

5 September 2013

Executive Secretary, The Inspection Panel
The World Bank
1818 H Street, NW
Washington, DC 20433
USA

Members of the Inspection Panel of the World Bank:

1. We the Association for Human Rights in Central Asia, Human Rights Society of Uzbekistan “Ezgulik” and Uzbek-German Forum for Human Rights represent others, see attached claimant authority, who live in the areas known as Andijon Region, Bukhara Region, Fergana Region, Kashkadarya Region, Samarkand Region, Syrdarya Region, Tashkent Region in Uzbekistan.

2. Those we represent and the broader communities in which they reside have suffered harm as a result of the World Bank’s failures and omissions in the International Development Association-funded Rural Enterprise Support Project-Phase II (RESP-II) located in Uzbekistan. The harm suffered is due to the project’s investment in an agriculture sector underpinned by government orchestrated, forced labor, without adequate measures in place to prevent World Bank funds from contributing to such forced labor. This problem of forced labor went completely unacknowledged in the Social Assessment carried out prior to the project¹ and no serious consideration of the potential for the project to contribute to this problem was done. Instead, the Bank described the labor situation as one in which child labor is sometimes used and then implemented measures designed to prevent the use of child labor by farmers receiving project funds, rather than measures that would address the system of forced labor. In fact, in the project documents for a second round of funding for the project produced by the Bank in August of 2012, even these measures were not included as a genuine attempt by the Bank to address the real risk of child labor. Instead they were listed as being instituted as an attempt to address the risk that “External NGOs may continue raising child labor issue [sic] with the Bank”.²

3. We represent farmers, children, university students, public-sector workers, private-sector workers and parents who have been forced to provide labor to the Government-controlled agricultural system, which is supported by investments from the RESP II project in violation of OP 4.01. The project was purportedly designed “to increase the productivity and financial and environmental sustainability of agriculture and the profitability of agribusiness in the project area” through “the provision of financial, infrastructure and capacity building support to newly independent farmers.”³ While receiving RESP II funds, the Government has forced children and adults, including claimants, to work in the cotton sector, in violation of our rights under national law and international conventions prohibiting forced labor. Despite our repeated requests to the Bank to ensure that its loans are not supporting government orchestrated forced labor, the Bank has failed to carry out an assessment of sufficient quality to genuinely determine what

¹ The issue of child labor was briefly discussed but forced labor was not.

² World Bank, *Project Paper on a Proposed Additional Credit in the Amount of SDR 26.4 Million to the Republic of Uzbekistan for the Second Rural Enterprise Project*, p. 8, August 6, 2012.

³ Integrated Safeguards Data Sheet, RESP II, 21 April 2008

steps are necessary to prevent the project from contributing to forced labor. We describe the violations of our rights here:

Government Organization of Land and Quota System

The national Government sets the cotton production target each spring. This number is then broken down by region, and district *hokims* (governors) are responsible for making sure that the delivery quota is filled, including through the forced mobilization of farmers to meet a share of the Government imposed cotton quota. Despite the World Bank's reference to "independent farmers" in the RESP II documents, all farms in Uzbekistan are tied to the state order system. There exists no farm in Uzbekistan that the World Bank could make loans to that is not tied to this system and its use of forced labor. This is because, to cultivate land in Uzbekistan, farmers sign leases (lasting between 40- 60 years) with the government. The contracts specify the percentage of land on which cotton is to be grown and the annual cotton production quota. The regional *hokim* assigns land to farmers and establishes quotas for each and every farm, according to expected yield assessments conducted by the governmental agricultural agency *Uzpxatasanoat*. For the 2012 harvest, approximately 50% of each farm's land was dedicated to cotton. Many contracts in force in 2012 also required another percentage of the farm land to be dedicated to wheat production, for which the harvest is mechanized. On the remainder of the land, the farmer can grow crops of his choosing, although some *hokims* require farmers to request permission to grow crops other than cotton and wheat.

The quota system is implemented by the regional and district *hokims*, who report to the prime minister. The national cotton production plan is developed by several government agencies including the Ministry of Agriculture and Water Resources, the Ministry of the Economy, the Ministry of Finance, the Ministry for Foreign Economic Relations, Investments and Trade, and the Association *Uzpxatasanoat*. Then the prime minister, reporting directly to the president, publicly announces the national plan for cotton production, including the national production target.⁴ The prime minister then convenes the regional *hokims* and dictates the cotton production quotas for each region.⁵ The regional *hokims* are responsible for ensuring that their region's quota is delivered, including the forced mobilization of farmers to meet a share of the Government imposed cotton quota.⁶

The *hokimiyat* delivers quotas to farmers each year after receiving its orders from the central government. Farmers have to meet state-ordered cotton production quotas in order to retain their land leases, and therefore their livelihood. If a farmer fails to produce his assigned cotton quota, the regional *hokim* will assign the land to another farmer. Although it is illegal to sell cotton to anyone but the government-owned purchasing companies, farmers who surpass their quotas reportedly sell cotton to farmers who fail to meet theirs. During the harvest, regional *hokims* closely monitor production rates. Many regional *hokims* are known to convene daily meetings to receive reports from all the farmers in the region. At these meetings, the regional *hokims* verbally and physically abuse farmers who are under-producing. Reports abound of farmers beaten and tortured for growing crops other than cotton on land the government dictates should be used for cotton or for failing to meet cotton growing quotas. In 2012, farmers around the country were required to fulfil quotas of 3,000 kg on average.

⁴ Uzbek human rights activists, names anonymous for personal safety. Personal Interviews by Matthew Fischer-Daly, 23 September – 6 October, 2012.

⁵ *Id.*

⁶ *Id.* at para. 4. (unclassified)

State-Sponsored Forced Labor of Children and Adults for Agricultural Field Work

Despite national laws prohibiting forced labor and child labor., commitments to international conventions concerning forced labor and child labor, and its own statements, the Government continues to forcibly mobilize children and adults to work in the cotton fields.

"In our school, children took part in the harvest. First were sent grades 7-9 after school. After some time they did not study, and went to the harvest directly from their houses. In the end, grades 4-5 were also sent (to pick cotton). Until the school holidays children were taken out to the fields." - School teacher, Kashkadarya, 2012.

A clear chain of command ensures the mobilization of forced labor for the cotton harvest, with farmers having no control over the forced labor system. Taking orders from the Prime Minister, the regional *hokim* in turn controls deputies who have responsibilities for specific sectors such as education, health care and the military.⁷ In most districts, the *hokimiyat* functions as the headquarters for the mobilization of children and adults to harvest cotton. It includes the staff of the *hokimiyat*, the district prosecutor, the district police, and the director of the district departments of public services. After receiving its target for cotton picking, the director of each institution – school, hospital, military office, *etc.* – develops schedules and quotas for the staff.

"We have a new district prosecutor. In the evening, after submission of the picked cotton, he invites the team leaders, who did not fulfil the plan. Three to four policemen are also present during the meeting. The first time, one can get away with curses and threats, but the second time he can order one's arrest. On March 1, I spent one night in the cell of the district police station. Next morning I was released. This is done in order to keep us in fear." – School administrator, 2012

Each individual is assigned a daily quota. The individual quotas in 2012 ranged from 80 kilograms per day during the peak harvest to 30 kg per day, the amount that pickers were told was the minimum to cover the cost of food and transportation.

The work day in the cotton fields typically starts at 4:30am and lasts for 10 to 12 hours. Adult workers are generally not paid for their labor in the cotton fields. For picking the daily quota of 60 kilograms, children and university students can be paid only 20 cents USD per day after the cost of food and transportation is deducted. Conditions for the men, women and children working in the cotton harvest were unsafe, unsanitary and unhygienic. Observers photographed tractors spraying agrochemicals in fields, immediately beside the people picking cotton. Accommodation lacked essential hygienic facilities and adequate potable water.

Failure to meet the quota is not an option. Each province and region of Uzbekistan has an established infrastructure to enforce participation. Just like farmers, citizens who refuse to participate in the cotton harvest face punishment by the state, including the loss of employment; suspension, expulsion or other disciplinary action at school or work, loss of state welfare payments, fines, social ostracization, verbal

** *Id.*

abuse, public humiliation, and physical abuse. The government, not farmers, force children and adults to pick cotton. The directors of schools, hospitals and other government entities report directly to the *hokim* and face punishment, including dismissal from their post, for failing to deliver the state order of cotton. The directors therefore assign a foreman of each group sent to the cotton field to oversee the work and report at the end of the day to the *hokimiyat*, who also often visits farms to reinforce the pressure. During the 2012 cotton harvest, examples of the enforcement practices of the regional- and local-level authorities included:

- In Yangiyul city, Tashkent region, parents and students (ages 15-18) were obliged to sign permission slips to establish their ‘voluntary’ participation in the cotton harvest, under threat of not being allowed to graduate.
- In the Buka district of Tashkent region, the police and national security service (SNB) and prosecutor’s office visited school and college directors to ensure their support for mobilizing teachers and students (aged 15-18) to pick cotton.
- In the Nizhnechirchiksky district, Tashkent region, students with illnesses were denied medical exemptions.
- Nurses from several regions reported that they were threatened with the loss of their jobs for refusing to participate.
- Staff of several medical clinics reported salary deductions for not meeting their daily quotas.
- Students of the Tashkent National University of Economics were threatened with expulsion.
- In the Chirchiq district, Tashkent region, students were threatened with expulsion and beaten by school staff, as coercion to meet their quotas.
- Shoir, a young mother in the Shahrisabz district, Kashkadarya region, reported that she had to pick cotton or lose child-care benefits, which are distributed by the *mahalla* committees.

Impacts Suffered in Our Communities

Each year we suffer deaths, physical hardship, debts, deprivation of education for our children, and strained health care services so that the few government officials and their colleagues earn the income of cotton sold to domestic and international markets.

At the height of the 2012 cotton harvest, 19-year-old Navruz Muysinov died. The young man decided to return home early from the cotton fields in Shakhrisabz district of Kashkadarya region on the 6th of October. He was stopped by the police, beaten and died thereafter.⁸ The results of the investigation into the cause of death remain unknown. In addition to Navruz, there were several tragic deaths. Igor Yachkevskiy, a 55-year old resident of Tashkent city, died of a heart attack while picking cotton in Okkurgon district, Tashkent region on the 17th of September.⁹ Umid, a third year student of the Bukhara Engineering Institute of High Technologies, in Bukhara region, died after he was hit by a tractor on his

⁸ Barno Anvar, “Шахрисабзлик мархум теримчининг оиласи адолат кутмоқда,” *Ozodlik.org*, 15 October 2012, available at <http://www.ozodlik.org/content/article/24740357.html#hash=relatedInfoContainer>, last accessed 212 October 2012.

⁹ Барно Анвар, “Шахрисабзлик мархум теримчининг оиласи адолат кутмоқда,” *Radio Ozodlik*, 15 October 2012, available at <http://www.ozodlik.org/content/article/24740357.html#hash=relatedInfoContainer>, last accessed 1 May 2013.

way from the field after dark on the 22nd of October.¹⁰ The authorities failed to report any information concerning these tragic deaths during the cotton harvest.

Forced labor in Uzbekistan's cotton sector is not the result of family poverty, but rigid state control of all aspects of the cotton industry, whereby the forced mobilization of children is organized and enforced by authorities, as channeled through the local administration and benefiting the Government. Under the state-order system of cotton production, the Government of Uzbekistan not only controls the land and enforces cotton production quotas, but also controls input markets, prices and cotton sales. Given the low purchase price for cotton set by the government, farmers are unable to afford to hire the labor necessary for cotton farming.¹¹

While depleting rural communities of income and human resources, the state order cotton production system also provides government officials, particularly those with specific roles in the cotton industry, multiple avenues for extorting money from their less-powerful fellow citizens. Since Soviet times, the cotton and irrigation systems have served as patronage systems, insuring loyalty of regional and district authorities to the highly centralized national administration. At the regional and district level, authorities extort from citizens through unpaid wages, direct payments for unfulfilled quotas, and fines for insufficient contributions to the cotton harvest. In this climate, any investment in the agricultural system merely sustains the state-order system and forced labor which underpins it.

In addition, the massive and nationwide forced labor of government employees strains the delivery of many public services, including essential medical care and education. Just in Tashkent, approximately 11,000 nurses and doctors from hospitals and clinics were sent to the fields during the 2012 cotton harvest. As in previous years so in 2012, both high school and university students had no access to education during the harvest. The school calendar for colleges and lyceums (high schools) and universities starts in September, but classes started in November. Teachers were required to falsify records indicating that lessons had been covered. Often grades depend on how well students picked cotton. Even where younger school children were not mobilized for the harvest, the state-sponsored mobilization of teachers, parents and older school children continued to negatively affect the learning process. As the result of an estimated 60% of school teachers being forced to pick cotton, primary school students received partial lessons for two and a half months and, while not in the fields themselves, teachers had to manage combined classes of 50 to 60 children, without additional payment. The impacts on our youth and next generation cannot be overstated.

4. The main World Bank policy that World Bank staff has violated in connection with the RESP II loan is Operational Policy 4.01 [OP 4.01] on Environmental Assessments[EA]. For both Category A and B projects, this policy requires an assessment of the potential negative and positive impacts on human populations, as well as measures to prevent, minimize, mitigate or compensate for adverse impacts.¹²

¹⁰ Садриддин Ашур, “Бухорода ҳашарчи талаба фожиали ҳалок бўлди,” *Radio Ozodlik*, 25 October 2013, available at <http://www.ozodlik.org/content/article/24750266.html>, last accessed 1 May 2013.

¹¹ 12 Uzbek human rights activists, anonymous for personal safety. Personal Interviews by Matthew Fischer-Daly, 23 September – 6 October, 2012.

¹² OP 4.01

While the Bank does not have the responsibility to carry out the EA, it is responsible for ensuring that the EA “provide[s] an adequate basis for processing the project for Bank financing.” This would require an assessment with adequate scope and quality.

The Social Assessment [SA] carried out in connection with the RESP II loan falls far short of OP 4.01’s standards and demonstrates that the Bank clearly failed to exercise its supervisory role in connection with this project. The widespread and systematic use of forced child labor in Uzbekistan went completely unacknowledged in the SA, which spoke only of “child labor” and there is a total lack of assessment of whether the Bank’s project, which funnels money directly into the agriculture sector, would contribute to this endemic problem. In fact, the SA contains only one paragraph discussing the problem of child labor in cotton production and this paragraph is full of internal contradictions and outright falsehoods.

“Respondents stated that school children are not exploited for cotton production. Indeed, the recent work of UNICEF and the SA showed the lack of worst forms of child labor in rural Uzbekistan.¹³ There is little difference in the nature of child labor on the cotton plantations and on DF. Usually, 12 to 18 year old children are not used in FEs during weeding, cotton and guzapaia (cotton stems) picking.¹⁴ Their labor is used during the period of cotton picking when districts/provinces cannot fulfill their plan of cotton picking. Children do not participate in cleaning of the irrigation and drainage systems. In some provinces where there was a shortage of farm labor school children were picking cotton (grades 5 and above), and in other provinces there worked only high school children (pupils of 8-11 grades and college students). In some provinces, where there is excess farm labor (women), children were not involved at all.¹⁵ Women and schoolchildren believe that they can earn the most only when they pick cotton when each

¹³ This is false: UNICEF made the following findings in 2011 that show the worst forms of child labor are used in Uzbekistan: “(i) children aged 11–17 years old have been observed working full time in the cotton fields across the country; (ii) the mobilization of children has been organized by way of instructions passed through Khokimyats (local administration), whereby farmers are given quotas to meet and children are mobilized by means of the education system in order to help meet these quotas; (iii) in some instances, farmers also made a private arrangement with schools to pick their cotton often in return for material resources or financial incentives for the school; (iv) children were predominantly supervised in the fields by teachers; (v) in over a third of the fields visited, children stated that they were not receiving the money themselves; (vi) quotas for the amount of cotton children were expected to pick generally ranged between 20–50 kilos per day; (vii) the overwhelming majority of children observed were working a full day in the field and as a result, were missing their regular classes; (viii) children worked long hours in extremely hot weather; (ix) pesticides were used on the cotton crop that children spent hours hand picking; (x) some children reported that they had not been allowed to seek medical attention even though they were sick; and (xi) that the only noticeable progress towards the eventual elimination of the use of children in cotton picking was observed in the Fergana region.” ILO Committee on the Application of Conventions and Recommendations, “Observation: Uzbekistan- Worst Forms of Child Labour Convention, 1999 (No. 182) (ratification: 2008),” 2012.

¹⁴ This is contradicted by an ILO report from May of this year that noted with “serious concern” information that indicated 16 – 18 year olds are mobilized for work during the cotton harvest. It reminded the Government that the forced labour of, or hazardous work by, all children under 18 constituted one of the worst forms of child labour, and urged the government to take necessary measures as a matter of urgency to ensure the effective implementation of national legislation prohibiting the practice. ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR), *Individual Observation concerning the Worst Forms of Child Labour Convention, 1999 (No. 182) Uzbekistan, 2013*

¹⁵ Available evidence demonstrates that in fact forced child labor occurs in every province in Uzbekistan.

can earn more than \$7 per day and more than \$300 per month, which many families badly need.”¹⁶

Of even more concern than the contradictions and errors in this paragraph is the fact that the SA has completely failed to note that the child labor violations taking place in Uzbekistan’s agriculture sector all constitute systematic, government orchestrated forced labor. Because of this glaring omission, the SA misrepresents the nature of the problem and thus prevents the Bank from taking the steps necessary to avoid contributing to the problem of child labor and forced labor in the country. This is evidenced by the fact that in multiple Bank documents from 2008 and 2012, and in conversations and correspondence with claimants’ civil society representatives, management has sought to demonstrate that it is avoiding contributing to the problem of child labor through training of farmers and contract provisions in loans to farmers and agribusinesses. Such trainings and contract provisions have absolutely no impact on the child labor problem in the country because, as demonstrated above and in the accompanying documents, farmers have no control over the system of forced labor and child labor. It is the government, not the farmers, that forces children and adults to work in the cotton fields and thus the Bank cannot expect to address the issue of forced labor through trainings or other engagement at the farm level. We believe this demonstrates that the Bank is also violating OP 13.60 on monitoring and evaluation as its monitoring procedure, directed at the farm or agribusiness rather than the state, are insufficient to determine whether its fund are supporting state-sponsored forced labor.

5. We have complained to World Bank staff on multiple occasions both in person and in writing including:

- On 18 December 2010 Vasila Inoyatova of Ezgulik wrote an open letter to Philippe H. Le Houerou, the World Bank’s regional vice president, on the situation of children's rights, child labor and the Bank’s activities in Uzbekistan.
- On March 31, 2011 Vasila Inoyatova of Ezgulik and other civil society representatives met with Mrs. Mehrnaz Teymourian the Office Director for Central Asia and other World Bank staff in Washington, DC.
- Ezgulik submitted to the World Bank on October 11, 2012 “The Independent Review of the World Bank’s Rural Enterprise Support Project – Phase 2”
- On 1 September 2013 Vasila Inoyatova of Ezgulik wrote a letter to Shigeo Katsu, Vice-President of the World Bank, Europe and Central Asia Division
- A written case study prepared by Ezgulik in partnership with Bank Information Center was submitted to Bank Management on April 24, 2013.
- Staff from the Bank Information Center, representing both their organization and Ezgulik as authors of the joint case study, met with several individuals from Bank management on May 2, 2013.

¹⁶ Note that \$7 per day works out to more than \$300 per month only if there are 43 days in a month. Additionally, all available evidence demonstrates that school children earn only negligible sums from working in the cotton fields, never receiving anything close to \$7 per day.

Each time we have received an unsatisfactory response. The reasons we find the responses unsatisfactory include:

- Whenever we have raised the issue of state sponsored forced child labor Management responds with information about its education efforts with farmers and compliance requirements for farmers, refusing to acknowledge that it is not farmers who have control over, or are responsible for, the forced labor of children and adults in Uzbekistan.
- Management has, on occasion, argued that forced child labor is not a genuine problem in the country and/or that the situation is improving¹⁷, something which is proven 100% false by the facts on the ground, as acknowledged by the ILO, UNICEF, the EU, the US government, retailers' associations, and even Walmart.
- Management has had difficulty determining who wrote the problematic assessment with different responses coming from different staff.
- Management argues that the loans are aimed at diversifying agricultural production and reducing reliance on cotton and thus are not directed at the cotton industry. However, management has identified no policies or contractual measures in place to prevent its funds from being used for cotton production.
- Management refuses to disclose which farms and agribusinesses are receiving the World Bank loans making it impossible to verify any of the claims made by management regarding these farms.

Additionally, instead of working with civil society to protect the children in project affected communities, Bank management staff has listed “[e]xternal NGOs may continue raising child labor issue with the Bank” as a risk associated with the project. This attitude towards NGOs demonstrates that management does not welcome constructive engagement from civil society with respect to this project.

6. We request the Inspection Panel recommend to the World Bank’s Executive Directors that an investigation of these matters be carried out.

List of attachments:

1. Claimant Authority
2. Case study report by Bank Information Center and Ezgulik titled “The Need for Child Impact Assessments: A Case Study of the International Development Association Funded Uzbekistan Rural Enterprise Support Project-Phase II” submitted to the World Bank on 24 April 2013.
3. Letter dated 18 December 2010 from Vasila Inoyatova of Ezgulik to Philippe H. Le Houerou
4. Report title “The Independent Review of the World Bank’s Rural Enterprise Support Project – Phase 2” and submitted to the World Bank on October 11, 2012
5. Letter dated 1 September 2012 from Vasila Inoyatova of Ezgulik to Shigeo Katsu

¹⁷ See e.g. World Bank, “Uzbekistan: Economic Development and Reforms: Achievements and Challenges”, April 2013.