



Implementing the External Review Requires IFC to Provide Remedy to Assam Tea Workers

12 September 2020

To the World Bank Group Board of Executive Directors:

We are organizations supporting Indigenous communities living and working in abysmal conditions on plantations in Assam, India run by Amalgamated Plantations Private Limited (“APPL”).¹ IFC is the second largest shareholder of APPL. Since 2013, we have been supporting communities to address harms suffered as a result of non-compliance with E&S standards through a CAO [complaint process](#).

We welcome the release of the [External Review Team’s report](#) and the opportunity for public comment. We are writing regarding its recommendations for a remedial action framework. In particular, the Review Team states that where “there is a demonstrable IFC/MIGA contribution to harm through non-compliance with E&S standards and procedures, and no client resource available for remedy... IFC and MIGA should accept responsibility to act on their own account to provide remedy.”² We are urging the Board to ensure IFC implements this recommendation with respect to its investment in APPL without delay.

In 2016, the CAO released a comprehensive [investigation report](#), finding that IFC supervision of the investment did not meet the requirements of the IFC Sustainability Policy or relevant internal procedures, resulting in harm to the health and safety of workers and their families. The report noted the relationship between poor living conditions and workers’ susceptibility to disease, citing studies of health indicators of Assam tea workers revealing a high incidence of anemia and infectious diseases, including tuberculosis and respiratory illness. This susceptibility to disease is attributed to poor personal and household hygiene, unsatisfactory sanitation and housing, and the absence of functioning toilets. The CAO report concluded that addressing the many challenges in accordance with IFC requirements would “require the dedication of resources and relevant sectoral expertise beyond that which IFC has made available to the client”.³ In its response, IFC disagreed with many of the findings but committed to collectively work with the client to accelerate a narrow set of issues in an [action plan](#), including: building new houses; repairing houses; providing piped water and a working toilet to each household; providing mobile toilets for women in the plantation areas; upgrading hospitals; and taking measures to address hazardous chemical exposure to pesticide sprayers.

In 2019, the CAO’s [monitoring report](#) found IFC supervision continued to be unsatisfactory and that the action plan had been largely unimplemented due to financial reasons.⁴ APPL has posted losses since 2015. The report noted that APPL’s board approved the action plan in October 2016 with a rider that it

¹ IFC Project No: 25074.

² External Review Report, para 62.

³ CAO, “CAO Investigation of IFC Environmental and Social Performance in relation to: Amalgamated Plantations Private Limited (APPL), India”, Sep. 6, 2016, p. 11.

⁴ CAO Monitoring Report, p. 12.

would need financial assistance from shareholders to implement action plan items requiring significant funding, in particular, infrastructure improvements.⁵ That funding has not materialized. In response to the monitoring report, IFC only committed to funding a [facilitated dialogue](#).

In April 2020, we wrote to IFC requesting it to urgently intervene to protect [vulnerable workers against the COVID-19 pandemic](#) by funding the above-mentioned infrastructure to allow workers to physically distance, maintain personal hygiene, and access decent healthcare, including equipping plantation hospitals to test, quarantine, and treat for COVID-19. We also requested funding to pay workers full wages for the duration of the lockdown. Despite a US\$2 billion [Real Sector Crisis Response](#) for existing clients vulnerable to the pandemic, IFC stated APPL does not qualify since it has been making losses and is rated unsatisfactory on environmental and social performance pending the completion of the action plan.⁶ These criteria, as applied to APPL, have absurd consequences as vulnerable workers continue to miss out on the back of IFC's complicity in APPL's unsatisfactory environmental and social performance due to its continued failure to take corrective measures to bring the project into compliance.

IFC's inaction has put communities at APPL at greater risk to the COVID-19 pandemic. Due to living conditions and occupational hazards, workers have compromised immunity and various health conditions. They report that practicing hand hygiene and physical distancing is difficult with poor quality and intermittent water supply and overcrowded housing quarters. Many workers at APPL have faced food shortages after not receiving full wages during the lockdown period and are still owed unpaid wages from that time. With the COVID-19 pandemic accelerating in India, the need for remedy is now even more urgent.

The External Review Team has produced strong and implementable recommendations for an IFC remedial action framework. Its recommendation in situations where client resources are unavailable is directly applicable to IFC's investment in APPL. It is incumbent on IFC to accept responsibility to act on its own account to provide remedy for the ongoing and independently-verified harms to communities living and working on its tea plantations in Assam, without delay.

Sincerely,

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⁵ CAO, "Compliance Monitoring Report: IFC Investments in Amalgamated Plantations Private Limited (APPL), India, Jan. 23, 2019, p. 10.

⁶ Email from IFC, April 30, 2020.