

INTERNATIONAL FINANCE CORPORATION

**MANAGEMENT
PROGRESS REPORT
ON**

**IMPLEMENTATION OF THE
MANAGEMENT ACTION PLAN
FOR**

**MYANMA AWBA
MYANMAR – EAST ASIA AND THE PACIFIC
(PROJECT No. 35880)**

October 14, 2025

I. INTRODUCTION

1. This Management Progress Report constitutes the International Finance Corporation (IFC) report on implementation of the Management Action Plan (MAP) in response to the Compliance Advisor Ombudsman (CAO) Compliance Investigation Report of IFC's investment in Myanmar Awba in Myanmar (Project No. 35880).
2. Established in 1995 and headquartered in Yangon, the Myanmar Awba Group Company Limited (Awba or the Company; together with its subsidiaries, the Group) is a leading provider of agrochemicals, fertilizers, and seeds in Myanmar. Myanmar is classified as a recipient of International Development Association (IDA) support and a Fragile and Conflict-Affected State (FCS). IFC invested a convertible C loan in the Company in 2016, which was prepaid in 2021. Development impacts at the time of the investment included addressing food security, raising farmers' livelihoods by increasing their yields through improved practices and use of agricultural inputs.
3. In October 2017, a complaint was lodged with CAO regarding Awba. The complaint alleged environmental damage, lack of road access, human rights issues, and safety incidents harming local wildlife, health, and the local economy. CAO shared the results of its compliance investigation seven years later. In June 2024 IFC's Board approved IFC's MAP that outlines one systemic area for improvement related to the development and execution of a training module to guide IFC staff in managing changes to investment scope or client assets that occur during E&S due diligence.

A. MAP IMPLEMENTATION STATUS

4. IFC recently updated its Environmental and Social Review Procedures (ESRP) to formalize the process to identify, inform, escalate, and address E&S needs when material changes in investment scope and client assets emerge at any stage of the life of an investment project. In addition, relevant guidance has been included in the Operational Procedures for New Business and Portfolio Operations, which together with the ESRP, are accessible to all investment staff.
5. The objective of the MAP is to provide training to IFC staff in this process.
6. The training was developed and delivered in July 2025 and addressed how modifications to an asset or changes in project scope might influence the E&S risk profile of an investment and how such changes could alter both the applicability and the implementation of the PS. The training also covered how appraisal and supervision activities should approach asset or scope changes, throughout the various stages of the project cycle, and shared ESRP guidance on how to effectively manage asset or scope modifications in contexts where IFC has leverage, as well as in situations where such leverage is limited or absent. The training incorporated the use of practical case examples, including one based on the Awba case. The training module provided E&S staff with the tools and knowledge necessary to identify, assess, and respond to asset or scope changes, ensuring that environmental and social risks are properly managed and IFC's standards are upheld throughout the investment life cycle.
7. Consequently, this training module is also being integrated in the refreshed investment support-focused learning path in Open Learning Campus (OLC) for E&S staff, which is regularly updated to respond to training needs and priority areas. IFC considers the implementation of the MAP completed.

B. CONCLUSION

8. IFC has completed the implementation of the MAP. The recently updated ESRP provides specific guidance for IFC E&S Staff on a change of investment scope during due diligence and supervision. Training for IFC staff has been developed and delivered in July 2025 and will remain available to E&S staff as part of the institution's core learning curriculum.

Independently, CAO will maintain the case monitoring process open for five years to allow for the possibility of engagement with complainants once the security situation in Myanmar improves.

II. UPDATE ON MAP IMPLEMENTATION ACTIONS

CAO recommendation/ Area of Improvement	Action / activity By IFC	Deliverable / expected outcome	Timeframe	Status	Summary of Implementation
Develop guidance for IFC staff when assessing clients' E&S management capacity.	Guidance for IFC Staff on change of investment scope. The ESRP is sufficient to address this institutional recommendation and guide IFC staff in assessing the E&S management capacity of the potential IFC client. The proposed action is to reinforce that knowledge within IFC by focusing on the management of changes in investment scope and assets during the ESDD process. This guidance will reiterate and explain the actions to identify, inform, escalate, and address E&S needs when material changes in investment scope and client assets emerge at any stage of the investment due diligence.	1. Training Module: Managing Asset or Scope Changes from Due Diligence to Disbursement.	Q2FY25	Completed	IFC's CES Department delivered in July 2025 a learning session on Managing Asset or Scope Changes, addressing the impact on E&S risk profiles, appraisal and supervision activities, and including case examples. The session covered ESRP guidelines for different project stages and how to handle changes at the portfolio stage, considering scenarios with or without IFC leverage.
		2. Deliver Module as part of regular E&S and investment staff training.	Q4FY25	Completed	The module on “Managing Asset or Scope Changes” is being integrated in the core learning curriculum for E&S staff.

DISCLAIMER

The IFC Management Progress Report is provided in response to the Investigation Report of the Office of the Compliance Advisor Ombudsman (CAO) relating to complaints of alleged non-compliance by IFC with its Performance Standards on Environmental and Social Sustainability in a project supported by IFC finance or investment.

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