Early Warning System

IFC-601530

Sustainable Cotton Supply Chain Development in Uzbekistan

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Quick Facts

Countries	Uzbekistan
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	U
Voting Date	2017-02-07
Borrower	Republic of Uzbekistan - Uzpahtasanoatexport
Sectors	Agriculture and Forestry
Project Cost (USD)	$ 5.20 million

Project Description

According to bank documents, the project goal is to improve cotton farming practices in the Republic of Uzbekistan by developing and introducing a sustainable cotton standard system with market-led and demand-driven incentives to help in reducing the risk of forced labor in cotton production. During 2017-2018, IFC will implement a pilot program aimed at designing, testing and implementing the system based on global standards for Better Cotton in two regions. During the pilot stage IFC will implement the system at pilot farms in two oblasts and then will test a scaling-up model with 3,000 farmers in these oblasts. IFC will partner with the Joint Stock Holding Company Uzpahtasanoatexport in order to integrate the better cotton standard system into the national cotton production system.

Furthermore, IFC will build up the capacity at Uzpahtasanoatexport on maintaining the system in a sustainable manner. During 2019-2022, IFC will focus on scaling up the sustainable cotton standard in the rest of the country and on achieving the full institutionalization of the system by Uzpahtasanoatexport. To roll out the project, IFC will also partner with the Ministry of Agriculture, the Association of Farmers, the Federation of Trade Unions, and the International Labor Organization, and IFCs investee client, Indorama Kokand Textile.

Investment Description

- International Finance Corporation (IFC)

The project will be implemented with financial support provided by the Hungarian EXIM Bank, IFCs long-term donor partner.

In 2015, the President of Uzbekistan set up Uzpahtasanoatexport, a holding company with the following functions: (a) acceptance and processing of raw cotton and technical cotton seeds for supply to oilseed processing enterprises; (b) registration of the amount and quality of accepted cotton; (c) enforcement of standards in cotton processing industry; and (d) introduction of advanced technologies in cotton industry sector.

To learn more about the holding company Uzpahtasanoatexport, visit:

http://www.fao.org/faolex/results/details/en/c/LEX-FAOC160456/

http://extwprlegs1.fao.org/docs/pdf/uzb160456.pdf

Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Campaign Documents

- Uncalculated Risks Report - Coalition for Human Rights in Development