



April 29, 2016

Mr. Takehiko Nakao
President and Chairperson of the Board of Directors
Asian Development Bank
Headquarters: 6 ADB Avenue,
Mandaluyong City 1550
Metro Manila
Philippines

Re: Forced labor in Uzbekistan

Dear Mr. Nakao,

We write to express our serious concerns of ongoing forced labor in areas in Uzbekistan impacted by Asian Development Bank (ADB) projects. We are particularly concerned that the Amu Bukhara Irrigation System Rehabilitation (ABIS) and Innovations for Agriculture Modernization projects are contributing to state-led forced labor in Uzbekistan.

Since we [communicated](#) concerns to the ADB about ABIS in September 2013, the Uzbek government's forced-labor system of cotton production has remained intact. The stated objective of the ABIS project is to "rehabilitate and upgrade components of the main irrigation system...to help the government raise agricultural productivity and rural incomes." Primary activities include building new water pump stations and rehabilitating existing water pump stations. Planning documents indicate the cotton sector will benefit most from the project, a point confirmed by ADB representatives during our September 24, 2014 teleconference. The stated objective of agriculture modernization project is to promote crop diversification, mechanize agricultural production, and attract investments in agribusiness.

We share the ADB's vision of improved irrigation and agricultural methods in Uzbekistan, and are particularly supportive of development initiatives that account for multiple water uses, in particular those that contribute to the realization of the right to safe drinking water. However, while the Uzbek government sustains its forced-labor system of cotton production, projects that benefit the cotton industry are financing the government to operate its system. The ILO recognized that cotton is produced in a forced labor system in 2014¹ and in its latest report reaffirmed the use of forced labor and urged the Uzbek government to hold persons violating forced labor laws accountable.² In its most recent review, in July 2015, the United Nations Human Rights Committee pressed the Uzbek government to enforce forced labor laws, prosecute persons responsible for violations of them, fight corruption in the cotton sector, and provide redress to those whose loved ones have lost their lives in relation to the state's cotton industry.³

Independent Uzbek monitors confirmed that throughout 2015 the Uzbek government continued to use forced labor systematically throughout the cotton industry, as documented in the [attached](#) report. Once again officials forced farmers to deliver production quotas and forced more than one million people to pick cotton, all under threat of penalty. Penalties exacted and threatened against farmers for failure to deliver the state-assigned production quotas included confiscation of land, crops and livestock and threats of imprisonment. Penalties against the students, teachers, nurses, doctors, employees of other public-sector institutions, and businesses included expulsion from school and job loss. Income from cotton sales disappeared into the Selkhozfond, an extra-budgetary fund to which only the highest-level officials have access, and officials extorted payments from individuals and businesses who did not contribute enough to the cotton harvest, amounting to a significant unaccounted for subsidy to the government that did not contribute to addressing the urgent social and economic needs of the people.

Furthermore, the Uzbek government's repression of independent monitors makes it impossible for the ADB to implement the mitigation measures necessary to ensure its projects do not support forced labor in the country. Throughout 2015, Uzbek officials arrested, assaulted and fabricated charges against independent monitors for documenting state-led forced labor. For example, police arrested Elena Urlaeva and subjected her to a body-cavity search on May 31, while she was documenting forced mobilization of teachers and physicians near the city of Chinaz in Tashkent region. In August, the prosecutor's office threatened to press criminal charges against a monitor in Karakalpakstan, preventing him from participating in a labor rights monitoring workshop and conducting monitoring. Police again arrested Ms. Urlaeva on September 19, after she spoke with and photographed cotton pickers in Kuyichirchik district of Tashkent region, and police arrested and beat Dmitry Tikhonov on September 20, after he interviewed people and photographed the mobilization of cotton pickers from the city of Angren in Tashkent region. Police arrested Ms. Urlaeva and Malohat Eshankulova on September 29, while they interviewed students forced to pick cotton in Khazarasp district, Khorezm region, and ordered body-cavity searches of the two women during a 14-hour detention. On October 20, police opened charges against Mr. Tikhonov, falsely characterizing his monitoring of the mobilization of cotton pickers from Angren as "disorderly conduct." On the same day as the charges, his home office was burned down and materials were confiscated from a room in his house untouched by the fire. Continued intimidation by security services forced Mr. Tikhonov to flee Uzbekistan. On November 16, police arrested another independent monitor Uktam Pardaev, confiscated his files, computer and camera, including evidence of forced labor he had gathered and reported during the 2015 cotton harvest, and brought spurious charges against him. Police detained Mr. Pardaev for two months, subjected him to beatings, and released him on January 11, 2016 under the condition that he no longer reports human rights concerns. This repressive environment is not conducive to facilitating community participation in the Bank's projects; nor is it an environment in which people can complain without risk of reprisal when the government violates ADB safeguards.

In this current context, the ADB may also be exposing the companies participating in its projects to the risk of legal liability and reputational harm by involving them in Uzbekistan's cotton sector. Investing in a forced labor system of production is a violation of US law, which makes it a crime for any person to "knowingly benefit[], financially or by receiving anything of value, from participation in a venture which has engaged in the providing or obtaining of [forced labor]" (18 U.S.C. §1589). Normatively, the [United Nations Guiding Principles for Business and Human Rights](#) and the [Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises](#) establish that multinational

companies have responsibilities to “identify, prevent, and mitigate...actual and potential” human rights abuses that are linked to their operations, products, or services even when the companies have not “contributed to” or caused the human rights violation.

We believe the ADB has a role to play in improving the agricultural sector for the benefit of the people of Uzbekistan. Therefore, we urge the ADB to take the following steps:

1. Suspend all financing for projects benefiting the cotton sector in Uzbekistan until the Uzbek government takes the following steps:
 - a. Enforces national laws prohibiting forced labor in alignment with ILO conventions, including by ceasing punitive measures against farmers for debts and non-fulfilment of production quotas, publishing high-level statements clarifying work must be voluntary, instructing all authorities not to use coercion to mobilize labor, and by prosecuting those responsible for forced-labor in accordance with international fair trial standards;
 - b. Allows independent journalists, civil society organizations, and other monitors to document and report concerns about the use of forced labor without risk of reprisals; and
 - c. Ensures the state-established procurement price for cotton is sufficient to cover the costs of paid labor that provides for an adequate living wage.

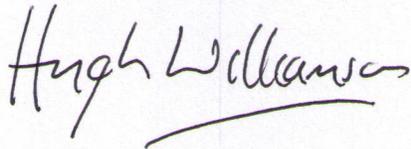
2. Work with the government of Uzbekistan, the World Bank and International Monetary Fund to eliminate corruption and introduce transparency and accountability into the agricultural sector financial system, including by
 - a. Either eliminating the Selkhozfond or transforming it into an accountable fund subjected to the national budget process, and ensuring national budgets reviewed by the Oliy Majlis include expenditures and income in the agriculture sector;
 - b. Ensuring taxes paid in the sector go to the national budget for use in fulfilling the government’s economic, social, and cultural rights obligations; and
 - c. Abolishing mandatory production quotas and granting farmers autonomous management of agricultural land, since coercion is the government’s demonstrated method of enforcing the mandatory quotas.

3. When the Uzbek government has demonstrated concrete progress on the aforementioned reforms, establish appropriate mitigation measures for reinitiated and new ADB projects benefiting the agricultural sector in Uzbekistan, including -
 - a. Independent third-party monitoring of compliance with core labor conventions in the project areas;
 - b. A confidential and accessible grievance mechanism that is independent of government, that provides effective remedies, including legal and financial, to any person who is subjected to forced labor in the project areas; and
 - c. An enforceable commitment from the government that it will grant unfettered access to all areas impacted by ADB projects for independent monitors and that it will not interfere with their monitoring or retaliate against them in any way.

We appreciate your attention to this matter. We look forward to meeting with you and your staff next week at the ADB's annual meeting in Frankfurt to discuss our concerns further.

Sincerely,

Cotton Campaign:



Hugh Williamson
Director, Europe and Central Asia
Human Rights Watch



Matthew Fischer-Daly
Cotton Campaign Coordinator
International Labor Rights Forum

CC:

ADB Board of Directors

Mr. Wencai Zhang, Vice-President Operations 1, South Asia Department, Central and West Asia Department

Mr. Bambang Susantono, Vice-President for Knowledge Management and Sustainable Development

¹ International Labour Organization (ILO), Committee of Experts on the Application of Conventions and Recommendations: Individual Observation concerning Abolition of Forced Labor Convention, 1957 (No. 105) Uzbekistan, 2014, stating: "the Committee observes the monitoring report which states that the monitors were in a position to note other issues relevant to the mandate of the ILO. The report also states that, importantly, among these issues is the framework and various practices under which the entire cotton production is conducted. This pertains to the campaign and recruitment of the labour force to harvest the cotton, the potential and consequences of mechanization on the labour market, and the realization of fundamental rights of the workers, including the respect for the effective implementation of the Convention."

² ILO Committee of Experts on the Application of Conventions and Recommendations: Individual Observation concerning Abolition of Forced Labor Convention, 1957 (No. 105) Uzbekistan, 2016, stating, "The Committee once again urges the Government to pursue its efforts to ensure the complete elimination of the use of compulsory labour of public and private sector workers, as well as students, in cotton farming, and requests it to provide information on the measures taken to this end and the concrete results achieved, with an indication of the sanctions applied."

³ United Nations Human Rights Committee, "Concluding observations of the Human Rights Committee: Uzbekistan," New York, 8-9 July 2015, CCPR_C_UZB_CO_4, at ¶19, stating "put an end to forced labour in the cotton and silk sectors, inter alia by enforcing effectively the legal framework prohibiting child and forced labour, including by rigorously prosecuting those responsible for violations and improving working and living conditions. The State party should also review its laws and practices to ensure financial transparency and address corruption in the cotton industry and take all necessary measures to prevent deaths in connection with the cotton harvesting, investigate thoroughly such cases when they occur and provide effective remedies, including adequate compensation, to victims' families."