



MHP Poultry Facilities

Ukraine

Agriculture

EBRD, IFC, EIB

Assaults against community activists

On October 13, 2015, Petro Ivanov¹ an investigative journalist and activist in Ladyzhyn city in Ukraine's Vinnytsya region received an anonymous call from someone claiming they had information to share on local election fraud. When Ivanov went to meet the caller at the designated meeting spot, two men in their mid-twenties approached him and, without saying a word, punched him with brass knuckles.²

On November 25, 2015, Danylo Halych³, a local farmer and Chetvertynivka village leader was in his vehicle at the Ladyzhyn city market, when two men knocked on the window and told him he had a flat tire. When he got out of the car to check the tire, the men attacked him, again with brass knuckles, breaking the bones in his face.⁴

A month later, on December 21, 2015, Vasyl Tkachenko, the head of the Yasnoziryva village council in the region of Cherkasy was attacked by two unknown assailants inside the local administration building. He suffered brain trauma and severe damage to his face, and was hospitalized for nearly a month.⁵ Investigations identified two boxers as the attackers.⁶

The only known and clear common thread among these attacks is that each of the victims were prominent leaders in movements critical of the Ukrainian agribusiness company Myronivsky Hliboproduct PJSC, commonly known as MHP.

MHP is a long-term client of the European Bank for Reconstruction and Development (EBRD), the World Bank Group's International Finance Corporation (IFC), and the European Investment Bank (EIB). Between 2010 and 2017, the EBRD approved a series of loans investing a total of US\$280.75 million in the company.⁷ The IFC has invested a total of US\$321.25 million in MHP between 2003 and 2014, and in 2014 EIB invested approximately US\$116 million.⁸

In 2015 MHP was expanding its industrial poultry business in four regions in Ukraine: Dnipropetrovsk,

Vinnytsya, Cherkasy and Kyiv.⁹ Communities in those regions were concerned about the impacts of MHP poultry rearing zones and supportive infrastructure on the local environment, public health and water resources. Members of the communities, particularly in Vinnytsya and Cherkasy, felt the company was pressuring local residents, especially the elderly, to lease their lands to MHP.¹⁰ Communities could not get access to information, and MHP inadequately addressed their concerns.¹¹

Cherkasy

In April 2015, in Moshny village, Cherkasy region, residents at a public hearing voted against the construction of the poultry farm. Ignoring the decision, MHP went ahead with preparatory works for construction and was met with strong opposition from villagers.¹² When community members began organizing against the operations, the smear campaigns began. Kateryna Onopriienko, a district council member in Cherkasy region, and a community leader, was the subject of a number of leaflets distributed widely in the district attacking her character.¹³

"Chyhyryn area is a green pearl, don't let chicken magnates in."





Activism against MHP's expansion ramped up in other regions over the summer, and that December 2015 Vasyl Tkachenko, the head of the Yasnoziryia village council in Cherkasy region was brutally attacked after vocally opposing the MHP expansion¹⁴. On June 23, 2016, Nina Martynovska, a deputy of the Ratseve village council, was attacked, suffered a concussion and was hospitalized for her injuries¹⁵. The victim was well known for her opposition to MHP's expansion. The attacker was found guilty, and court rulings confirmed that the incident was related to the conflict over the poultry operations.¹⁶ Despite appeals from civil society groups, neither EBRD nor IFC publicly condemned the attacks nor reached out to the victims.

Vinnytsya

EBRD played a somewhat more proactive role in Vinnytsya region, though to limited effect. In the summer of 2015, at a public meeting in Chetvertynivka village, residents voted against the construction of the new MHP poultry operation. When MHP attempted to build, locals responded with a road blockade.¹⁷ Protesters faced violent backlash. In autumn 2016 an activist from Vinnytsya had drugs planted in his luggage and was then questioned by police who had received anonymous tips.¹⁸ Petro Ivanov, a local journalist, and Danylo Halych, the community leader and a participant in the blockade, were attacked. Eventually Chetvertynivka received a Memorandum of Understanding from the company committing not to pursue construction without community approval.¹⁹

After the attacks on Petro Ivanov and Danylo Halych, and upon receiving a number of complaints from Ukrainian civil society groups, the EBRD launched an in-country monitoring mission in Vinnytsya region in November 2015.²⁰ Although the report did not address the allegations of attacks and intimidation of activists, the EBRD and MHP agreed to an updated Environmental and Social Action plan that addressed the communities' concerns and provided them with more relevant information. On November 11, 2017, Chetvertynivka voted to approve the construction of an MHP operation.²¹

In March 2017, nearly 1500 residents of Tulchyn Rayon signed an open letter to Ukrainian President

Petro Poroshenko, raising environmental concerns and expressing their disagreement with MHP's expansion and the provision of construction permits. In response, the local government filed a libel lawsuit against the lead authors as well as the online outlet that published the letter.²² Neither IFC nor EBRD made public statements condemning the repression of free speech in Vinnytsya regions.

Thus, despite some success in Chetvertynivka, other villages cite little actual change in the company's engagement. The EBRD states that it discussed the allegations of intimidation extensively with EBRD's teams and with top management at MHP, that the company investigated the alleged incidents and "categorically denied involvement", and that an assessment by EBRD's Chief Compliance Officer supports that assertion.²³ EBRD adds that despite this finding, "we stressed the utmost importance for the Company to address the allegations in an open and transparent manner and clearly stated the rights of communities and activists to voice concerns without fear of intimidation or retaliation."²⁴ IFC reports that it looked into the reported incidents, meeting with a local NGO and soliciting information from MHP, and "was satisfied based on those responses that the company was not involved in the incidents and had no obvious motive to engage in such behavior." IFC also cites MHP's "positive record of public engagement," including the hiring of stakeholder engagement consultants and development of an engagement protocol, as well as the fact that the company is not the subject of legal actions related to the incidents.²⁵

While there have been no additional physical attacks, the smear campaigns against activists continue.²⁶

In June 2018, representatives of three communities of Vinnytsya region filed complaints with the IFC's Compliance Advisor Ombudsman and the EBRD's Project Complaint Mechanism.²⁷ The complaints raise concerns that current and planned poultry facilities threaten air, water and soil quality, as well as residents' livelihoods and homes, and that the absence of consultation violates IFC and EBRD standards. The individual complainants requested confidentiality out of fear of retaliation should their identities be disclosed.

Endnotes

- 1 Name has been changed to protect privacy.
- 2 “НЕЦУ засуджує побиття еко-активістів” [“NECU condemns beatings of environmental activists”], National Ecological Centre of Ukraine, October 15, 2015, <http://necu.org.ua/netsu-zasudzhuje-pobyttya-eko-aktyvistiv/>.
- 3 Name has been changed to protect privacy.
- 4 Arhip, “Побито активіста та учасника протестів проти будівництва пташників на Вінниччині. Перемир’я зірвано” [“The activist and participant of the protests against the construction of poultry houses in Vinnytsia region have been abandoned. The truce is torn.”], Новини Ладижина [Ladyzhyn News], November 21, 2015, http://lad.vn.ua/skandaly/pobito-aktivista-protestiv-proti-budivnictva-ptashnikiv-na-vinnichchini_-peremirya-zirvano.html.
- 5 Igor Sichov, “Невідомі серед білого дня покалічили голову села Яснозір’я” [“Unknown persons in light of day have hurt the head of Yasnoziryia village”], ДЗВІН - Твій вільний голос! [Bell – Your Free Voice!], December 21, 2015, <https://dzvin.news/nevidomi-sered-biloho-dnya-pokalichyly-holovu-sela-yasnoziryia>.
- 6 Varvara Gorova, “У Черкасах розпочався суд над кривдниками голови села Яснозір’я” [“In Cherkassy, a trial began against the abusers of the head of the village of Yasnoziryia”], ДЗВІН - Твій вільний голос! [Bell – Your Free Voice!], November 29, 2016, <https://dzvin.news/u-cherkasah-rozpochavsya-sud-nad-kryvdnykamy-holovy-sela-yasnoziryia/>; “Money is the real power – poultry oligarch puts down his enemies,” Stop Persecution – of environmental activists in Europe and Asia!, 2015, <https://stop-persecution.org/money-is-the-real-power-as-an-agricultural-oligarch-puts-down-his-enemies>.
- 7 Anton Usov, “EBRD in €25 million loan for biogas plant at Ukraine’s MHP,” European Bank for Reconstruction and Development, December 27, 2017, <http://www.ebrd.com/news/2017/ebrd-in-25-million-loan-for-biogas-plant-at-ukraines-mhp.html>; MHP, Project No. 41132, European Bank for Reconstruction and Development (EBRD), Approved: April 6, 2010, <http://www.ebrd.com/work-with-us/projects/psd/mhp.html>; MHP Corporate Support Loan, Project No. 47806, European Bank for Reconstruction and Development (EBRD), Approved: September 14, 2015, <http://www.ebrd.com/work-with-us/projects/psd/mhp-corporate-support-loan.html>; MHP Farming, Project No. 45253, European Bank for Reconstruction and Development (EBRD), Approved: September 27, 2013, <http://www.ebrd.com/work-with-us/projects/psd/mhp-farming.html>.
- 8 MHP Corporate Loan, Project No. 34041, International Finance Corporation (IFC), Approved: May 29, 2014, <https://disclosures.ifc.org/#/projectDetail/SII/34041>; MHP Ukraine, Project No. 29204, International Finance Corporation (IFC), Approved: June 7, 2010, <https://disclosures.ifc.org/#/projectDetail/SPI/29204>; MHP WCF, Project No. 32632, International Finance Corporation (IFC), Approved: December 13, 2012, <https://disclosures.ifc.org/#/projectDetail/SII/32632>; Mironovsky II, Project No. 24011, International Finance Corporation (IFC), Approved: March 24, 2005, <https://disclosures.ifc.org/#/projectDetail/SPI/24011>; Mironovsky Khleboprodukt CJSC, Project No. 21071, International Finance Corporation (IFC), Approved: October 10, 2003, <https://disclosures.ifc.org/#/projectDetail/SPI/21071>; MHP Agri-food, EUR55 million and EUR30 million, European Investment Bank, Signed: January 12, 2014, <https://www.eib.org/en/projects/loan/loan/20120184>.
- 9 Vladlena Martynkevych and Fidanka Bacheva-McGrath, “EBRD Project Brief: Beatings, framings, and industrial chicken farms: a human rights briefing on MHP projects and international public finance in Ukraine,” CEE Bankwatch Network (2017), <https://bankwatch.org/wp-content/uploads/2017/06/briefing-EBRD-MHP-humanrights-05May2017.pdf>.
- 10 Claire Provost and Matt Kennard, “Ukraine agribusiness firms in ‘quiet land grab’ with development finance,” The Guardian, July 30, 2015, <https://www.theguardian.com/global-development/2015/jul/30/ukraine-agribusiness-firms-quiet-land-grab-development-finance>.
- 11 Ibid.
- 12 “Інвестор-олігарх іде з Черкащини, - активісти Липень 3, 2015” [“Oligarch-businessmen will leave Cherkasy - activists”], Kropyva.ck.ua, July 2015, <http://kropyva.ck.ua/content/nvestor-ol-garkh-de-z-cherkashchini-aktivisti>.
- 13 Kateryna Onopriienko, “Home to roost: one community’s struggle against agribusiness in Ukraine,” CEE Bankwatch Network, <http://stories.bankwatch.org/home-to-roost>.
- 14 Igor Sichov, “Невідомі серед білого дня покалічили голову села Яснозір’я” [“Unknown persons in light of day have hurt the head of Yasnoziryia vilage”], ДЗВІН - Твій вільний голос! [Bell – Your Free Voice!], December 21, 2015, <https://dzvin.news/nevidomi-sered-biloho-dnya-pokalichyly-holovu-sela-yasnoziryia>.
- 15 “Суд визнав, що активістка була побита через її громадянську позицію щодо курників” [“The court confirmed she was beaten because of her civil position”], National Ecological Centre of Ukraine, May 4, 2017, <http://necu.org.ua/sud-vyznav-aktyvistka-pobyta-cherez-kurnyky/>.
- 16 The decision has been appealed to the High Specialised Court of Ukraine and it ruled to re-open the lower appeal court case. Vladlena Martynkevych, “Court confirms attacks on Ukrainian villagers are related to poultry business” CEE Bankwatch Network, May 12 2017, <https://bankwatch.org/blog/campaign-update-court-confirms-attacks-on-ukrainian-villagers-are-related-to-poultry-business>.

17 Victoria, “Четвертинівка збунтувалася проти будівництва другої черги пташників на своїх землях (плюс відео)” [“Quattrotinivka rebelled against the construction of the second stage of poultry houses on their lands (plus video)”], Новини Ладжижина [Ladyzhyn News], August 10, 2015, <http://lad.vn.ua/suspilstvo/chetvertinivka-zbuntuvalasya-proti-budivnictva-drugoi-cherghi-ptashnikiv-na-svoih-zemlyah.html>.

18 Vladlena Martsynkevych and Fidanka Bacheva-McGrath, “EBRD Project Brief: Beatings, framings, and industrial chicken farms: a human rights briefing on MHP projects and international public finance in Ukraine,” CEE Bankwatch Network (2017), <https://bankwatch.org/wp-content/uploads/2017/06/briefing-EBRD-MHP-humanrights-05May2017.pdf>.

19 Arhip, “Побито активіста та учасника протестів проти будівництва пташників на Вінниччині. Перемир'я зірвано” [“The activist and participant of the protests against the construction of poultry houses in Vinnytsia region have been abandoned. The truce is torn.”], Новини Ладжижина [Ladyzhyn News], November 21, 2015, http://lad.vn.ua/skandaly/pobito-aktivista-protestiv-proti-budivnictva-ptashnikiv-na-vinnichchini_-peremirya-zirvano.html.

20 May 2016 Update, “MHP Corporate Support Loan,” European Bank for Reconstruction and Development, <http://www.ebrd.com/work-with-us/projects/psd/mhp-corporate-support-loan.html>.

21 “Chetvertynivka Agrees to Further Cooperation with Vinnytska Poultry Farm,” MHP, December 12, 2017, <https://www.mhp.com.ua/en/media/news/details/chetvertynivka-agrees-to-further-cooperation-with-vinnytska-poultry-farm>.

22 The case was closed in February 2018, Тамара Харчилава [Tamara Harchilava], “Голова Тульчинської РДА передумав продовжувати судитися з активістами, що виступають проти планів МХП (ТМ Наша Ряба)” [“The chairman of the Tulchin Regional State Administration has changed his mind to continue to sue the activists opposed to the plans of the MHP (TM Nasha Ryaba)”], Екодiся [Ecoaction], February 28, 2018, <http://ecoaction.org.ua/holova-tulchynskoji-rda-peredumav.html>.

23 EBRD response to request for comment, on file with authors.

24 Ibid.

25 IFC response to request for comment, on file with authors.

26 e.g. “Активісти за викликом: чому між зруйнованими дорогами і бездумними протестами існує прямий зв'язок” [“Activists on a call: why there is a direct connection between broken roads and mindless protests”], ДЗВІН, May 9, 2018, <https://dzvin.media/news/aktivisti-zaviklikom-chomu-mizh-zruynovanimi-dorogami-i-bezdumnimi-protestami-isnuye-pryamiy-zv-yazok/>; “Обурює, що одна особа дозволяє собі колотити громадою села та району». Відкрите звернення мешканців Заозерненської сільської ради” [“It is outrageous

how one person allows herself to incite the community and the whole rayon. Open appeal of Zaozerne village council residents”], 33Новини, April 10, 2017, <http://33kanal.com/news/oburjuye-shho-odna-osoba-dozvoljaye-sobi-kolotiti.html>; “У Тубільцях МХП збудує три бригади пташників за унікальним для Європи проектом” [“In Tubiltsi MHP will construct poultry brigades according to unique EU project”], ДЗВІН, September 24, 2018, <https://dzvin.media/news/u-tubiltsyah-mhp-zbuduye-tri-brigadi-ptashnikiv-za-unikalnim-dlya-yevropi-proektom/>.

27 “Ukraine / MHP-01/Vinnytsia,” Compliance Advisor Ombudsman (CAO), http://www.cao-ombudsman.org/cases/case_detail.aspx?id=1274; 2018 Eligibility Assessment Report, Complaint: MHP Corporate Support Loan and MHP Biogas Projects 2018/09, Project Complaint Mechanism, September 2018, <https://www.ebrd.com/cs/>