

**INTERNATIONAL FINANCE CORPORATION**

**MANAGEMENT  
PROGRESS REPORT  
ON  
IMPLEMENTATION OF THE  
MANAGEMENT ACTION PLAN**

**FOR**

**INDORAMA ELEME FERTILIZER AND  
CHEMICALS LIMITED  
NIGERIA – SUB-SAHARAN AFRICA  
PROJECT NOs. 30967 and 40420**

**SEPTEMBER 22, 2022**

## **I. MAP IMPLEMENTATION OVERVIEW**

1. This Management Progress Report constitutes the International Finance Corporation (IFC) update on implementation of its Management Action Plan (MAP) in response to the CAO Compliance Investigation Report on the complaint (the “Complaint”) concerning Indorama Eleme Fertilizer and Chemicals Limited (IEFCL), Project Nos. 30967 and 40420 (the “Project”). IEFCL is located in Eleme, Port Harcourt, Nigeria. IFC provided debt financing to IEFCL in 2013, and again in 2018 and 2020. The Project is currently in operation and under supervision, with ongoing monitoring supported by an independent environmental and social (E&S) consultant.

### **A. MAP Implementation Status**

2. IFC’s Management Response, dated July 16, 2021, included the adoption of a MAP, which committed IFC to “*confirm the Company’s compliance with PS2 commitments, particularly for ‘fair treatment’ of workers and their ability to raise grievances without any retribution.*”

3. Through an independent labor consultancy, IFC initiated a detailed assessment of IEFCL’s grievance and anti-reprisal policy framework, as well as its implementation in practice, with a view to developing corrective actions if needed and supporting the client in its ongoing implementation. Although initially delayed due to COVID-19 travel restrictions, the assessment has now been completed. Key recommendations relate to: (i) improved implementation procedures; (ii) enhanced awareness among workers and management about the grievance process; (iii) training and capacity building, and (iv) monitoring and evaluation. In June 2022, IFC, together with the independent labor consultancy, engaged with IEFCL to review the report and define the implementation of key corrective actions in response to the recommendations.

4. To date, IEFCL has initiated several actions, both in response to corrective actions proposed by IFC, and as part of its existing Environmental and Social Management System (ESMS). These actions relate to: (i) updating of existing policies and procedures to ensure an explicit approach in anti-retaliation policies and procedures; (ii) enhanced awareness and understanding of the existing grievance management procedures; (iii) internal capacity building and training; (iv) improved grievance management and reporting; and (v) enhanced monitoring and review procedures.

### **B. Next Steps**

5. IEFCL is committed to its planned actions to further enhance its worker grievance management procedures and implement the corrective actions. Planned actions include: (i) enhanced grievance reporting and monitoring at departmental level; (ii) further training and awareness sessions planned for Q3 and Q4 2022; (iii) enhanced awareness building among contract workers to be completed by Q4 2022; and (iv) placement of signage and communication relating to anti-retaliation and gender-based violence and harassment by Q1 2023.

6. Ongoing monitoring of the implementation of the corrective actions will be incorporated into the scope of work of the existing independent E&S consultant. IFC will also include the monitoring of implementation activities in ongoing supervision activities.

### **C. Conclusion**

7. IFC anticipates confirming its view that IEFCL is compliant with PS2 commitments and closing this complaint by the end of calendar year 2022. It is proposed that an update be provided to CAO in Q1

2023 to confirm the status of the MAP and the related action items, and whether IFC considers the MAP requirements fulfilled.

**II. UPDATE ON MAP IMPLEMENTATION ACTIONS**

<b>Area of Improvement</b>	<b>Action / Activity</b>			<b>Summary of Implementation</b>
<p>IFC to assure itself that IEFCL’s actions properly reflect PS2 commitments to “fair treatment” of workers and their ability to raise grievances “without any retribution.”</p>	<p>Confirm IEFCL’s compliance with PS2 commitments, particularly for “fair treatment” of workers and their ability to raise grievances “without any retribution.”</p>			<p>Implementation of this action was delayed due to COVID-19 travel restrictions. To date, the following actions have been completed:</p> <ul style="list-style-type: none"> <li>– Drafting of a Terms of Reference and procurement of an independent labor expert (Ergon) to conduct the assessment.</li> <li>– Engagement of IFC, labor expert and IEFCL management (March 2022).</li> <li>– Site visit by labor expert to IEFCL, including interviews and discussions with IEFCL management, trade union representatives (from both the senior and junior trade unions), and workers (including contractor representatives and women).</li> <li>– Development of an assessment report, identification of gaps, and associated recommendations and actions (June 2022).</li> <li>– Engagement with IEFCL management to review the report and define the implementation of key actions (June 2022).</li> </ul> <p>It is noteworthy that IEFCL had already commenced with several corrective actions as a component of its ESMS.</p>
	<p><b>Responsibility: Third-party labor expert</b></p>			
	<p><b>Deliverable / expected outcome</b></p> <p>Independent assessment report and corrective action plan relating to the implementation of IEFCL’s current worker grievance mechanism against the requirements of PS2 and international labor standards</p>	<p><b>Timeframe</b></p> <p>December 2021</p>	<p><b>Status</b></p> <p>In progress Completion expected December 2022</p>	