The World Bank has substantial leverage with the government of Uzbekistan. To achieve the World Bank’s twin goals of ending extreme poverty and promoting shared prosperity in Uzbekistan, it is incumbent on the World Bank to use its leverage to end the practices of its member the Uzbek government that ensure the impoverishment of the people of Uzbekistan, including systematic forced labor, repression of civil society, and corruption. The World Bank’s Country Partnership Framework (CPF) is the opportunity to develop a strategy to address the distortions in the financial system for the agriculture sector that benefit government officials while violating human rights and limiting economic opportunities for people. The Cotton Campaign calls on the World Bank to account for legal violations by the Uzbek government and prioritize systemic reform and political commitment in the Country Partnership Framework – Uzbekistan 2016-2020.

I. The Uzbek government violated national and international law in World Bank Project areas.

A. In 2015, the Uzbek government has continued to use its forced-labor system.

As detailed in the Cotton Campaign submission to the World Bank for the Systematic Country Diagnostic, the government’s state-order system of cotton production is underpinned by forced labor and generates income that disappears into the “Selkhozfond,” a secret fund housed in the Finance Ministry that is not included in national budgets and is not reported to the Oliy Majlis, the national parliament. Now at the end of the 2015 cotton harvest in Uzbekistan, the Uzbek government’s forced labor system of cotton production remains intact. Officials set the annual procurement price for cotton below the government’s estimate of production costs, and under their lease contracts, farmers were obliged to sell their cotton to one of the 127 state-controlled gins of the Khlopkoprom or the 18 gins managed by the Ministry of Agriculture and Water Resources. The monopoly control of agricultural input suppliers, land, purchasing, and sales and setting prices below production ensures that farmers cannot hire voluntary labor for field work, including cotton harvesting, and cannot invest in equipment or improved production practices.

Throughout 2015, the Uzbek government has forced farmers to fulfil production quotas and other citizens to fulfil cotton harvest quotas under threat of penalty and in violation of national laws and international conventions prohibiting forced labor.

The government used coercion to enforce production quotas assigned to farmers. Officials threatened farmers with the loss of land, destroyed crops and used verbal and physical abuse at regular meetings known as the “cotton headquarters.” On July 2, 2015, the 29-year old farmer Nodirbek Khaydarov hanged
himself in a cotton field after the Paytug city mayor and public prosecutor threatened to imprison him for failing to fulfil his assigned wheat production quota and cursed him at a cotton headquarters meeting. On January 30 in Tashkent region, the police beat Shukhrat Astrakulov and confiscated the wheat from both farmers’ land while they were detained. During the last week of July, the Shahrizabz district head of government and prosecutor destroyed farmers’ corn crops and claimed the farmers should have planted cotton on the land used for corn.

The government used coercion to enforce work quotas assigned to other citizens. Universities and high schools forced students to weed cotton fields and harvest cotton under threat of expulsion. Administrators of schools at all levels, hospitals and health-care clinics, and other public institutions forced employees to weed cotton fields and harvest cotton under threat of losing their jobs or paying a fine. As representatives of the government and distributors of public welfare, the mahallas (neighbourhood committees) forced residents to weed cotton fields and harvest cotton under threat of docking pension or childcare payments.

### Violations of national law and international conventions by the Uzbek government in World Bank project areas, reported in 2015:

<table>
<thead>
<tr>
<th>Violation</th>
<th>ILO Conventions Nos. 29, 105</th>
<th>ILO Convention No. 182</th>
<th>Uzbek national law</th>
</tr>
</thead>
<tbody>
<tr>
<td>School administrators forced students to pick cotton under threat of expulsion</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Government officials forced farmers to fulfill production quotas under threat of penalties</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Government officials penalized farmers for not fulfilling production orders, including by destroying crops and verbal abuse.</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Government officials ordered private- and public-sector administrators and mahallas to mobilize people to pick cotton.</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Administrators of education and healthcare institutions forced employees to pick cotton under threat of job loss or fines.</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Administrators of public-sector institutions in non-education and health sectors forced employees to pick cotton under threat of job loss or fines.</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Administrators of joint-venture companies forced employees to pick cotton under threat of job loss.</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Mahallas forced welfare recipients to pick cotton under threat of cutting payments.</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Government officials extorted businesses for contributions to the harvest.</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Police forced women to pick cotton under threat of filing prostitution charges.</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Children picked cotton to help parents fulfill their state-assigned harvest quotas and avoid penalties.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Administrators required employees to sign agreements to pick cotton and to be dismissed if they refused.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
B. In 2015, the Uzbek government has taken extraordinary measures to hide its use of forced labor.

The Uzbek government has taken extraordinary measures to cover up its use of coercion, demonstrating a lack of commitment to national labor laws, international labor conventions, and its commitments to the World Bank.

Prior to the cotton harvest, officials required teachers and students to sign statements that they participate in the harvest “voluntarily” and instructed teachers to tell foreigners that they pick cotton voluntarily. The presence of Uzbek government representatives with ILO monitors reduces the likelihood that any citizen will report coercion to the ILO. Citizens reported that they have seen advertisements of a forced-labor complaint hotline but would never use it, because they fear retaliation by officials.

Police have repeatedly arrested, attacked, and intimidated citizens documenting forced labor, in violation of their rights, and further undermining the ability of the ILO to obtain all information concerning forced labor. Police arrested Elena Urlaeva and Malohat Eshankulova on September 29 while they were interviewing students sent to harvest cotton. During a 14-hour detention, the police ordered body-cavity searches of the two women and presented no charges. The next day a surveillance squad of six men followed Dmitry Tihonov from Angren to Tashkent. Like Ms. Urlaeva and Ms. Eshankulova, Mr. Tihonov has repeatedly provided evidence of forced labor to the ILO and World Bank. These events occurred one week after police arrested Ms. Urlaeva with her family in Kuyichirchik district, Tashkent region, and police arrested and beat Mr. Tihonov in Angren city, Tashkent region. Last month, the prosecutor’s office threatened to press criminal charges against a human rights monitor in Karakalpakstan, under the criminal code article 244, Establishment, Direction of or Participation in Religious Extremist, Separatist, Fundamentalist or Other Banned Organizations, which carries up to 20 years imprisonment. On October 20, police opened charges against Dmitry Tihonov, and the same day his home office was burned down, destroying his archive of evidence of forced labor, and additional materials stored were confiscated from a room in his house untouched by the fire.

The human rights monitors are exposing the Uzbek government’s violations of international covenants and national law that prohibit forced labor. The government’s response violates its duty to protect their rights freedom of expression and the exchange of information enshrined in the International Covenant on Civil and Political Rights. With its reprisals, the Uzbek government also exposes its lack of sincerity in its commitments to ensure no forced labor occurs in World Bank project areas and to cooperate with the ILO to monitor those project areas and eradicate forced labor in the cotton sector.

II. Recommendations to the World Bank for the Country Partnership Framework - Uzbekistan

A. The World Bank’s CPF should focus on reforms of the agriculture sector to shift it from benefiting few government officials to contributing to socio-economic development in Uzbekistan.

The agriculture system remains underpinned with forced labor and structured to benefit the officials, and the financial flows in the sector must be redirected to benefit farmers and agricultural communities to achieve the World Bank goals of ending poverty and shared prosperity. Agriculture will remain an important sector of the economy. Creation of decent jobs is essential to socioeconomic development in
the country. Hence, the World Bank CPF-Uzbekistan should prioritize the development and implementation of a time-bound plan to reform the agriculture sector, which includes the following essential elements:

1. Increase financial transparency in the agriculture sector, including by ensuring national budgets reviewed by the Oliy Majlis include expenditures and income in the agriculture sector;
2. Replace the dual system of credit and banking operations and replace it with a transparent system of banking that provides farmers’ access to cash and credit;
3. Abolish the system of mandatory production quotas and grant farmers autonomous management of agricultural land;
4. Immediately increase the state-established procurement prices for cotton, wheat and silk higher than costs of production, including costs of voluntary labor;
5. In a short period of time, abolish the state monopsony on cotton, wheat and silk purchasing, and protect farmers’ right to organize and collectively negotiate prices with buyers;
6. De-monopolize agricultural input suppliers;
7. Conduct a complete survey of the condition of agricultural land to create an updated inventory and use the results to guide the optimization of the tax system for participants in the chain of cotton production—cultivation, production, processing, and sale—to distribute the tax burden equitably along the chain; and
8. Ensure taxes paid by participants in the agriculture sector go to the national budget, and eliminate the Selkhozfond.

B. The Bank must only provide finance to the Uzbek government when it demonstrates commitment to be a partner in achieving the goals of ending extreme poverty and promoting shared prosperity.

The Uzbek government’s use of forced labor and harassment of human rights defenders both violate national and international laws and its commitments to the World Bank and ILO. The Uzbek government is a member of the International Labour Organization and has ratified ILO conventions concerning forced labor, Nos. 29 and 105, and, concerning forced child labor, No. 182. Article 37 of the Uzbek constitution prohibits forced labor and guarantees the right to work in fair labor conditions, and Article 241 of the Labor Code of the Republic of Uzbekistan prohibits the employment of persons under 18 years of age in hazardous work, including cotton picking. In 2014, the Uzbek government issued a decree committing to the “Creation of institutional base for ensuring of free employment of the cotton pickers by farmers through labor market institutes.” In August 2015, the Uzbek government committed “to prevent the mobilization of education and medical personnel for the cotton harvest,” at a round table with International Trade Union Confederation, International Organization of Employers, UN, UNICEF, EU and Embassies of the US, Germany, Switzerland, France, Korea and Russia in Uzbekistan. In 2014 and 2015, the Uzbek government signed loan agreements with the World Bank agreeing to the suspension of finance if there is child or forced labor in the project areas. Furthermore, the Uzbek government has committed to respect the inalienable civil rights of its citizens, including freedom of expression and the exchange of information of all kinds through any media, by ratifying the International Covenant on Civil and Political Rights.
Despite its commitments, the Uzbek government continues systematic forced labor on a mass scale. Hence, the World Bank should prioritize the application of laws aligned with international human rights conventions in the CPF – Uzbekistan, and suspend finance when officials violate them. In particular, the CPF should establish clear commitments by the Uzbek government to:

1. Eradicate forced labor and ensure that no government official or citizen acting on behalf of the government coerces anyone to work, including farmers, children, students, public-sector workers, private-sector workers, pensioners, mothers and others receiving public welfare support, and the unemployed;
2. Instruct officials at all levels of government to refrain from using coercion to mobilize citizens to work;
3. Initiate fair judicial processes that conform to international standards, with those found to have forced citizens to pick cotton prosecuted, and those found guilty held accountable with penalties that reflect the severity of the crime and serve as a deterrent for future crimes; and
4. Allow independent journalists, human rights defenders, and other individuals and organizations to document and report concerns about the use of forced labor without fear of reprisals.

The Uzbek government’s continued use of forced labor and violation of the rights of human rights defenders demonstrates the vital importance of rigorous oversight of its practices in World Bank-financed project areas. The World Bank should:

1. Establish independent, third-party monitoring of human rights conventions, including core labor standards, with monitors drawn from Uzbek civil society and trained by the ILO and UN;
2. Establish a human rights grievance redress system that protects complaints from reprisals;
3. Publicly denounce reprisals against human rights defenders; and
4. Suspend finance when the government violates human rights conventions, including core labor standards, in Bank project areas.

The Cotton Campaign is a global coalition of labor, human rights, investor and business organizations coalesced to end forced labor of children and adults in the cotton sector.

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24 ILO Convention No. 29 concerning Forced or Compulsory Labour (Forced Labour Convention), adopted June 28, 1930, 39 U.N.T.S. 55, entered into force May 1, 1932, Article 2, stating “forced or compulsory labour shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.” The ILO has further explained that “menace of penalty” includes various forms of coercion, such as physical violence, psychological coercion, and the loss of rights or privileges. [ILO, “Giving Globalization a Human Face,” 2012, ILC.101/III/1B, Para 308 http://www.ilo.org/wcmsp5/groups/public/@ed_norm/@relconf/documents/meetingdocument/wcms_174846.pdf, at paragraph 270.]

25 ILO Convention No. 105 concerning Abolition of Forced Labour, adopted June 25, 1957, entered into force, January 17, 1959, at Article 1b, stating “Each Member of the International Labour Organisation which ratifies this Convention undertakes to suppress and not to make use of any form of forced or compulsory labour…(b) as a method of mobilising and using labour for purposes of economic development.”

26 ILO Convention No. 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, adopted June 17, 1999, entered into force November 19, 2000, prohibits participation of children in hazardous labour, defined as “work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.”


30 World Bank project areas include the regions of Andijan (Ulugnor district), Bukhara (Alat district), Fergana (Yazyavan district), Karakalpakstan (Beruni, Ellikkala, Turktul districts), Kashkadarya (Mirishtor district), Namangan, Samarkand, Syrdarya (Bayavut district), Tashkent. See the following documents for the Uzbek government commitments to the World Bank: [1] Inspection Panel, Report and Recommendations on Request for Inspection, Republic of Uzbekistan: Second Rural Enterprise Support Project and Additional Financing for Second
Rural Enterprise Support Project (P126962), Report No. 83254-UZ, (December 9, 2013), at ¶ 25 “all of the following documents have been revised to include provisions that require the beneficiary/beneficiaries to comply with national and international laws and regulations on forced labour, alongside those for child labour: (i) the Rural Enterprise Investment Guidelines; (ii) the Subsidiary Loan Agreement among the Ministry of Finance, the Rural Restructuring Agency (RRA) and the Participating Financial Institutions (PFIs); (iii) the Project Implementation Plan; and (iv) the sub-loan agreement between the PFIs and the beneficiaries. [2] World Bank, “Financing Agreement (South Karakalpakstan Water Resources Management Improvement Project) between Republic of Uzbekistan and International Development Association,” Credit Number 5490-UZ, 29 October 2014, [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/ ECA/2014/11/17/090224b082867c9a/1_0/Rendered/PDF/Official0Docum0Z00Closing0Package00.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/ ECA/2014/11/17/090224b082867c9a/1_0/Rendered/PDF/Official0Docum0Z00Closing0Package00.pdf) at ¶ 4.01 “Article IV: Remedies of Association.” [3] World Bank, “Loan Agreement (Horticulture Development Project) between Republic of Uzbekistan and International Bank for Reconstruction and Development,” Loan Number 8393-UZ, 8 April 2015, [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/ECA/2015/05/05/090224b082e3e8f6/1_0/Rendered/PDF/Official0Docum0UZ00Closing0Package00.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/ECA/2015/05/05/090224b082e3e8f6/1_0/Rendered/PDF/Official0Docum0UZ00Closing0Package00.pdf), at Schedule 2 Project Execution, Section I., Implementation Arrangements, A. Institutional Arrangements, 2. (iv), Schedule 2 Project Execution, Section I., Implementation Arrangements, C. Subsidiary Loan Agreements, 4., Schedule 2 Project Execution, Section I., Implementation Arrangements, C. Subsidiary Loan Agreements, 5.e, Schedule 2 Project Execution, Section I., Implementation Arrangements, D. Sub-financing, 3(e), Schedule 2 Project Execution, Section I., Implementation Arrangements, E. Safeguards, 2., Schedule 2 Project Execution, Section I., Implementation Arrangements, E. Safeguards, 4-6.