

Nepal: Pathivara cable car case

IFC advisory project threatens Indigenous rights

What and where

The Pathivara cable car project is under construction in the far east of Nepal, high in the Himalayas. The area is sacred to the Indigenous Limbu (Yakthung) peoples and nation, who revere the forests, nature, and the mountain known as Mukkumlung. The project, aiming to serve pilgrims to the Pathivara temple, has caused environmental destruction and proceeded without the consent of the Limbu people. The authorities have responded to their resistance with violent repression that has made headlines around the world.

In August 2025, Indigenous peoples' organisations, supported by their legal counsel LAHURNIP and advisers AIPNEE and Recourse,¹ filed a complaint to the Compliance Advisor Ombudsman (CAO), the accountability mechanism of the International Finance Corporation (IFC) that had given advisory support to the project. LAHURNIP has been providing legal support in the Supreme Court and other quasi-judicial bodies. This case is important for many reasons: first and foremost as an opportunity for the communities, who have suffered harm, to get justice and stop the ongoing violence and repression. There are also lessons for the IFC to inform the current review of its Sustainability Framework, how it applies its standards in advisory projects, and how the institution and its clients engage with Indigenous peoples in project areas.



Who, when and how

In 2022, the IFC began a two-year, \$156,746 advisory project² to IME Cable Car, a subsidiary of IME Group, one of Nepal's largest conglomerates, to develop four cable car projects, including the Pathivara cable car. The IFC helped IME with technical analysis and tendering, assessing commercial feasibility, conducting Environmental Impact Assessment gap analysis, advising on remedial measures, and evaluating legal and regulatory frameworks. The project aimed to contribute to the financial feasibility of the proposed cable cars and attract foreign investment.

- ¹ IP organisations include Indigenous Peoples Organisation of Limbu (Yakthung) nation, Kirat religious organisation, Mukkumlung Conservation Joint Struggle Committee; LAHURNIP is Lawyers' Association for Human Rights of Nepalese Indigenous Peoples; and AIPNEE, Asia Indigenous Peoples Network on Extractive Industries and Energy.
- ² <https://disclosures.ifc.org/project-detail/AS/607394/nepal-cable-car>



Media headlines covering the Pathivara cable car case in Nepal.

Why have communities filed a complaint to the CAO?

The complainants have made many attempts to challenge the project in Nepal, including ongoing cases at the Supreme Court which have faced significant delays. In early 2025, on discovering that the IFC was involved, they sought to engage the IFC's Stakeholder Engagement and Grievance Response (SEGR) team, but it was too late – the IFC had already exited the project *without disclosing this publicly*. The IFC only disclosed its involvement two years after it invested and just weeks before it exited the project. The complainants then turned to the CAO, alleging that the IFC had breached several of its own Performance Standards. As of April 2026, the case is in Compliance Appraisal, having been transferred from Assessment after IFC's client IME had refused any engagement with the CAO.

How the Pathivara case breached the IFC's social and environmental safeguards

The CAO case³ regarding the IFC's support to IME Cable Car in building the Pathivara project details many breaches of the IFC's Performance Standards (PS).⁴ Some of the main ones are summarised here, but for more detail please visit our website.⁵

PS1: Assessment and management of environmental and social risks and impacts

- In such a high-risk project involving Indigenous peoples, PS1 requires consultation to be **“free of external manipulation, interference, coercion, or intimidation”**. However, Limbu communities have suffered threats and reprisals, including shootings, and the constant presence of armed police to enforce their compliance.

“**The presence of the Armed Police Force and Nepal Police at the project site, who have used live fire against peaceful protesters, constitutes severe repression and intimidation to force the implementation of a project unwanted by the local Indigenous community.**”

- From the complaint to the CAO

- PS1 also states that **“clients must comply with applicable national law, including those laws implementing host country obligations under international law.”** The complaint details several national laws that the project has breached, including that no Environmental Impact Assessment (mandatory in the Environmental Protection Laws and Regulations) was carried out, and that the communities' Right to Information under Article 27 of the Constitution was not fulfilled. Importantly, Nepal is a signatory to the Indigenous and Tribal Peoples Convention of the International Labour Organization Convention No. 169 and the complainants regard the project as a threat to the very existence of the Limbu peoples.

PS6: Biodiversity conservation and sustainable management of living natural resources

- PS6 states that **“Clients should avoid impacts on biodiversity and ecosystem services, and when impacts are unavoidable, they should implement measures to minimise impacts and restore biodiversity and ecosystem services.”** The cable car project has felled more than 10,000 trees⁶ in a forest that is habitat to vulnerable and endangered species such as snow leopards and red pandas.⁷ It also encroaches on the Kanchenjunga Conservation Area.

3 <https://www.cao-ombudsman.org/case/nepal-cable-car-01>

4 All quotations are from the relevant Performance Standard (2012), available at: <https://www.ifc.org/en/insights-reports/2012/ifc-performance-standards>.

5 <https://re-course.org/newsupdates/cao-complaint-pathivara-cable-car/>; <https://aipnee.org/campaigns/indigenous-peoples-in-nepal-file-complaint-over-ifc-advice-to-devastating-pathivara-cable-car-project/>

6 <https://news.mongabay.com/2024/07/in-nepal-a-cable-car-in-a-sacred-forest-sparks-swift-and-controversial-direct-action/>

- **Rare herbs and plants listed under CITES⁸** have also been destroyed. The community has been protecting these natural flora, fauna, and heritage for many generations in accordance with the norms and values of their *Mundhum*⁹ belief system and way of life.

PS7: Indigenous peoples

- Crucially, PS7 ***“requires Free, Prior, Informed Consent of Indigenous communities.”***

The Limbu (Yakthung) are an Indigenous peoples/nation, who live mainly in the eastern Himalayan region of Nepal. They have a distinct language, culture and social structures. Mukkumlung – the mountain on which the project is being built – is vitally important to Limbu Mundhum religion and culture. The Limbu communities were not consulted in any form whatsoever, and there was no full disclosure before the project began. Their Right to Information application was not responded to and their concerns about potential environmental, cultural and social impacts were ignored by the project developer. The Initial Environmental Examination (IEE) for the project does not even mention Mukkumlung Mundhumi identity.



Snow leopard. Photo by Bernard Landgraf 2005 via Wikimedia Commons.

“The IFC’s own Performance Standards say that Indigenous Peoples have the right to give their Free Prior and Informed Consent to projects on their lands. But no one ever asked us whether we want this cable car project. The project is destroying our forests, mountain and nature sacred to us. It disrespects our cultural heritage and our religion.”

- Saru Singak, Mukkumlung Conservation Joint Struggle Committee

- The consultation process should also ***“involve Indigenous Peoples’ representative bodies and organizations”***. The Limbu people, as custodians, were not appropriately consulted about the project. Limbu people’s customary institutions submitted written concerns and memoranda to both the federal and provincial governments, including the Prime Minister and Chief Minister, objecting to the commercialisation of the sacred site. In 2021, 149 petitioners, including representative organisations and leaders, submitted a writ to the Supreme Court opposing the project.¹⁰ The project developers ignored this clear opposition.
- PS7 aims to ***“ensure that the development process fosters full respect for the human rights... of Indigenous Peoples.”*** The cable car project repeatedly violated the human rights of the Indigenous Limbu people, which breaches PS7. In February 2025, lawyers for the Limbu community filed an urgent communication to the United Nations Special Rapporteur on Torture, detailing many human rights abuses including beatings and shootings.¹¹

⁸ Convention on International Trade in Endangered Species of Wild Fauna and Flora

⁹ For more information on Mundhum, see: <https://aippnet.org/life-practices-entangled-mukkumlung-yakthung-connection-nature-sacred-beliefs/>

¹⁰ Writ no. 077-WO-0753, registered 15 February 2021.

PS8: Cultural heritage

- The importance of the mountain ecosystem to Limbu culture and religion counts as “critical cultural heritage” under the IFC’s definition.¹² This demands extra due diligence and risk avoidance from the project developers: **“The client should not remove, significantly alter, or damage critical cultural heritage.”** However, no Free, Prior and Informed Consent was sought by project developers. Their consultation with communities did not meet the standards required. The IEE does not even refer to the Limbu people, still less their cultural heritage, since no consultation was carried out with any *Mundhumi* spiritual knowledge holders.¹³



Indigenous communities protest in Nepal over issues surrounding the Mukkumlung area. Photo: Mukkumlung Protection and Struggle Committee, via Mongabay.

What the complainants want

1. Proceed to full compliance investigation in the CAO case – so that the IFC’s role in advising its client can be explored, harms remedied and lessons learned.
2. Use lessons learned from this case to inform the review of IFC’s Sustainability Framework, how it can better apply the Performance Standards in advisory projects, and how the institution and its clients engage with Indigenous peoples in project areas.
3. Cease project construction until the CAO case is complete and grievances resolved.
4. Stop the ongoing criminalisation and violence against community leaders unconditionally.
5. Withdraw the security forces and armed police from the project site.
6. Stop encroachment on the Mukkumlung sacred site by project developers and ensure that the community can profess its cultural, spiritual and religious practices.
7. Disclose all documents relating to the IFC’S relationship with IME Group from this and other investments. Although the IFC has exited this project, it has an ongoing relationship and leverage with IME Group through another \$250,000 advisory project.¹⁴

11 These include: 8 November 2024: 70 Armed Police Force (APF) members plus 45 civil police occupied a local citizen’s house; two Mukkumlung protestors were cut and severely injured by sharp weapons; and 25 January 2025: the APF beat and opened fire on members of a peaceful rally, when they were gathered to eat food in the evening. Three people were severely injured and 50 suffered minor injuries.

12 “Critical cultural heritage consists of one or both of the following types of cultural heritage: (i) the internationally recognized heritage of communities who use, or have used within living memory the cultural heritage for long-standing cultural purposes;” IFC Performance Standard 8, para 13.

13 Such as Tumyahang, Fedangma, Yeba, Yema, Samba of Limbu.

14 See: <https://disclosures.ifc.org/project-detail/AS/608686/global-ime-bank-advisory->