

Janine H. Ferretti
CAO Vice President
Office of the Compliance Advisor Ombudsman
International Finance Corporation
2121 Pennsylvania Avenue NW
Washington, DC 20433 USA
May 29, 2024

Dear Vice President Ferretti:

Re: Complaint concerning IFC investments in and financing to Indorama Eleme Fertilizer III

1. Greenleaf Advocacy and Empowerment Center and O-E'la Obor Eleme Organization (the General Assembly of Eleme People Worldwide) are submitting this complaint to the Office of the Compliance Advisor Ombudsman (CAO) on behalf of the project-affected communities, including the Eleme community women, who wish to remain anonymous. Please see attached claimant authority. This complaint is regarding the International Finance Corporation's (IFC) investment in [Indorama Eleme Fertilizer III](#), approved in November 2023 and signed March 21, 2024. Representatives from the organizations listed above live in the region impacted by the project.
2. The Indorama Corporation, a Singapore-based holding company, is a long-standing, repeat IFC client. Over the last three decades, IFC has supported Indorama's entry into high-risk markets, helping it grow from a mid-sized, domestically focused business into one of the world's fastest-growing petrochemical and fiber companies. Indorama Eleme Fertilizer and Chemicals Limited (IEFCL), part of Indorama Corporation, has received a [\\$1.25 billion](#) loan package from IFC for Indorama Eleme Fertilizer III, which funds the construction of a third urea fertilizer line at the same site in Port Harcourt, Nigeria as two previous IFC investments to IEFCL for Indorama Eleme Fertilizer and Indorama Eleme Fertilizer II.
3. Line 3 is designed to build upon the technologies and knowledge gained from the development and operation of Lines 1 and 2, which feature similar technology and capacity. The creation of Line 3 will raise the present urea production capacity from 2.8 MMTPA to 4.2 MMTPA. The Line 3 plant will contain [2,300 Metric Tons Per Day](#) (MTPD) ammonia capacity and a 4,000 MTPD urea facility.
4. IFC approved additional financing to IEFCL for the construction of a third urea fertilizer line despite the two open CAO complaints on previous lines of the project ([Indorama Eleme Fertilizer](#) and [Indorama Eleme Fertilizer II](#)). The construction of a third urea fertilizer line will contribute to increased effluent discharge, especially in the Okulu River in Aletu, Eleme, Nigeria. The project has also created increased air pollution, impacting both local terrestrial and marine biodiversity and, critically, the health of people living in the project's vicinity, given the increased ammonia emissions.

5. We represent the local communities that have suffered harm due to IFC's failures and omissions in the design and implementation of the project in Port Harcourt, Nigeria. The harm has been caused by IFC and IEFCL's non-compliance with IFC's Performance Standards (PS) and failure to implement a current Environmental and Social Action Plan (ESAP), detailing how IFC and the client, in consultation with the community, will address severe social and environmental issues resulting from the project.
6. IFC's failure to adhere to its environmental and social (E&S) policies around the Indorama Eleme Fertilizer III project has resulted in several environmental, gender, and labor harms to the local community. These include, but are not limited to:
 - a. The community has experienced higher rates of adverse health effects resulting from increased pollution from urea fertilizer production, including dermatitis, chronic asthma and bronchitis, respiratory infections, hypertension, and pelvic inflammation diseases.
 - b. Higher rates of malaria, now endemic to the area, due to increased population concentration from workers at the project site.
 - c. The Okulu River, which has historically served as a source of drinking water, irrigation, and fish (for livelihoods and sustenance), has been destroyed due to IEFCL's discharge of contaminants and toxic effluent waste into the river.
 - d. There are high extirpation rates of marine life and a loss of biodiversity of all flora/fauna in the region due to IEFCL's poisonous waste disposal practices, which pollute the watershed and river.
 - e. Land devaluation in the region due to decreased agricultural and commercial potential resulting from the project's adverse environmental impacts.
 - f. Air pollution from gas flares and poisonous emissions resulting from urea production. The pollution from the project has a very strong and offensive odor, which IEFCL claims is not harmful.
 - g. Individuals in the community have lost their livelihoods due to environmental and health harms resulting from the project.
 - h. There has been increased traffic congestion and road damage from heavy equipment transport from the seaport. A trip that should take 10 minutes now takes 3-4 hours.
 - i. IEFCL paid disbursements to some members of the local population to gain consent to the project. However, IEFCL failed to disclose critical information about these disbursements, including the amount paid to individual local community members, and how those payments were determined relative to IEFCL's profit. IEFCL only disclosed a sum total amount it claims to have given to community members.
 - j. Environmental harms from the project have contributed to the rapid decline of local life expectancy. Nigeria's life expectancy has declined to about [54 years](#), one of the world's lowest and reportedly even lower in the Eleme region.
 - k. IEFCL has discriminated against and failed to provide equal employment opportunities to women, especially from the region. Women who have been hired have reported unfair treatment and have also been disproportionately laid off without pay as compared to their male counterparts, particularly during the COVID-19 pandemic.
 - l. IEFCL now owns much of the community's ancestral land, which women have historically farmed as a source of sustenance, livelihood, and economic power. Women

no longer have access to this land and have thus lost their livelihoods as farmers, reducing their ability to provide for their families and children and leading to higher rates of hunger and malnutrition. There has also been an increase in children who are not in school because their families cannot afford the school fees, leading to a rise in unemployment and crime.

- m. There have been reports of severe reprisals and retaliations by IEFCL against community members who speak out against the project, including arrests, beatings, brutalization, and kidnappings, particularly of women and youths.

Failures to Comply with IFC Policy Requirements

7. Indorama Eleme III is subject to IFC's 2012 Sustainability Framework, including its Policy and Performance Standards on Social and Environmental Sustainability. Neither IFC nor IEFCL has met the requirements of Performance Standards (PS) 1, 2, 3, 4, and 6 (which was not triggered). Further, IFC and IEFCL did not develop mitigation hierarchy procedures for Performance Standard 6 despite the harm caused by this project on marine, freshwater, and terrestrial biodiversity.
8. According to the Environmental and Social Action Plan (ESAP), by June 30, 2024, IEFCL is to:
 - a. Expand and enhance, as necessary, IEFCL's existing Environmental and Social Management System (ESMS) and management plans, including emergency response, to encompass the Line 3 project, ensuring effective management of environmental and social aspects during both the construction and operational phases of the project.
 - b. Develop and implement an Environmental and Social Management System, including emergency response, for the construction and operation of the Line 3 Jetty facility.
 - c. Incorporate management and mitigation measures identified in the ESMPs for Line 3 into the established EHS monitoring program for both i) construction and ii) operations, including components such as occupational hygiene, air emissions, ambient air, environmental noise, wastewater sampling, soil and groundwater monitoring, and EHS inspections and audits.
9. Since IEFCL has not effectively implemented mitigation measures to meet the requirements of IFC's Performance Standards in either of the previous lines of this project (Indorama Eleme Fertilizer and Indorama Eleme Fertilizer II) and has not made any progress toward completing the above actions, we doubt that the June 30, 2024 completion date will be met.
10. Additionally, IFC did not meet the requirements of the Sustainability Framework, inaccurately categorizing its investment in Indorama Eleme Fertilizer III as Category B, [defined](#) as having "potential adverse E&S risks and/or impacts which are generally site-specific are largely reversible and can readily be addressed through mitigation measures." An early death from pollution is not reversible. Any excess mortality compared to a scenario without the project should be a basis for IFC to classify the project as Category A.

11. Performance Standard 1 covers the Assessment and Management of Environmental and Social Risks and Impacts, [requiring](#) clients to "Adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize, and, where residual impacts remain, compensate/offset for risks and impacts to workers, Affected Communities, and the environment." IEFCL has failed to implement its mitigation hierarchy, which is detailed in the ESAP, as evidenced by the continued adverse impacts of the project on environmental and community health. Further, the mitigation hierarchy for PS1 [states](#), "For the construction of Line 3, the procedures will be identical to those of Line 2 given IEFCL's engagement with the same construction contractor, Daewoo Nigeria Limited, used for previous phases, along with similar facilities being constructed." This is unacceptable, given the open complaints on Lines 1 and 2 of the project and the documented harms detailed above. At a minimum, the client and IFC should be required to reevaluate the mitigation hierarchy procedures for PS1 for Line 3 in light of open complaints and the documented failure of the IEFCL and IFC to prioritize the prevention of harm.
12. Performance Standard 2 covers the client and IFC's obligation to "promote the fair treatment, non-discrimination, and equal opportunity of workers." By not granting women the same employment opportunities and disproportionately targeting women for layoffs without pay, IEFCL has failed in its obligation to abide by [PS2](#). Further, the mitigation hierarchy procedures for PS2 [state](#) that "IEFCL currently employs a total of 378 direct and contract workers across the existing Line 1 and 2 operations, with a 98% to 2% male to female ratio." This is an abysmal ratio, especially when we know of women who have sought employment with IEFCL in the Port Harcourt factory and have been rejected. For instance, a group of 40 unemployed young people were communicating with each other about employment opportunities via WhatsApp. Around 20 men were eventually employed by IEFCL within this group, but only 5-8 women successfully secured employment with IEFCL.
13. Performance Standard 3 covers Resource Efficiency and Pollution Prevention, [requiring](#) clients and IFC to "avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities; to promote more sustainable use of resources, including energy and water, and; to reduce project-related GHG emissions." IEFCL's air, water, and land pollution through urea fertilizer production has dramatically reduced biodiversity and human health in the region. Under the mitigation hierarchy procedures for PS 3, IEFCL [states](#), "The company currently operates a wastewater treatment system for the entire complex, including both primary and secondary treatment. The IEFCL Line 3 Project has comprehensive plans for managing various streams of wastewater... Treated wastewater will be discharged to the Okulu River." However, it's clear from the pollution in the Okulu River, which has harmed the community's terrestrial and marine biodiversity and health, that IEFCL's wastewater treatment system does not achieve the desired outcomes. The polluted Okulu River has also led to a loss of livelihoods by local fishermen, butchers (who can no longer rely on the river to clean meat), and farmers, who have experienced much lower crop yields due to pollution in irrigation water.
14. Performance Standard 4 covers Community Health, Safety, and Security, [requiring](#) clients to "Anticipate and avoid adverse impacts on the health and safety of the Affected Community

during the project life from both routine and non-routine circumstances, and to ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimizes risks to the Affected Communities." Given the high rates of preventable disease and death in the region caused by pollution of the air and water, the heightened risks and harms resulting from this project are clear. The community has continued to suffer from IFC and IEFCL's failure to implement sufficient mitigation hierarchy procedures around these harms.

15. IFC claims that this project has no impacts that require management under Performance Standard 6, Biodiversity Conservation and Sustainable Management of Living Natural Resources, which is a stark omission. Given the scale of the investment, projected increases in production, and related increases of discharged ammonia and urea, it is clear that this assessment is inaccurate.
16. IFC's Position Statement on Retaliation Against Civil Society and Project Stakeholders states that it "does not tolerate any action by an IFC client that amounts to retaliation – including threats, intimidation, harassment, or violence – against those who voice their opinion regarding the activities of IFC or our clients." IEFCL's connection to the arrest, beating, brutalizing and kidnapping of any community member violates this statement, and IFC should hold IEFCL accountable for these egregious actions and take steps to protect community members from these reprisals.
17. Increasing access to healthy food is urgently needed to address food insecurity, particularly in Sub-Saharan Africa. However, increasing the use and production of chemical fertilizers, which harm the environment and human health, is not the answer. Providing credit, technology, and market access to the farmers and fishers whose livelihoods have been disrupted by IEFCL and to others like them would be more effective, sustainable, and aligned with IFC Performance Standards.

Outcomes Sought

18. The community complainants affected by the projects are seeking full and fair redress for all the harms and losses they and other community members have suffered in line with the protections and entitlements of the IFC Performance Standards.
19. We call on IFC to conduct a Cumulative Impact Assessment (CIA) on Lines 1 and 2 of Indorama Eleme Fertilizer, providing adequate remediations before continued construction of Line 3 proceeds.
20. We urge CAO to:
 - a. Investigate IFC's failure to implement its own Performance Standards and due diligence policies in its dealings with Indorama Corporation and IEFCL;
 - b. Draft, in consultation and with the active participation of herein complainants, an action plan to address the impacts experienced by affected communities and;
 - c. Recommend the provision of immediate assistance to affected communities.

21. If Indorama Corporation and IEFCL do not bring their investments into compliance with the IFC Performance Standards, we urge IFC to divest from all projects with the company and exclude them from future IFC investments.

We authorize the Bank Information Center (BIC) to receive information about this complaint. BIC is providing guidance and advice during the complaint process.

Sincerely,

Greenleaf Advocacy and Empowerment Center and O-E'la Obor Eleme Organization (the General Assembly of Eleme People Worldwide) on behalf of the project-affected communities