



President Jim Yong Kim
 World Bank
 1818 H Street NW
 Washington, DC 20433

Re: *Civil Society Stand on Accountability in Asia*

Dear President Kim,

Civil society organizations, community groups, and social movements from Asia and the Pacific met in Bangkok, Thailand in June 2017 to share their experiences and pressing concerns with development in general and accountability in particular in the region. Through this letter, we reiterate and build on that conversation, urgently demanding development financing institutions, their shareholder governments, and their independent accountability mechanisms to uphold the highest standards in safeguarding communities and the environment.

True “development” cannot exist in the absence of respect for human rights. True development is created by and for the people, existing when communities --- those who may be

impacted by a development project -- have the democratic space to shape local, national and regional development priorities, on equal footing with the development institutions and their shareholder governments. Development can only exist where communities harmed by development projects have access to remedy.

The development model in the Asia Pacific region has fallen short of these marks for too long. In many of the countries in which development finance institutions invest, protection of the environment and respect for human rights has taken a backseat to the quest for economic growth. We have witnessed so-called “development” justify the displacement of indigenous communities from their ancestral lands and spiritual environments. In the name of “development,” people have lost their livelihoods, affecting not only the current generation but also future ones. And increasingly, those who openly criticize development projects have paid a hefty price: the mark of being labeled “anti-development” has been accompanied by harassment, spurious legal actions, physical attacks, and even death.

We believe that development finance institutions, their shareholder governments and their independent accountability mechanisms can and must play a critical role in safeguarding accountability, human rights, and transparency in the region. In so doing, they promote true models of sustainable development.

We, the undersigned civil society organizations, community groups, and social movements, call upon the **all development finance and multi-lateral banks investing in Asia (hereafter, collectively, “development finance institutions” or “banks”), including but not limited to the Asian Development Bank, Asian Infrastructure Investment Bank, World Bank, International Finance Corporation, Multilateral Investment Guarantee Agency, European Investment Bank, European Bank for Reconstruction and Development, Dutch Development Bank, and all other banks; their government stakeholders; and their independent accountability mechanisms** to do everything within their power and authority to:

- **Safeguard the democratic space for human rights and environmental defenders and complainants.** Development finance institutions and their independent accountability mechanisms can play a role in creating the space for meaningful public consultation with project affected communities. Within Asia Pacific, those who voice dissent to development projects have come under increasing harassment and intimidation, physical harm, and prosecution. Similarly, civil society groups, including those who support affected communities in voicing concerns about projects, face increasing restrictions on their ability to operate.

Additionally, community members and civil society groups who file complaints to independent accountability mechanisms face backlash. Upholding the confidentiality of complaints, while a critical measure to protect the safety of those who complain, is not in and of itself sufficient to address the commensurate risks faced by complainants. Now is the time for development finance institutions, their stakeholder governments, and independent accountability mechanisms to take a stand to protect human rights defenders and to implement additional measures, including adopting guidelines on how to identify, prevent and respond to threats against individuals or civil society organizations who defend human and environmental rights in connection with development financing.

- **Ensure that adequate information about project financing, including co-financed projects, is disclosed in a systematic and timely manner and in the languages of project-affected communities.** New banks, diverse lending instruments, financial intermediary lending, and increased co-financing in the region have made it more difficult for civil society and communities to track which development financiers are financing a project, what standards apply, and what protections they are entitled to.
 - Development institutions should publicly disclose: the financing of all projects and programs; the standards that apply; information on the accountability mechanisms; and all environmental and social documents, including environmental and social impact assessments, stakeholder engagement plans, and resettlement plans.
 - Civil society remains concerned about the use of financial intermediary lending for projects. For projects involving financial intermediary lending, such as private equity funds or commercial banks, it is nearly impossible for local groups to obtain information about sub-projects. Development finance institutions and their clients should routinely disclose financial intermediary sub-project information.
 - Similarly, we are concerned about the use of country systems in place of a development finance institution's own safeguard policies and what implications these systems may have both on the standards and entitlements applicable to projects, as well as accountability for projects using these systems. Project-affected communities should be able to bring a complaint to the independent accountability mechanisms where the development financier uses the borrower government's domestic laws.

- **Increase communities' access to the independent accountability mechanisms.** Although many development finance institutions in the region commit to transparency

and accountability *on paper*, many project-affected communities are still unaware of one of the most crucial pieces of information -- the existence of and procedures for accessing the independent accountability mechanisms.

- Development finance institutions should require their borrowers and clients to make public the existence of the accountability mechanisms throughout the project cycle (from pre-approval to post-closure of a project). In addition, the filing requirements for a complaint should not be burdensome as to limit access to the mechanisms.
- **Provide adequate remedy to individuals and communities impacted by development financing.** The independent accountability mechanisms are indispensable to achieving positive development outcomes. Robust, well-resourced, and independent mechanisms can contribute to better designed projects for people and the environment, and to an environment of institutional accountability and learning.
 - People who are harmed by a development finance project should be able to hold the institution to account when it fails to ensure the implementation of its environmental and social safeguard policies. In response to a finding of non-compliance by an independent accountability mechanism, development finance institutions should develop and implement effective management action plans that correct project shortcomings. These management action plans should be developed in close consultation with complainants.
 - The independent accountability mechanisms should have the power and resources to successfully fulfill their mandates of “accountability.” Independent accountability mechanisms should have adequate resources to handle caseloads and conduct outreach with affected communities. In addition, the mechanisms should have the power to suspend funding in cases of imminent harm.

Kind regards,

NGO Forum on ADB (a network of 250 organizations across Asia Pacific)

Asia Indigenous Peoples Pact (AIPP)

Highlanders Association Organization

Karen Environmental and Social Action Network (KESAN)

Karen Human Rights Group

IFI Watch Myanmar

Children and Women Development Center in Cambodia

Equitable Cambodia

Jal Sarokar Manch

Community Organizers Multiversity (CO Multiversity)

Institute for Policy Research and Advocacy (ELSAM)

Legal Rights and Natural Resources Center (LRC/FoE Philippines)

Centre for Social Research and Development (CSR/D)

Kachin Women's Association Thailand

Mekong Watch

3S Rivers Protection Network (3SPN)

International Rivers

International Accountability Project (IAP)

Accountability Counsel

Business & Human Rights Resource Centre

Center for International Environmental Law (CIEL)

EarthRights International (ERI)

BothEnds

Bank Information Center (BIC)