



BWII • Building and Wood Workers' International
BHI • Bau- und Holzarbeiter Internationale
BTI • Byggnads- och Träarbetar-Internationalen
IBB • Internationale des Travailleurs du Bâtiment et du Bois
ICM • Internacional de Trabajadores de la Construcción y la Madera

Prohibit all asbestos-bonded materials from IFC-invested projects

It's past time for the IFC to catch up on deadly asbestos and take action on risk burdens for workers, communities and the bank itself.

The World Health Organisation (WHO) is unequivocal about the dangers of asbestos, noting that “All forms of asbestos, including chrysotile, are carcinogenic to humans.” The solution to the problem is simple: “Asbestos-related diseases can be prevented, and the most efficient way to prevent them is to stop the use of all forms of asbestos to prevent exposure.”¹

In line with the WHO's recommendations, key multilateral development banks—following the lead of dozens of countries—have already taken the key step of prohibiting bank investments from using any level of asbestos or asbestos materials. As it undertakes a review of its Sustainability Framework, it's time for the International Finance Corporation (IFC) to do the same.

Asbestos is dangerous and deadly for all, especially workers and those exposed in buildings and the wider environment at a young age. Asbestos use and remediation has unacceptable cost, care and remediation implications, impacting communities, governments, IFC clients and future budgets.

- ▶ The World Health Organisation has determined that more than 200,000 deaths are estimated to be caused by occupational exposure to asbestos each year, amounting to more than 70% of deaths from work-related cancers.²
- ▶ A broad range of workers are exposed to asbestos, including workers engaged in the construction and mining sectors. But also in civil engineering, manufacturing, agriculture, automotive, boat building and shipbreaking, and disaster clean-up, waste management and public utilities, among others.³
- ▶ In 2006 the 95th Session of the International Labour Conference (ILC) of the ILO resolved that “the elimination of the future use of asbestos and the identification and proper management of asbestos currently in place are the most effective means to protect workers from asbestos exposure and to prevent future asbestos-related diseases and deaths” and that the Convention 162 from 1986 “should not be used to provide a justification for, or endorsement of, the continued use of asbestos.”⁴
- ▶ In 2023, according to the US Geological Survey⁵ 1.320 million tonnes of asbestos fibre were consumed globally, with 1.065 million tonnes of this exported over 80% of that exported mainly to Asia for use in manufactured construction material in Asia, a region heavily invested in supply chains of Africa, Europe and Latin America. Asbestos remains a global problem despite many national bans.
- ▶ Compensation, insurance and litigation costs from those with asbestos disease acquired due to exposure at work, when the risks are so well known for so long, are in the billions of dollars each year for employers and governments and are entirely avoidable as safer substitutes exist for all materials

1 <https://www.who.int/news-room/fact-sheets/detail/asbestos>

2 <https://www.who.int/news-room/fact-sheets/detail/asbestos>

3 <https://www.who.int/publications/i/item/9789240034945>

4 https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_protect/%40protrav/%40safework/documents/normativeinstrument/wcms_108556.pdf

5 Asbestos Statistics and Information, USGS. <https://www.usgs.gov/centers/national-minerals-information-center/asbestos-statistics-and-information>

containing asbestos. What is IFC's risk exposure in continuing to allow bonded asbestos materials in investments?

- ▶ The asbestos industry's attempt to differentiate toxicity between asbestos types and delay regulation and prohibition is completely wrong, unethical and irresponsible. Based on scientific evidence for many decades, all asbestos types cause the same asbestos-related diseases.
- ▶ Many developing and transition countries do not have the technology and systems to test levels of asbestos in products, to manage the safe disposal of decaying bonded asbestos materials or diagnose asbestos-related diseases. Asbestos exposure is an invisible time bomb in many countries and an environmental disaster.

The IFC continues to finance asbestos using projects thanks to a large and dangerous loophole in its exclusion list with no scientific basis.

- ▶ The IFC's exclusion list, published in 2007, states that the IFC will not finance "Production or trade in unbonded asbestos fibres. This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%."⁶ This, in practice, means all asbestos-containing construction materials are allowed.
- ▶ The World Bank has no comparable exclusion list at all. However, the Bank's Environmental and Social Framework requires borrowers to "avoid the manufacture, trade and use of chemicals and hazardous materials subject to international bans, restrictions or phaseouts" and "minimise and control the release and use of hazardous materials." As the Bank moves toward harmonisation of public and private sector standards, it is vital that it moves forward and not backward.
- ▶ The IFC's loophole for bonded asbestos cement sheeting is the result of industry lobbying and has no scientific basis or connection to human health. Once again, the WHO is unequivocal on this question:

"Bearing in mind that there is no evidence for a threshold for the carcinogenic effect of asbestos, including chrysotile, and that increased cancer risks have been observed in populations exposed to very low levels, the most efficient way to eliminate asbestos-related diseases is to stop using all types of asbestos. Continued use of asbestos cement in the construction industry is a particular concern, because the workforce is large, it is difficult to control exposure, and in-place materials have the potential to deteriorate and pose a risk to those carrying out alterations, maintenance and demolition."⁷

- ▶ But while this loophole persists, workers on IFC projects—as in fact any community members who will engage with the project—are at risk of exposure to deadly asbestos. This is particularly in the manufacturing, installing, removal or general disturbance of these products.

Fortunately, in recent years, other multilateral development banks have made significant progress towards banning asbestos. The IFC must catch up with them.

- ▶ In 2024, the **Asian Development Bank (ADB)** approved a new Environmental and Social Framework that completely prohibits the "production, trade, or use of asbestos fibers;"⁸
- ▶ The **European Bank for Reconstruction and Development (EBRD)**'s 2024 Environmental and Social Policy similarly stated that the Bank would not "knowingly finance... the manufacture, placing on the market and use of asbestos fibres, and of articles and mixtures containing these fibres added intentionally," citing European Commission regulation on the subject.⁹
- ▶ These banks followed the **Asian Infrastructure and Investment Bank (AIIB)**, which in 2021 has stated that the Bank will "not knowingly finance projects involving... production of, trade in, or use of asbestos fibers, whether or not bonded."

6 <https://www.ifc.org/en/what-we-do/sector-expertise/sustainability/ifc-exclusion-list-2007>

7 <https://iris.who.int/server/api/core/bitstreams/bcc51ead-e2f2-466a-969b-31af2970b7d9/content>

8 <https://www.adb.org/documents/environmental-social-framework>

9 EBRD Environmental and Social Exclusion List <https://www.ebrd.com/home/news-and-events/publications/institutional-documents/environmental-and-social-policy-2024.html>

The urgency is only increasing as the threat from conflicts and from natural disasters grows due to climate risk, and multilateral development banks strengthen their commitments to disaster aid.

- ▶ In some regions, asbestos use is endemic: for example, it is estimated that 50% of earthquake-prone Jakarta's houses are roofed with asbestos, which becomes more deadly during a seismic event.¹⁰ Floods and storms will also damage or loosen the deadly substance.
- ▶ Indonesia's National Development Agency has introduced a requirement to build emergency post-disaster housing without asbestos, and countries such as Malaysia and Cambodia have announced moves to transition fully out of asbestos use. It is crucial that multilateral development banks don't undermine this progress.
- ▶ In Türkiye the World Bank Group stepped in in new ways to help rebuild the country after its disastrous earthquake. If this is a blueprint for future aid efforts, it is crucial that the IFC and the World Bank adopt the same rigorous asbestos ban that we are seeing in peer institutions, so their aid efforts don't increase cancer risks.

Conclusion: The Time to Act

- ▶ As the world has grappled with the devastating health effects of asbestos, countries and institutions have made remarkable progress toward eradicating this dangerous substance and saving lives. However, there is still much more to be done, and multilateral development banks play a crucial role at this stage. As long as institutions like the IFC continue to finance asbestos projects, people will still be exposed to their harmful effects. Asbestos in-situ will mean at least one and possibly two working generations will face an increased and avoidable public health catastrophe.
- ▶ In recent years, key multilateral development banks, including the AIIB, the ADB, and the EBRD, have finally taken action and eliminated the harmful loopholes that allowed the asbestos industry to flourish. These loopholes are not grounded in science: there is no evidence of a threshold below which exposure to asbestos is safe, and the WHO is unequivocal that eradication is the only way to eliminate asbestos-related diseases.

The IFC has undertaken a long-awaited review of its Sustainability Framework, and it is crucial that it take this opportunity to catch up with its peers and prohibit all investments in asbestos, removing its exemption for bonded asbestos materials.

¹⁰ <https://apheda.org.au/asbestos-disaster-rocks-indonesia/>