOR FINANCING' and 'FIND THE IFC OFFICE NEAREST TO YOU FOR JOB SEEKERS'. A text box on the right contains a response snippet: 'Further in our initial information request, we now have it confirmed that the IFC did give advisory support to Dream Hills Pvt. Ltd., a company in the IME Group, for the Pathibara cable car project. IFC has further disclosed to us "IFC started with a mapping of the cable car market in Nepal together with a review of the technical specifications." Therefore, we hereby request disclosure of: 1. The mapping of the cable car market; 2. the review of the technical specifications proposed by the developer for the Pathibara Cable Car Project.'

## 7. IFC response to Recourse, 12 June 2025



IFC Corporate Relations <IFC\_Corporate\_Relations@ifc.org>  
to me ▾

Thu 12 Jun, 16:24 ☆ ↶ ⋮



IFCH-359794368

Dear Kate Geary,

Thank you for your interest in the project. In accordance with the IFC's Access to Information Policy, specifically paragraph 11(a) regarding Commercially Sensitive and Confidential Information and 11 (i)(i) and (ii) Deliberative information, we are unable to disclose the mapping document produced as part of our advisory support. The technical specifications of the Pathibara Cable Car are proprietary to the company developer. Therefore, we recommend that you contact them directly for this information.

Best regards, IFC Corporate Relations.

Regards,

IFC Corporate Relations

**Annex 3: Urgent Communication to the United Nations  
Special Rapporteur on Torture and Other Cruel, Inhuman or  
Degrading Treatment or Punishment, along with other UN  
Special Procedures**

[https://drive.google.com/file/d/12gJcPEBWZQzx5enLAZdPrOZ8ErLcGmc\\_/view?usp=sharing](https://drive.google.com/file/d/12gJcPEBWZQzx5enLAZdPrOZ8ErLcGmc_/view?usp=sharing)