Tools for Environmental and Human Rights Defenders in Asia:
Demystifying Development Banks

September 25, 2017
PROGRAM

I. The connection between development finance and defenders
- Sukhgerel Dugersuren, Oyu Tolgoi Watch

II. How development banks work and how to access information
- Tom Weerachat, International Accountability Project

III. Policies and complaint mechanisms
- Rayyan Hassan, NGO Forum on ADB

IV. Advocacy strategies and campaigns
THE CONNECTION BETWEEN DEVELOPMENT BANKS AND DEFENDERS

Oyu Tolgoi Watch, Mongolia
CHRD Webinar, September 26, 2017
WHAT IS THE CONNECTION BETWEEN MDBs AND HRDs?

• MULTILATERAL DEVELOPMENT BANKS – World Bank Group (IFC, MIGA, IDA, Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD) finance development projects: roads, hydro-dams, airports, ag-food production, plantations, mining and such large projects.

• MDBs finance banks national banks through on-lending programs

• MDBs finance government through technical assistance programs – policy and legal reform, economic restructuring, health & education, etc.
HUMAN RIGHTS DEFENDERS – WHAT DO THEY DO?

• DEFINITION: people who, individually or with others, act to promote or protect human rights THROUGH PEACEFUL MEANS.

• HRDs – are local community members fighting to protect community land and access to traditional resources: right to home, right to land, right to clean and safe living environment, etc.

• Many in rural Mongolia who fight against being resettled do not know that they are HRDs and that are there protections available when their rights are violated
How does a MDBs “development project” affect you

• Take away your land
• Put a road thru pasture
• Reduce access to water, forest or land
• Contaminate water, land, air and forest
• Physically abuse local community members
How to they violate? TYPES OF LABELS

• DEFENDERS:
  • ANTI-DEVELOPMENT PROTESTERS
  • DEVELOPMENT STOPPERS
  • RANSOM, EXTORTION SEEKERS
  • RACKETEERS
  • TRAITORS OF NATIONAL INTERESTS
  • FOREIGN FUNDED AGENTS
  • GREEDY LOT WHO WANT MORE THAN OTHERS

• COMPANIES:
  • WEALTH PRODUCERS
  • ARCHITECTS OF DEVELOPMENT
  • CREATORS
  • JOB CREATORS
TYPES OF RETALIATION

• REPUTATIONAL DAMAGE
  • ACCUSATIONS IN THEFT OF COMPANY PROPERTY
  • GREEDY DEMANDERS
  • FOREIGN FUNDED AGENTS

• JOB LOSS
  • NO JOB DESCRIPTION
  • FIRED FOR NOT PERFORMING DUTIES NOT INCLUDED IN DUTIES

• FILING COURT CLAIMS ON TRUMPED CASES
  • EBRD FINANCED IRON MINE VS 4 LOCAL PUBLIC SERVANTS

• LOCAL POLICE INTERROGATIONS or LACK OF INVESTIGATION – EBRD, IFC

• DEPORTATION – WBG project

25/09/2017 Oyu Tolgoi Watch
TYPES OF ATTACKS

• PHYSICAL ATTACKS:
  • Complainant leader stabbed by a drunk
  • Search of private vehicles by company security or local police
  • Company security seizing activists’ and journalists’ phones, cameras

• MASS MEDIA & SOCIAL MEDIA ATTACKS

2013 – Munkhbayar case – PM started a mass media attack on EHRDs
PAID media attacks on any criticism of “development projects” –
especially foreign investment projects

2016/2017 – World Bank project attacks on Rivers without Boundaries
foreign funded agents
traitor
ACCOUNTABILITY MECHANISMS

- WBG
- EBRD
- IFC CAO
- IDB
- EIB
- AfDB
- ADB
WHY SHOULD WE ADVOCATE WITH MDBs?

• NO INDEPENDENT JUDICIARY – 334 settlements 29 courts
• NO GOVERNMENT SUPPORT
• MDB, IFIs and OECD COUNTRIES’ RESPONSIBILITY
• INDEPENDENT ACCOUNTABILITY MECHANISMS

• We have 2 complaints with the IFC CAO that are considered successful
• One complaint with the WBIP – also considered successful
• OECD NCP and EBRD PCM 2 complaints each – not successful
THANK YOU FOR YOUR ATTENTION.
otwatch@gmail.com
Development Finance in Asia and how to access information

Tom Weerachat
Asia-Pacific Program Coordinator
Why development finance?
What is development finance?

National and international financial institutions that provide finance to governments and the private sector for investments that promote development.
development
finance
institutions

Loans, grants, guarantees, technical assistance

governments & private sector (companies)

Projects, Programs, Policies

The ADB lends money and technical assistance to the national government.

The national government contracts a project developer (a company, a government agency, or both).

The project developer builds the project and reports back to the ADB.
World Bank

Asian Development Bank (ADB)

International Finance Corporation (IFC) & Multi-lateral Investment Guarantee Agency (MIGA)

Asian Infrastructure Investment Bank (AIIB)

Japan International Cooperation Agency (JICA) & Japan Bank for International Cooperation (JBIC)
What do they have in common?

• Public money funding
  - National - receive public money from the state
  - International – receive public money from its member countries
• Government representatives make decisions
• Often a public interest mission ("poverty reduction")
• Environmental and social standards (safeguards) apply to their investments
• Independent accountability mechanisms
Independent Accountability Mechanisms

- World Bank: Inspection Panel
- IFC/MIGA: Compliance Advisor Ombudsman (CAO)
- ADB: Accountability Mechanism
- JBIC/JICA: Examiners for Environmental Guidelines (EEG)
- EIB: Complaints Mechanism
- AIIB: Complaints Handling Mechanism
Take your project and go!

What do you mean the ADB has withdrawn its support of the project?

Now all the other banks will probably want their money back....
Access to Information

Summary of Investment Information

<table>
<thead>
<tr>
<th>Project Number</th>
<th>36839017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>Myanmar</td>
</tr>
<tr>
<td>Environmental Category</td>
<td>A</td>
</tr>
<tr>
<td>Department</td>
<td>Cement</td>
</tr>
</tbody>
</table>

Project Description

Shwe Taung Cement Company Limited (“STC” or the “Company”) is part of the Shwe Taung Group (“STG”) or the Group of Myanmar. The Group has presence across diverse businesses including real estate, construction, retail and financial services.

STG decided to enter the cement business in 2016 by setting up STC, to meet the rapidly growing demand of cement and concrete in Myanmar. STC is an integrated cement manufacturer with current clinker manufacturing capacity of 5,000 tons per day (“TPD”) and current cement grinding capacity of 2,000 TPD. The company distributes its cement all over Myanmar under the brand name “Apache Portland Cement” (Apache-PC) through its wholly owned subsidiary, Shwe Taung Mining (STM). STC has mining concessions providing captive sources for limestone and coal.

High Tech Concrete Company Limited (“HTC”), a subsidiary of STC, is one of the leading manufacturers of Ready Mix Concrete (“RMC”) in Myanmar. HTC has been in business for more than two decades and has a network of batching plants across the country.

The project envisages brownfield expansion of STC’s cement plant at Kyi Nyang Village, Thazi through expansion of clinker capacity to 3,500 tpd and cement grinding capacity to 7,200 tpd. The project will also involve construction of a Waste Heat Recovery System (WHRS) and improvements in emission control systems.

[Links to various websites for access to information]

http://projects.worldbank.org/

http://disclosures.ifc.org

INTERNATIONAL ACCOUNTABILITY PROJECT

https://www.adb.org/projects
BARRIERS

Technical Language

Not in local languages

Disclosure timeline

Documents not disclosed

Accessible in local community?
Request for Information

Mongolia: Strengthening Information and Communication Technology Systems for Efficient and Transparent Tax Administration

The proposed knowledge and support technical assistance (KSTA) will support the Government of Mongolia to reform business processes of the tax administration and develop a high quality system and applications design for Tax Administration Information Systems (TAIS).

LATEST PROJECT DOCUMENTS

<table>
<thead>
<tr>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
</table>

Project Details

Project Officer
Lee, Seung Min
East Asia Department

Country
Mongolia

Sector
Public sector management

Personal Details

First name *
Last name *
Affiliation *
Name of organization
Country of residence *
E-mail address *
Confirm your e-mail address *

Fields marked with * are required.
### Project List

<table>
<thead>
<tr>
<th>Country</th>
<th>Project Name</th>
<th>Project Number</th>
<th>Sector</th>
<th>Financing (mill USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>Credit Access Asia</td>
<td>ADB-50239-001</td>
<td>Finance</td>
<td>64 mill USD</td>
</tr>
<tr>
<td>Vietnam</td>
<td>Policy Coordination and Planning of Border Economic Zones of th...</td>
<td>ADB-40400-001</td>
<td>Industry and Trade</td>
<td>2 mill USD</td>
</tr>
<tr>
<td>Singapore</td>
<td>ISG Jungle SeedPlus</td>
<td>IFC-39044</td>
<td>Finance</td>
<td>2 mill USD</td>
</tr>
<tr>
<td>Thailand</td>
<td>United Asia Loan Funding</td>
<td>IFC-35792</td>
<td>Finance</td>
<td>80 mill USD</td>
</tr>
<tr>
<td>Thailand</td>
<td>Distributed Commercial Solar Power Project</td>
<td>ADB-49366-001</td>
<td>Energy</td>
<td>47 mill USD</td>
</tr>
<tr>
<td>Thailand</td>
<td>Thailand: Strengthening Integrated Water Resources Proj...</td>
<td>ADB-50023-001</td>
<td>Water and Sanitation</td>
<td>1 mill USD</td>
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<tr>
<td>Thailand</td>
<td>TMB RSF 2</td>
<td>IFC-39040</td>
<td>Finance</td>
<td>150 mill USD</td>
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<tr>
<td>Thailand</td>
<td>TMB SF</td>
<td>IFC-38574</td>
<td>Finance</td>
<td>34 mill USD</td>
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<tr>
<td>Vietnam</td>
<td>Bao Ga JSC</td>
<td>IFC-38011</td>
<td>Agriculture and Forestry</td>
<td>4 mill USD</td>
</tr>
<tr>
<td>Vietnam</td>
<td>Enhancing Readiness for Solar Power Deployment in Viet Nam</td>
<td>ADB-51002-002</td>
<td>Energy</td>
<td>0 mill USD</td>
</tr>
</tbody>
</table>

### Financing by Sector (mill USD)

- **Transport**: 12,142
- **Energy**: 8,877
- **Finance**: 5,011
- **Education and Health**: 3,779
- **Water and Sanitation**: 2,910
- **Agriculture and Forestry**: 2,822
- **Infrastructure**: 2,155
- **Industry and Trade**: 1,624
- **Law & Technical Cooperation**: 841
- **Communications**: 258
- **Hydropower**: 253
- **Climate**: 190

### Projects by Risk Category

- **U**
- **A**
- **B**
- **F**
- **C**
Prioritizes and drafts analysis in collaboration with partners. **Analysis** published on website. **Alert** subscriptions. Individual **outreach**.

Community **outreach meetings**. **Workshops** on development finance, strategy, accountability mechanisms.
Ways to Collaborate:

- Disseminate information about proposed projects to local civil society and communities
- Contribute your expertise to understand proposed projects
- Support community-led research and mobilization of data
- Coordinate outreach and advocacy with local communities
- Share community-led tactics with other communities

Work with the Early Warning System!

- Visit our website: www.rightsindevelopment.org/ews
- Sign up to receive alerts for new projects
A Critical Look at ADB and its policies to mitigate Environmental and Social impacts

By
Rayyan Hassan, Executive Director
NGO Forum on ADB
ADB's Socio-Environmental Impact Policy History

- ADB Project Disasters:
  - Marcopper Mining Disaster 1994: Mercury Poisoning, Displacement Livelihood Loss
  - KJDRP Bangladesh 1996-1998: 40,000 Households displaced, Massive waterlogging of arable lands
  - Cambodia Highway 1 project 2000’s: Displacement, Livelihood loss.
- (www.forum-adb.org): Visual testimony of 50 years of ADB Disasters
ADB Safeguard Policy Statement 2010

ADB SPS 2010:

- Involuntary Resettlement
- Environment
- Indigenous Peoples

Policy Does NOT include Issues:

- Labor
- Gender
- PWDs
- Human Rights
- Fragile and Conflict Areas
**Objective:** To protect the people and environment from the potential harm of an ADB project. Governments or private companies must adhere to these policies throughout the project preparation, implementation and monitoring.

**ADB Operations Structure on ADB SPS 2010 Delivery**

- **ADB HQ:** SDCC Custodian of ADB SPS 2010
- **ADB Regional Departments:** SERD, SARD, CARD etc.
- **ADB Resident Missions in Borrowing Governments**
Project Categorization

- Cat A, Cat B, Cat C, Cat FI (Financial Intermediary)

EIA: Cat A, IRP, IPP

IEE: Cat B, IRP, IPP

Cat FI: Subproject Cat A, ADB SPS 2010 FI’s will deliver and conduct self reporting to be submitted to ADB
ADB SPS 2010 Delivery

(ADB IED Report 2015)

ADBs delivery of Safeguards is not adequate

a) Safeguard Specialists have very little field site engagement

b) Over Reliance on Consultants on Safeguards Work

c) No Institutional Guideline to Deliver ADB SPS 2010 exists till date…

d) Lending to Autocratic Regimes stifles ADB SPS 2010 Delivery

e) FIs have poor record on delivering Safeguards Reports
ADB's Accountability Mechanism provides a forum where people adversely affected by ADB-assisted projects can voice and seek solutions to their problems and report alleged noncompliance with ADB's operational policies and procedures. 

Source: ADB Website

OSPF: Problem Solving
Answerable to President

AM Stakeholder Engagement:

- Affected Community
- Civil Society Representatives
- Borrower: Government, Private Company
- ADB Management
- Associated Agencies, Consulting Firms
Case: Cambodia GMS RAILWAY REHABILITATION PROJECT

Accountability Mechanism Experiences

1 year in OSPF Process
Over 8 years in CRP Process
Over 3500 Families Displaced
2 Children Died in Resettlement Site
3 people recently murdered
Compensation Still being Disbursed
Coercion by Govt continues
Insurmountable Debt after Relocation

A woman desperately making ends meet in a resettlement site in Poipet province.