

Engaging with Vulnerable Workers in Uzbekistan

Presentation to the UNECE Taskforce on Public Participation in
Decision Making – March 01, 2021



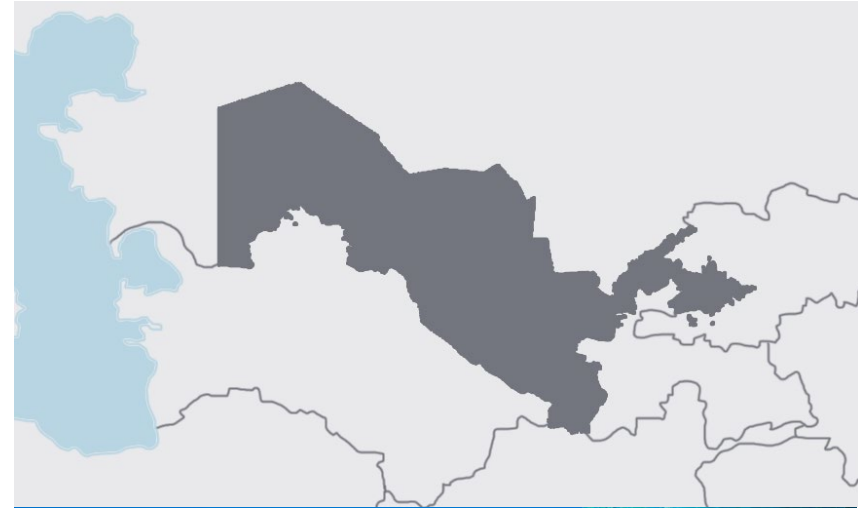
European Bank
for Reconstruction and Development

EBRD in Uzbekistan



European Bank
for Reconstruction and Development

- EBRD re-engaged in Uzbekistan opening a Resident Office in Tashkent and adopting a new country strategy in 2018 following a major reform programme announced by the government
- EBRD's approach to investment sensitive to forced labour risks in the textile sector supply chain
- EBRD has a zero tolerance policy for any forms of forced labour



Forced Labour Risks in the Cotton Sector –



European Bank
for Reconstruction and Development

- Almost all cotton in Uzbekistan (92 %) is harvested by hand, though mechanization is increasing thanks to government led reforms of textile sector.
- The harvest of cotton in Uzbekistan runs from September to November in 3-4 passes, and, on average, lasts for 40 days.
- In 2020, one in eight of the adult population or around 2 million citizens were engaged at some time during the harvest each year picking cotton by hand (ILO TPM, 2020).
- Labour intensive and time sensitive cotton harvest season causes a large spike in labor demand, which exceeds the normal availability of voluntary rural workers in some districts (WB, 2016).
- The practice of large-scale mobilization of adults and children with risks of Child and Force Labour to meet this spike in demand was introduced under the Soviet Union and has been practiced in Uzbekistan for over 70 years (WB, 2016).



Efforts to Reduce Forced Labour – Government Reforms 2017-2021



European Bank
for Reconstruction and Development

- Reforms involved transfer of cotton production from state to private sector – establishment of cotton clusters
- Over 70 % of cotton is produced by 95 private clusters now
- Encouragement of mechanisation to reduce workforce needs – state subsidies for cotton harvesters (4 % in 2019, 8 % in 2020)
- Removal of marginal land from cotton production and switch to less water intensive crops
- ILO Third Party Monitoring of Cotton Harvest (TPM) – independent & verifiable mechanism to inform responsible investment & trade decisions



ILO TPM Results for 2020 Cotton Harvest



European Bank
for Reconstruction and Development

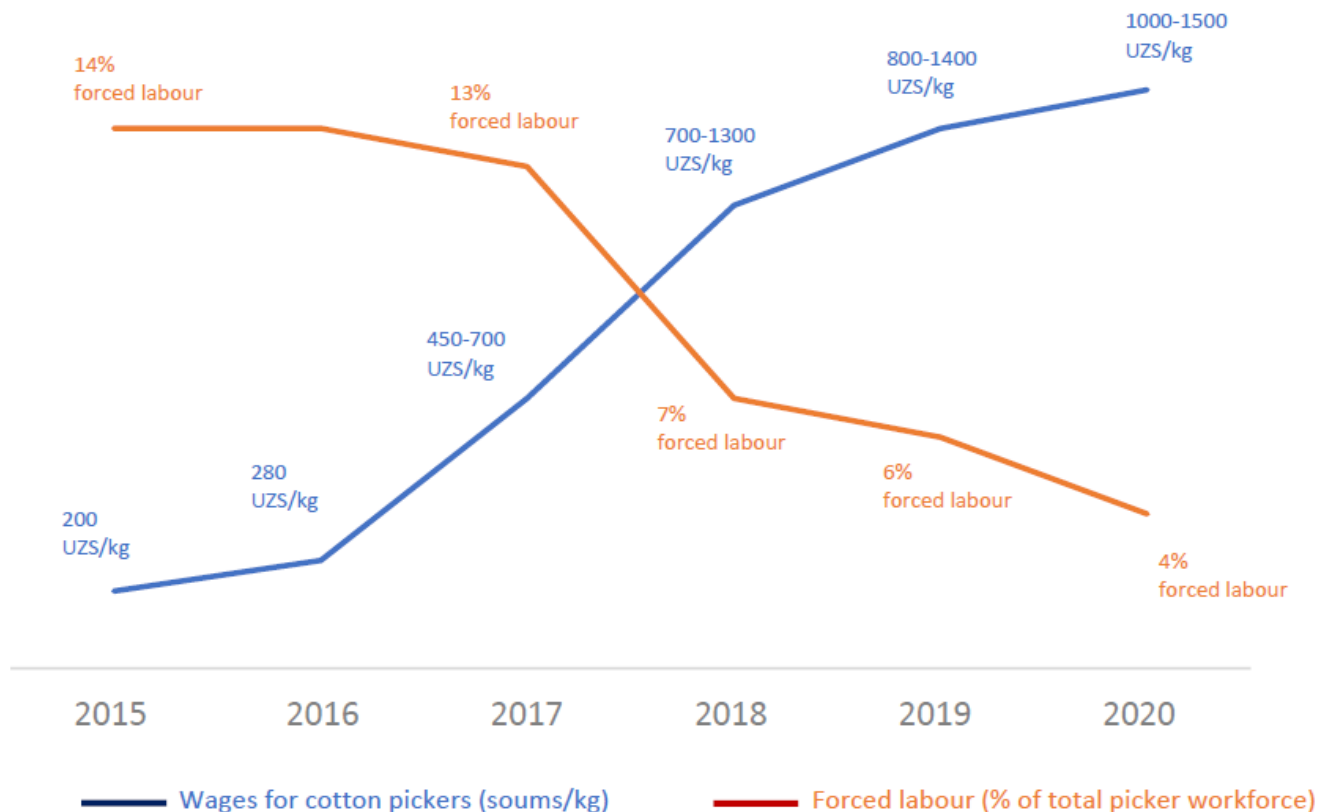
- A decreasing proportion of the population involved in forced labour practices over six years (ILO TPM 2017-2020)
- Of 2 mln people involved in cotton harvesting in 2020, only 4 % reported to have been subjected to some form of involuntary labour practices (ILO TPM 2020)
- Despite the abolishment of systemic forced labour in the country, residual risks remains – but seen increasingly as implementation issue at local level.
- EBRD, just like other IFIs, continues to manage project level FL risks through robust E&S due diligence process.

Force Labour Risk Reduction, ILO TPM 2017-2020



European Bank
for Reconstruction and Development

Chart: Wages and forced labour percentages (2015-2020)



Strategy to Manage Forced Labour Risks



European Bank
for Reconstruction and Development

Only engage in zero-risk investments in the textile sector



Implement risk assessment methodology to identify risk areas



Engage vulnerable people through extended labour audit procedures risk areas





Risk Assessment Methodology



European Bank
for Reconstruction and Development

Development of risk assessment methodology & tools:

- Mapping the cotton supply chain
- Mapping cotton production across the country
- Assessing the demand for and availability of labour
- Cross checking with other data including ILO TPM reports
- Defining forced labour risk zones

Implementation of the tool for a retail sector client:

- Mapping local suppliers of the textile products to the prospective client
- Identifying production areas of the cotton used in the production of textiles sold at the client's retail sites;
- Verifying if any of cotton production locations fall into or overlap with the risk zones in Uzbekistan.

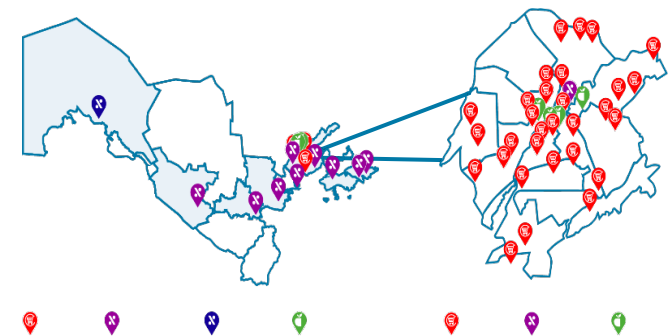
INDEX is based on two indicators



availability of the
working-age
population in the
district



production of raw
cotton, in tons, in
the district





Engagement - labour audit methodology for areas of potential forced labour risks



European Bank
for Reconstruction and Development

Key considerations:

- Need for strong representation of women
- Potential for trauma amongst respondents
- Risks of reprisals

Methodology:

- Targeted interviews with client, contractor and subcontractor employees
- Assurance of gender balance amongst respondents
- Informed consent process and form
- Confidentiality assured through:
 - Interviewees selected from long list submitted by client, client not informed of final participant list
 - Participants set interview time & are alone in interview room
 - Secure online messenger option available
 - Interviews not recorded, responses unlinked from respondents and not shared with third parties
- Workers notified on rights and channels of redress

