

FOLLOWING THE MONEY TO JUSTICE

ANNUAL REPORT 2019



Inclusive
Development
International



CONTENTS

A MESSAGE FROM THE FOUNDERS	02
OUR HIGHLIGHTS FROM 2019	04
OUR STORY	06
HOW WE WORK	
Following the money to justice	08
Cases and campaigns	14
Tools and training	18
Policy and advocacy	20
FEATURE CASE	24
OUR TEAM	26
OUR FINANCES	27
OUR SUPPORTERS	29

24



PAGE 24:
FEATURE
CASE





INCLUSIVE DEVELOPMENT INTERNATIONAL SUPPORTS COMMUNITIES AROUND THE WORLD TO DEFEND THEIR RIGHTS AND RESOURCES IN THE FACE OF HARMFUL INVESTMENT PROJECTS AND FIGHTS FOR A MORE JUST AND EQUITABLE GLOBAL ECONOMY.

By following the money behind projects that impoverish people and destroy the environment, we help communities take back control of their land, lives and futures.

Together we can create a world in ecological balance, where local communities and individuals determine their own development paths and businesses respect and adhere to their human rights responsibilities.

LET'S BEND THE ARC OF HISTORY BACK TOWARD JUSTICE AND ECOLOGICAL BALANCE

A MESSAGE FROM THE FOUNDERS

One thing we know from the last decade is that when a new one starts, you never can predict how it will end.

With the progressive political winds that were blowing at the beginning of this decade, the two of us would never have imagined that it would end with the assaults on democracy, the environment and on truth itself that we are witnessing today.

But we also wouldn't have predicted that we would have started an international human rights organization that would grow from the two of us working in our basement to a team of 20 smart, passionate staff working across offices in the United States, Asia and Africa who have helped more than 100 communities take on some of the world's largest corporate wrongdoers to defend their rights and environment.

By following the money behind projects that destroy fragile ecosystems and drive people off their land and into poverty, Inclusive Development International is helping affected communities develop winning advocacy strategies.

WE ARE INCREASING THE COST OF CORPORATE MISCONDUCT AND INCENTIVIZING A BUSINESS MODEL THAT RESPECTS PEOPLE AND THE PLANET.



From redress for displaced communities to stronger climate change policies in the financial sector, this past year we've seen some incredible impacts from our collective work with partners, which have renewed our optimism that another world is possible.

A number of those wins are highlighted in this annual report.

We have no idea what surprises the 2020s will bring, but it is our firm belief that if all of us who value human dignity, equality and the protection of our planet join together and do our part, we can bend the arc of history back toward justice and ecological balance.

Inclusive Development International is committed to doing everything we can to help build this movement over the next ten years.

Thank you so much for being part of this journey.

Natalie Bugalski and David Pred



100



OUR ADVOCATES
HELPED MORE THAN
100 COMMUNITIES
TAKE ON SOME
OF THE WORLD'S
LARGEST CORPORATE
WRONGDOERS
TO DEFEND
THEIR RIGHTS
AND ENVIRONMENT.

RESEARCH, ADVOCACY, PARTNERSHIPS AND IMPACT

OUR HIGHLIGHTS FROM 2019

01

Our mapping and analysis of the investment chains behind 20 harmful projects in Burkina Faso, Guinea, Haiti, Indonesia, Kenya, Laos, Liberia, Myanmar, Uganda and Vietnam uncovered over 70 pressure points ripe for strategic advocacy. We equipped communities and their NGO supporters with this vital information and supported communities to implement their advocacy strategies in 11 cases.

02

We accompanied community representatives in Guinea through more than 200 hours of intensive mediations with South Africa's mining giant Anglo Gold Ashanti, which had forcibly displaced more than 300 families to make way for an open-pit gold mine. With our support, the community reached agreements with the company on access to water, schooling, compensation and livelihood improvement, as well as reforms to the company's human rights policy and practice.

03

A joint venture of mining giants Alcoa and Rio Tinto - operating one of the world's largest bauxite mines in Guinea - agreed to mediations with thirteen rural communities after we helped them file a complaint with the International Finance Corporation's Compliance Advisor Ombudsman, demanding restitution for 40 years of land-grabbing and environmental destruction.

04

Our sustained advocacy led the Australian bank ANZ to enter settlement negotiations with representatives of more than 1000 families who were violently evicted from their land for a sugar plantation financed by the bank. A mediation, facilitated by the Australian National Contact Point, is scheduled for February 2020, and if successful will be the first time globally that a bank has agreed to compensate harms caused by a client.

05

Our engagement with the Organization for Economic Cooperation and Development helped to influence new guidance on responsible business conduct for the banking sector. The guidance strengthens the human rights responsibilities of banks in corporate lending and makes particularly important clarifications on what role a bank should play in remediating harms.

06

We filed a complaint with the Organization for Economic Cooperation's UK National Contact Point against a London-based multi-stakeholder initiative, Bonsucro, for failing to hold its member, a Thai sugar company, accountable for land grabbing and forced evictions in Cambodia. The acceptance of this complaint by the UK government helps to solidify the norm that self-proclaimed industry sustainability bodies are bound by international human rights standards.



200



**OVER 200 HOURS OF INTENSIVE
MEDIATIONS SECURED AGREEMENTS
WITH SOUTH AFRICA'S MINING
GIANT ANGLO GOLD ASHANTI**

07

We continued our support for 12 indigenous communities in Northeastern Cambodia seeking redress for land seized for industrial rubber plantations, succeeding in compelling the Vietnamese agribusiness giant HAGL back to the negotiating table after identifying new links to the International Finance Corporation and lodging a second complaint to its Ombudsman. A new dialogue process is scheduled to begin in January 2020.

08

We published a new edition of our advocate's handbook, *Safeguarding People and the Environment in Chinese Investments*, with new commentary and practical guides to the policies and standards of the Belt and Road Initiative guidelines for Chinese outbound investment.

09

One year after the tragic collapse of an auxiliary dam of the Xe Pian-Xe Namnoy Hydropower Project in Laos, we worked with International Rivers to bring international attention to the plight of the survivors and demand accountability from those responsible for the disaster. Our report, *Reckless Endangerment: Assessing Responsibility for the Xe Pian-Xe Namnoy Dam Collapse*, exposed the developers, financiers, insurers and state institutions behind the project and examined their human rights responsibilities. Our campaign website mobilized members of the public from around the world to communicate directly with the entities responsible for the disaster and call on them to take immediate action to provide redress for thousands of people made homeless by the disaster. The insurers have since paid the Laos government \$50 million in liability insurance for the victims.

10

We conducted various training workshops in Jakarta, Kinshasa, Bangkok, Phnom Penh, Abidjan and rural Guinea to build the power and capacity of communities and human rights defenders around the world.

Workshops covered a range of topics, from financial research, advocacy and negotiation skills to participatory land mapping and seminars on Chinese overseas investment.

11

Our campaign targeting the International Finance Corporation's indirect financing of coal projects led the World Bank Group member to adopt a new "Green Equity Strategy," which sets a new standard in the banking sector. As of July 2019, the IFC is no longer investing in banks that do not have a plan to exit coal, and its existing equity clients must reduce coal investments by 50% by 2025 and to zero by 2030. The policy was further strengthened, in response to our advocacy, by expanding the range of companies, projects and financing instruments that count towards coal exposure.

PROVIDING STRATEGIC SUPPORT TO THE FIGHT FOR JUST AND INCLUSIVE DEVELOPMENT

OUR STORY

Every year, millions of people are forcibly driven from their lands, homes and farms to make way for oil and gas pipelines, hydropower dams, high-end real estate development, large-scale plantations, and other mega-investment projects.

THESE PROJECTS ARE TOUTED AS "DEVELOPMENT," BUT IN PRACTICE, THEY TOO OFTEN PROVIDE FEW LOCAL BENEFITS AND EXACT A DEVASTATING TOLL ON THE WELL-BEING OF AFFECTED COMMUNITIES AND THEIR ENVIRONMENTS.

Yet the communities and human rights defenders who dare to resist such projects face criminalization and repression.

The global financial system is fueling this crisis with its relentless pursuit of new resources and markets. As capital becomes more interconnected, communities are excluded from the investment decisions that affect them and then face further marginalization when they are forced to shoulder the costs.

INCLUSIVE DEVELOPMENT INTERNATIONAL WAS LAUNCHED TO FIGHT BACK.

We have been deeply inspired by people who have risked their lives and liberty resisting displacement and other human rights abuses caused by unjust development, unbridled corporate greed and unchecked power.

We have witnessed the destruction of entire communities whose struggles have become our own, but we have also seen how the world's most powerful corporations can be held accountable. It takes organized communities engaged in persistent, smart and strategic advocacy.

We founded Inclusive Development International in 2012 in order to bring new resources and strategies to support those fighting on the front lines for just and inclusive development. We have 11 global board members and a team of 20 dedicated staff, consultants and interns working from three offices in Southeast Asia, West Africa and the United States.

Together with our local partners throughout Southeast Asia and Africa, we have obtained dramatic gains for tens of thousands of families:

- Stopped land grabs and forced evictions,
- Protected thousands of acres of ancient forests from being clear-cut,
- Obtained multi-million-dollar compensation packages for displaced communities.

We believe a world in ecological balance - where local communities determine their own development paths and businesses respect their human rights and environmental responsibilities - is possible. Together we can achieve it.



20



WE HAVE A GLOBAL TEAM OF 20 DEDICATED STAFF, WORKING FROM THREE OFFICES IN SOUTHEAST ASIA, WEST AFRICA AND THE UNITED STATES

WHAT WE DO

01

UNRAVEL THE FINANCIAL DATA TO EXPOSE THE WEB OF ACTORS BEHIND HARMFUL INVESTMENT PROJECTS,

02


ACCOMPANY COMMUNITIES TO PREVENT HARMFUL INVESTMENT AND SECURE REDRESS,

03

SUPPORT FRONTLINE HUMAN RIGHTS DEFENDERS TO BUILD THEIR POWER AND EFFECTIVENESS, AND

04

ADVOCATE FOR BINDING HUMAN RIGHTS RULES AND ACCOUNTABILITY FOR CORPORATIONS AND FINANCIAL INSTITUTIONS



WE HAVE WITNESSED THE DESTRUCTION OF ENTIRE COMMUNITIES WHOSE STRUGGLES HAVE BECOME OUR OWN, BUT WE HAVE ALSO SEEN HOW THE WORLD'S MOST POWERFUL CORPORATIONS CAN BE HELD ACCOUNTABLE. IT TAKES ORGANIZED COMMUNITIES ENGAGED IN PERSISTENT, SMART AND STRATEGIC ADVOCACY.

WE UNRAVEL THE FINANCIAL DATA TO EXPOSE THE WEB OF ACTORS BEHIND HARMFUL INVESTMENT PROJECTS

FOLLOWING THE MONEY TO JUSTICE

Unravelling and exposing the investment and supply chains behind harmful projects is the cornerstone of our approach.

Upon request from community advocates, our researchers use the financial sector's own technology and tools to follow the money, identify pressure points for advocacy, and share this information with impacted communities and their advocates to help them develop more effective strategies to prevent harm, secure redress and take control of their own development.

Demand for our research continues to grow with more and more local advocates and communities putting our findings to use in defending their rights. In 2019, we conducted "deep-dive" investment chain mapping and analysis of 20 harmful projects in Asia, Africa and the Caribbean.

KEY INVESTIGATIONS COMPLETED IN 2019

Compagnie des Bauxite de Guinée (CBG) Bauxite Mine, Guinea



One of the world's largest bauxite mines, CBG is owned by three major international aluminum producers, Alcoa, Rio Tinto and Dadco. The mine supplies the raw materials for aluminum that goes into a wide array of consumer products from Coca-Cola cans to Mercedes Benzes. More than 200 villages are affected by the mine's expansion project, which is being financed by an international syndicate of development finance institutions and commercial banks. The company has been accused by local communities of grabbing their farmland, polluting their water and destroying their livelihoods. Inclusive Development International has supported thirteen affected communities to begin implementing a comprehensive advocacy strategy based on our investment chain research. (See Feature Case on page 24.)

Souapiti Hydropower Dam, Guinea

This 450-megawatt hydroelectric power project under construction in western Guinea is a flagship project for the Government of Guinea. The project is being developed with China International Water Electric Corporation (CWE), a wholly owned subsidiary of China Three Gorges Corporation. The dam is expected to cause a range of environmental and social impacts on the surrounding area, including requiring the resettlement of an estimated 16,000 people. Our research helped to inform the Human Rights Watch report, *We're Leaving Everything Behind: The Impact of Guinea's Souapiti Dam on Displaced Communities*.

New Liberty Gold Mine, Liberia

New Liberty is Liberia's first and largest commercial gold mine. The project consists of an open-pit mining operation and processing plant. The mine has caused physical and economic displacement of local communities without proper resettlement options and the leaching of harmful chemicals into the surrounding environment. New Liberty covers only a small portion of the company's Bea Mountain mining license, and the company is exploring other areas to expand its operations.

OUR INVESTIGATIONS, WHICH TAKE ABOUT A MONTH TO COMPLETE, INVOLVE THE USE OF SPECIALIZED WALL STREET DATABASES AND THE CLOSE READING OF FINANCIAL DISCLOSURES AND TRADE DATA.

Our research identified links between the mine and several European development banks, which opened up new pathways for the affected communities to seek justice.

East Africa Crude Oil Pipeline, Uganda

Forty percent of Uganda's known oil reserves lie under Murchison Falls national park – a critical habitat for rare and endangered species. The proposed 1,445-kilometer East African Crude Oil Pipeline would be the world's longest heated oil pipeline, carrying oil from Lake Albert in Uganda to the port of Tanga on the east coast of Tanzania for export. British exploration company Tullow Oil, French corporate giant Total, and the majority state-owned China National Offshore Oil Corporation Ltd hold equal stakes in the pipeline, which is expected to cause large-scale displacement and loss of livelihoods and threaten biodiversity, water sources and wetlands in both countries. Our research has helped to form the basis for a campaign by a Ugandan and international coalition seeking to disrupt the flow of capital to this disastrous project.

NUMBER OF HARMFUL PROJECTS INVESTIGATED SINCE 2016

97

“WE SYSTEMATICALLY CONNECT THE DOTS BETWEEN DEVELOPMENT FINANCE INSTITUTIONS AND BIG BRAND CORPORATIONS AND THE DESTRUCTIVE PROJECTS THAT THEY SURREPTITIOUSLY SUPPORT. THIS HELPS CLOSE THE ACCOUNTABILITY GAP AND GIVES RESOURCE-CONSTRAINED LOCAL ADVOCATES CLEAR DIRECTION ON HOW THEY CAN PINPOINT THEIR ADVOCACY ON THE MOST EFFECTIVE TARGETS,”

Erik Myxter-iino,
Senior Researcher

21

NUMBER OF COUNTRIES WHERE WE HAVE INVESTIGATED HARMFUL PROJECTS

Bomboré Gold Mine, Burkina Faso

Canadian Orezone Gold Corp’s mining permit in Ganzourgou province, Burkina Faso covers 2,500 hectares. Surrounding exploration permits held by Orezone subsidiaries cover another 15,029 hectares, which are home to thousands of people who farm the land and practice small-scale artisanal gold mining. The project is expected to displace more than 8,000 people and expropriate two artisanal gold processing sites and 656 hectares of agricultural land. Anger over loss of livelihoods by artisanal gold mining communities, as industrial miners have been granted large concessions, has led to violence at other Burkinabe mine sites.

Mui Basin Coal Mines, Kenya

The Kenyan government awarded two coal mining concessions within the Mui Basin to newly formed consortium companies that include Kenyan, Chinese and international firms and wealthy individual investors. The open-pit mines could displace up to 100,000 people from their ancestral lands and dramatically increase air and water pollution. Burning the coal would also dramatically increase Kenya’s carbon emissions, preventing Kenya from reaching its Paris agreement climate pledge. Mui Basin’s coal is not suitable for the power plants it is supposed to supply; the plants would likely experience dramatic cost overruns while increasing Kenya’s debt to international creditors.

Newmont Mining, Haiti

Newmont Goldcorp is the world’s largest gold mining company and holds an exploration permit in Haiti. Significant environmental and social harms associated with gold extraction are likely to be amplified in Haiti, a country plagued by economic inequality, vulnerability to natural disaster and environmental degradation. There are no active mines in Haiti, but the sector is considered key to the country’s economic growth plan. A mining moratorium enacted in 2013 over environmental and social concerns and outdated legislation is not legally binding and could end at any time. Communities reported harmful exploration activities before the hiatus and lack of consultation in proposed legal reforms. Our research helped lay the basis for a campaign by a coalition of Haitian activists to keep Haiti mining-free.

Batang Toru Hydropower Dam, Indonesia

Thousands of people who rely on the Batang Toru river and surrounding forest for their livelihoods will likely suffer with construction of this controversial 510-megawatt dam. The dam also threatens the survival the world’s rarest great ape species, the Tapanuli orangutan, of which fewer than 800 survive in the wild. The area surrounding the Batang Toru river is home to other rare and endangered species, including the Sumatran tiger. The project is being developed by a joint venture of Indonesian, Singaporean and Chinese companies.

Dairi Prima Minerals, North Sumatra, Indonesia

This joint venture between a Beijing-based mining conglomerate and the Indonesian coal-mining giant Bumi Resources is developing a \$453 million zinc, lead and silver mine in North Sumatra's ecologically fragile rainforest. Ore would be milled onsite in Sumatra and shipped overseas for use in the automobile, aerospace, construction and technology industries. The mine is located in one of the highest risk areas in the world for earthquakes. The developers are planning to build a tailings facility for waste storage near the mining site, which if not properly built and maintained could fail during an earthquake and release a large amount of toxic material into the surrounding area. Affected communities say the companies have not appropriately consulted them about the project. Our research uncovered links between the project's lead developer and the International Finance Corporation, which opened up a new avenue for the communities to seek recourse. As a result, in November 2019 they filed a complaint to the International Finance Corporation's Compliance Advisor Ombudsman.

Pak Beng Hydropower Dam, Laos

The 912-megawatt Pak Beng Dam is the northernmost of 11 dams proposed for construction on the lower mainstream Mekong River; seven kilometers upstream of Pak Beng town, in Northern Laos. The project is expected to affect over 25 villages in Laos and Thailand and require resettlement of roughly 6,700 people. Thai communities upstream are concerned about its impact on fisheries, tourist boats and agricultural areas. Downstream, the dam could interfere with critical Mekong fish migration and sediment flow. The dam is expected to sell 90% of the produced energy to Thailand and distribute the remaining 10% within Laos.

Xe-Pian Xe-Namnoy Hydroelectric Dam, Laos

In July 2018, an auxiliary dam of the Xe-Pian Xe-Namnoy hydroelectric project in Southern Laos collapsed, causing catastrophic flooding in 12 villages downstream. Thousands of people who lost family members, homes, land and livelihoods in the tragedy remain in difficult conditions and without answers or accountability from those responsible for the disaster. A growing body of evidence suggests that SK Engineering & Construction, the project's construction contractor, cut corners to maximize its profit.

Our research uncovered a \$50 million liability insurance policy connected to the project, which we exposed in the report *"Reckless Endangerment: Assessing Responsibility for the Xe-Pian Xe-Namnoy Dam Collapse,"* co-authored with International Rivers. The project insurers have since paid this money to the Lao government for victim assistance.

"EACH TIME HUMAN RIGHTS VIOLATIONS IN SUPPLY CHAINS ARE EXPOSED, MORE AND MORE INVESTORS, FINANCIERS AND BUYERS START TO LOOK AT THEIR OWN PRACTICES AND CONSIDER THEIR OWN REPUTATIONAL AND LEGAL EXPOSURE. WE KNOW OUR WORK RESULTS IN MORE RIGOROUS DUE DILIGENCE AND IMPROVED ENVIRONMENTAL AND HUMAN RIGHTS COMPLIANCE ON THE GROUND,"

Natalie Bugalski,
Legal and Policy Director



77

→ **NUMBER OF PRESSURE POINTS FOR ADVOCACY UNCOVERED IN 2019**



Palm Oil Concessions, Indonesia

Preliminary investment chain mapping of five palm oil concessions in Riau Province, Indonesia, home to the indigenous Talang Mamak community, assisted local advocates and community members to better understand the projects affecting them, and the investors behind them. Our research provided information on the sustainability policies of investors and downstream purchasers to assist advocacy planning and deeper analysis. Each concession offered different advocacy opportunities, and while not all the companies in question had corporate policies on respect for local communities or the environment in their operations, all supplied palm oil to globally recognized consumer brands that made such commitments.

Formosa Ha Tinh Steel Plant, Vietnam

This project is one of the largest steel mills in Southeast Asia. In April 2016, it caused one of the largest environmental disasters in Vietnam, when toxic spills killed hundreds of tons of fish in four coastal provinces, devastating the environment, the livelihoods and economic activities of millions of people. Formosa provided \$500 million in compensation, but activists criticized the settlement and inefficient delivery of compensation packages. Vietnamese authorities cracked down heavily on protestors demanding accountability for the disaster. Institutional investors with environmental and social policies guiding their investments hold shares in the companies involved in the project, including BlackRock, Vanguard Group, and Dimensional Fund Advisors. They also include pension funds that manage retirement savings for millions of government, health care and education workers.

Kaltim Prima Coal, Indonesia

This vast open-pit coal mine in East Kalimantan, which is owned by Bumi Resources, has poisoned rivers with mining waste and stripped the land of its forest cover, causing flooding and driving off animals that the Dayak Basap people of Keraitan village hunt for food. The community, which has lived for at least seven generations on a 300-square-kilometer swath of lush jungle near the eastern coast of the island, are deeply tied to the land and have been good stewards of Borneo's rich biodiversity. They are now under constant threat of eviction from the company, which wants access to the rich deposits of coal under their land. Our research linking this mine to indirect International Finance Corporation funding was part of our investigation into the World Bank member's sprawling and opaque financial-sector portfolio.



"WHEN WE FOLLOW THE MONEY, WE UNCOVER THE ACTORS THAT ARE FUNDING AND PROFITING FROM PROJECTS THAT HARM PEOPLE AND THE ENVIRONMENT. UNDERSTANDING THESE ACTORS – THEIR POLICIES, INCENTIVES AND BEHAVIOR – GIVES COMMUNITIES A LEG UP IN THEIR STRUGGLE TO DEFEND THEIR RIGHTS IN THE FACE OF DESTRUCTIVE CORPORATE ACTIVITIES,"

Dustin Roasa,
Research Director

46

↓
NUMBER OF
ACTIONS
TAKEN BY
COMMUNITIES
AS A RESULT OF
OUR RESEARCH
IN 2019



WE ACCOMPANY COMMUNITIES TO PREVENT HARMFUL INVESTMENTS AND SECURE REDRESS

CASES AND CAMPAIGNS

After we have mapped the investment and supply chains of harmful projects and provided strategic advice, in select cases, we support our local partners to execute their advocacy strategies.

This includes helping communities collect evidence and engage investors and buyers. We prepare complaints to a range of international accountability mechanisms – including litigation where appropriate, and conduct consumer and shareholder advocacy. In some cases, we help communities navigate dispute resolution processes and enter into negotiations with companies to remediate violations and prevent future harms.

In 2019, we accompanied communities in their quest for justice in 11 cases around the world.

ANGLOGOLD ASHANTI GOLD MINE, GUINEA

With partners Centre du Commerce International pour le Développement (CECIDE) and Mêmes Droits pour Tous (MDT), we accompanied a community in northern Guinea that was violently displaced by AngloGold Ashanti, the world’s third largest gold mining company, in over 200 hours of mediations with the company. Through mediations facilitated by the Compliance Advisor Ombudsman, we helped the community negotiate a series of agreements with company executives on access to water, schooling, compensation and livelihood improvement, as well as reforms to the company’s human rights policy and practices. Throughout the year, we monitored and helped to advance implementation of those agreements, including by recruiting a pro-bono hydrogeologist to represent the complainants in a joint groundwater assessment, which will lay the groundwork for the improvement of the water system at the resettlement site.

Other measures have already begun to deliver tangible benefits to the community. The public school at the resettlement site opened at the beginning of the school year for grades one to four, with new classrooms, a school director’s office, teachers’ accommodation and two playgrounds

under construction. Children are now able to attend school for the first time since the community was relocated more than three years ago. Children in grades 5-6 are being transported by the company to their former school in Kintinian while the new classrooms are being built. The health center at the resettlement site has also been staffed and stocked with equipment and medicines and opened for service in August – again for the first time since the community was relocated.



13

WE HELPED
13 COMMUNITIES
IN WESTERN GUINEA
FILE A COMPLAINT
AGAINST THE
IFC FOR FINANCING
THE EXPANSION
OF ONE OF THE
WORLD'S LARGEST
BAUXITE MINES

COMPAGNIE DES BAUXITE DE GUINEE (CBG) BAUXITE MINE, GUINEA

We helped 13 communities in Western Guinea file a complaint against the International Finance Corporation for financing the expansion of one of the world's largest bauxite mines, demanding restitution for 40 years of land-grabbing and environmental destruction. After we engaged with the shareholders and financiers of the Alcoa-Rio Tinto-Dadco joint venture, the company agreed to enter into mediations with the communities under the auspices of the Compliance Advisor Ombudsman.

In partnership with CECIDE and Association pour le développement rural et l'entraide mutuelle en Guinée (ADREMGUI), we worked intensively to help the communities prepare for the mediations by collecting evidence, selecting representatives and training them in negotiation skills. We worked with cartographers to analyze satellite imagery over a 40-year period and train community members to map their customary lands and productive resources that have been impacted by the mine. Armed with this evidence of the mine's impact, the affected communities will enter negotiations on a more equal footing.

EAST AFRICA CRUDE OIL PIPELINE, UGANDA

We joined an African and international coalition campaign to disrupt the flow of capital to what is proposed to be the world's longest heated oil pipeline. This project presents unacceptable risks to local people and biodiversity, and represents a new source of carbon emissions that the planet can ill afford.

Along with BankTrack, the International Union for Conservation of Nature and Ugandan partners, we engaged with potential financiers – identified through our investment chain research – and called on banks not to finance the project and instead finance renewable energy infrastructure to meet the region's needs in a clean and rights-compatible manner.



INGA 3 HYDROPOWER PROJECT, DEMOCRATIC REPUBLIC OF CONGO

We are supporting the Stop Inga Coalition in the Democratic Republic of Congo in its fight to stop the development of the Inga 3 mega-dam on the Congo River. Inga 3 is part of the larger Grand Inga scheme, which, if completed, will be the largest hydropower project in the world. The dam is expected to cause displacement of more than 30,000 people, the loss of livelihoods and food security for thousands of others, and damage to biodiversity and marine life. We facilitated a training workshop with coalition members on the safeguard policies and accountability mechanism of the African Development Bank, which has provided technical support to the government in preparing the project and is considering further financing. We also helped the coalition to draft and submit letters to consortium members, as well as a range of Chinese financiers and state regulatory bodies, which led to a constructive meeting with the Chinese embassy in Kinshasa.



NEW LIBERTY GOLD MINE, LIBERIA

We supported the Rights and Rice Foundation of Liberia and the Liberian Civil Society Organizations Forum in their efforts to help affected communities seek redress for harms they have suffered as a result of the development of the New Liberty gold mine, including physical and economic displacement and pollution of their water sources. New Liberty is fully owned by the Canadian publicly traded company Avesoro Resources Inc, through its wholly owned subsidiary Bea Mountain Mining Corporation. We provided technical and financial support to our Liberian partners to enable them to engage with five affected villages and develop a strategy based on the advocacy options identified in our investment chain mapping research. We are now assisting the Liberian groups to collect evidence for potential complaints to various accountability mechanisms.

MITR POHL/BONSUCRO, CAMBODIA

We helped 700 displaced Cambodian farming families successfully challenge the sugar industry's self-proclaimed "sustainability initiative" for certifying its member company, Thai sugar giant Mitr Pohl, which had grabbed their land and left them destitute.

In September, the UK National Contact Point for the Organisation for Economic Co-operation and Development, ruled admissible the landmark complaint against London-based Bonsucro, establishing that it is bound by OECD standards on responsible business conduct and does not operate in a human rights vacuum. This has ramifications for other industry sustainability associations, which have grown in importance in response to consumer demand for ethically sourced products.

ANZ-PHNUM PENH SUGAR CASE, CAMBODIA



In partnership with Equitable Cambodia, we are supporting more than 1000 families in Cambodia who were forcibly displaced to make way for a massive sugar plantation in Kampong Speu province. Australia's ANZ Bank provided significant financing to Phnom Penh Sugar Company, which owns and operates the controversial sugar plantation and refinery. In 2018, the Australian National Contact Point issued a critical final statement on our complaint against ANZ, concluding that the bank had not lived up to its responsibilities under the Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises.

After a year of advocacy, including direct engagement with ANZ CEO Shayne Elliot, and with the National Contact Point's looming 12-month progress report, ANZ agreed to enter into a mediated dialogue to discuss the two major demands of our complaint: that ANZ compensates the affected families with the profits that it made from the Phnom Penh Sugar loan and that it adopts a human rights-compliant grievance mechanism that is accessible to communities affected by its corporate loans.

If we are able to reach an agreement with ANZ on these two points, it will set a global precedent for the banking sector and alleviate the hardships faced by the affected families who have been struggling for more than a decade after losing their land and livelihoods.

HOANG ANH GIA LAI GROUP (HAGL), CAMBODIA

The once abundant forests of Cambodia's Ratanakiri province have been decimated by large-scale land concessions, primarily for rubber plantations.

After five years of mediations, Vietnamese rubber developer Hoang Anh Gia Lai unilaterally pulled out of a Complaints Advisor Ombudsman mediation process with indigenous communities whose lands and resources it had grabbed. We supported community members to file a new complaint to force the company back to the table, targeting two of their major lenders which we identified as financial intermediaries of the International Finance Corporation.

After we pursued advocacy channels through the International Finance Corporation and with car companies whose supply chains are linked to Hoang Anh Gia Lai, in mid-October, the company indicated that it was ready to reengage in the dispute resolution process.

XE-PIAN XE-NAMNOY DAM, LAOS



When the Xe-Pian Xe-Namnoy hydropower dam in southern Laos collapsed, a wall of water was unleashed which killed an estimated 71 people, displaced some 7,000, and damaged the homes and property of thousands more across the border in Cambodia. Nearly 5,000 Lao villagers were made homeless by the disaster and continue to live hand to mouth in squalid camps, their futures uncertain.

In 2019, we exposed the web of corporate and financial actors responsible for the disastrous collapse

in our report *Reckless Endangerment*, co-authored with International Rivers. We launched a campaign website to accompany the report, which motivated hundreds of people to take action by directly contacting the developers, financiers and insurance companies implicated in the disaster and demanding redress for the victims. The project insurers have since paid the Lao government \$50 million in liability insurance for the victims, one of our main campaign goals, but little information has been made available on how this compensation is being allocated to the affected communities. We continue to call upon the project developers, investors and financiers to act transparently and meaningfully engage with affected communities and concerned members of civil society about the remedial process.

RIZAL BANK/IFC COAL CASE, PHILIPPINES

We have been working with the Philippines Movement for Climate Justice to halt the rapid expansion of the country's coal-fired power industry. The Philippines is one of the world's most vulnerable nations to climate change and building more coal plants will greatly intensify those risks.

We assisted more than 100 citizen groups and 19 affected communities to file a historic complaint against the International Finance Corporation for fueling global warming through its opaque investments in a Philippine bank that is a major financier of the coal industry. This was the first climate change-related complaint ever received by the development bank's Compliance Advisory Ombudsman. In 2019, the Ombudsman completed its appraisal of the complaint and recommended a full compliance investigation, which is expected to be concluded in 2020.

The complaint has already had a major impact on World Bank Group policy. It is largely credited with the International Finance Corporation adopting its new Green Equity Strategy, which closes the indirect lending loophole in the bank's 2013 commitment to stop financing coal.

“MORE OFTEN THAN NOT, COMMUNITIES HAVE A CLEAR VISION FOR THE DEVELOPMENT THEY WANT TO SEE IN THEIR VILLAGES AND TOWNS, BUT THEY’VE BEEN DENIED A VOICE BY THEIR GOVERNMENTS AND BY COMPANIES THAT SHAMELESSLY PURSUE PROFITS AT ALL COSTS. OUR ROLE IS TO HELP ENSURE THAT COMMUNITIES CAN NOT ONLY PREVENT THE EGREGIOUS HARMS THAT ARE PART AND PARCEL OF THE EXTRACTIVE DEVELOPMENT MODEL, BUT THAT THEY ARE ACTUALLY ABLE TO DRIVE DECISION-MAKING ABOUT DEVELOPMENT IN THEIR REGIONS,”

David Pred,
Executive Director

DAIRI PRIMA MINERALS, INDONESIA

In 2019, we began supporting Indonesian partners to challenge the development of planned zinc mine in North Sumatra, Indonesia, which will create millions of cubic meters of toxic tailings in one of the world's highest earthquake risk zones. Our research uncovered exposure to the project by the International Finance Corporation via its \$300 million investment in Postal Savings Bank of China, which has provided working capital loans to the lead developer of the mine. In October, we supported affected communities to file a complaint with the Compliance Advisor Ombudsman, which was found eligible. We also engaged technical experts to study the environmental and seismic risks of the mine.

WE SUPPORT FRONTLINE HUMAN RIGHTS DEFENDERS TO BUILD THEIR POWER AND EFFECTIVENESS

TOOLS & TRAINING

We develop and disseminate tools to inform and build the power and effectiveness of local advocates on the front lines in the fight for just and inclusive development.

Communities affected by harmful investment projects face formidable barriers to accessing critical information about their rights and potential avenues for defending those rights. They are also often kept in the dark about the identities of the companies, investors, multilateral institutions or even the governments behind projects and have little understanding of legal and regulatory frameworks.

In all of our cases, we seek to equip those on the front line with this information and build their capacity to utilize it in their pursuit of justice. We run tailored training workshops, produce educational resources and create forums and spaces to exchange local and international knowledge and experience.

In 2019, we conducted trainings on Follow the Money research, advocacy and negotiation skills in Cambodia, Democratic Republic of Congo, Guinea and Indonesia, and presented our methodology at regional workshops in Bangkok, Yangon and Abidjan. We also provided training on participatory land mapping to communities in Guinea that are preparing for mediations.

FOLLOW THE MONEY TRAININGS

We were particularly excited about the training we co-hosted with the Indonesian environmental group WHALI on *Follow the Money* research techniques. The workshop gathered frontline advocates working throughout Indonesia on projects in the palm oil, mining and energy sectors and focused on building financial research skills. Through a series of interactive exercises, the workshop taught participants how to identify the investors and financiers backing harmful projects, utilizing public information sources, and how to assess which stakeholders make good “pressure points” for advocacy.

We also delivered a two-day training to 9 research and advocacy staff members at an urban land and human rights NGO in Cambodia. The training focused on introducing Follow the Money as an advocacy approach as well as basic financial literacy and research skills. Participants demonstrated a strong aptitude for this approach during practical exercises and showed a close interest in the sessions on Chinese investment, much of which was very new information for them.

They are continuing to use the methods to pursue advocacy in an urban land rights case in Phnom Penh.

Given the demand for this sort of training from other grassroots advocacy groups, offering such training to strategic regional partners is an increasingly important component of our efforts to scale-up our Follow the Money initiative.

“POOR COMMUNITIES UP AGAINST POWERFUL CORPORATIONS HAVE AN ENORMOUS AMOUNT OF POWER THEMSELVES, THOUGH IT'S NOT READILY APPARENT. WE SEEK TO HELP COMMUNITIES LOCATE AND UNLOCK THEIR HIDDEN POWER SO THAT IT CAN BE DEPLOYED IN DEFENSE OF THEIR RIGHTS,”

David Pred,
Executive Director

AFRICAN COALITION FOR CORPORATE ACCOUNTABILITY GENERAL ASSEMBLY

We were pleased to take part in the 6th Annual African Coalition for Corporate Accountability General Assembly. During the two-day workshop component of the assembly, we led a plenary session on “Following the Money in the context of Chinese overseas investment” for the over 100 members who attended. Following an introduction to Follow the Money by Africa Program Director Eugenie Cha, the workshop focused on a case study on the Inga 3 hydropower dam in the Democratic Republic of Congo. After presenting the case and the investment chain, Erik Myxter-lino, our Senior Researcher on Chinese overseas investment, facilitated a discussion between coalition members, Chinese overseas investment experts, and international NGO partners on the different types of advocacy strategies that could be employed in this case.

CHINA-SOUTHEAST ASIA REGIONAL WORKSHOP

China Global Program Director Mark Grimsditch convened a two-day workshop on Chinese investment in Southeast Asia for 28 participants from partner organizations across the region. The workshop covered current trends, policies and concerns arising from Chinese investment in the region, before moving on to interactive exercises on mapping Chinese investment chains, and workshopping specific cases of interest to the participants that involve Chinese companies and financial institutions. In addition to sharing experiences and strategies, the workshop served to build and strengthen connections between organizations and activists across the region – relationships that we hope will foster more solidarity and cooperation.

“WE LEARNED MANY THINGS FROM IDI. MOST IMPORTANTLY IT WAS FROM IDI THAT WE UNDERSTOOD THE INVESTMENT CHAIN OF THE COMPANY,”

Yacouba Camara,
community representative,
Kintinian, Guinea

UPDATED GUIDE ON INFLUENCING CHINESE INVESTMENTS

We published a new edition of our *Safeguarding People and the Environment in Chinese Investments: A Guide for Community Advocates*. The guide provides practical advice on the social and environmental policies, standards and guidelines governing Chinese outbound investment, including the Belt and Road Initiative. It explains the key state and non-state institutions involved in regulating and operationalizing Chinese investment projects and provides tips on how to use government-issued guidelines and corporate policies, along with evidence from the ground, in advocacy with Chinese companies and institutions. In 2020, we plan to produce a French edition based on popular demand in Francophone Africa.

CHINA-GLOBAL-INFOSHARE

We host an online forum for active and informed discussion and dissemination of information on China’s overseas investment and trade. It is also a place to share strategies for holding Chinese investors accountable and prompt collaboration. Most of the 180 participants are affiliated with civil society organizations, but also include academics, researchers, consultants, activists and writers from around the world.

“WE WERE ASTOUNDED TO SEE THAT THE COMPANY IS FINANCED BY INVESTORS ACROSS THE WORLD. AND WE REALIZED THIS IS SERIOUS. THIS ENCOURAGED US MORE TO STAND UP AND BRING THE COMPANY TO RESPECT THE COMMUNITY’S RIGHTS,”

Aboubacar Diallo,
CECIDE



WE ADVOCATE FOR BINDING HUMAN RIGHTS RULES AND ACCOUNTABILITY FOR CORPORATIONS AND FINANCIAL INSTITUTIONS

POLICY & ADVOCACY

In addition to supporting communities to challenge harmful investment projects, we also campaign to change the system and regulatory framework that perpetuates destructive development in many countries on the periphery of the global economy.

We advocate fiercely to strengthen international human rights and environmental standards in the spheres of transnational investment and development finance and we work to make these standards more enforceable through effective accountability mechanisms.

Drawing on our knowledge and experience from working with impacted communities and our understanding of the regulatory and accountability gaps that we encounter through our investment chain research and casework, we develop and promote policy solutions to advance a more just and equitable global economy.

BONSUCRO: CALLING BS ON THE MULTI-STAKEHOLDER ‘SUSTAINABILITY’ SCHEME

Ten years ago, more than 700 smallholder farming families in Northwestern Cambodia were violently displaced and stripped of their land, homes and livelihoods to clear the way for a 200-square kilometer land concession that Asia’s largest sugar producer, Mitr Phol, planned to turn into a sprawling sugar plantation.

Those who attempted to defend their community’s land rights were thrown in jail, including Hoy Mai, who was five months pregnant when she was arrested on trumped-up charges after traveling to the capital to petition the Prime Minister for redress. She suffered through the rest of her pregnancy, gave birth and nursed her infant son in a squalid prison cell during her eight months of confinement. Hoy Mai and thousands of other Cambodians whose land was seized for the plantation have endured over a decade of impoverishment and related hardships as a result.

Months after the forced evictions took place, Mitr Phol was admitted as a member of Bonsucro, an industry-dominated “multi-stakeholder initiative” with a mission “to promote sustainable sugarcane production around the world.”

In 2011, we helped Hoy Mai’s community file one of the first complaints ever submitted to Bonsucro’s grievance mechanism, arguing that Mitr Phol was in breach of its commitment to abide by the sugar association’s code of ethical conduct.

In December 2018, after sitting on the complaint for nearly eight years, Bonsucro’s board dismissed the case on the grounds that it “does not consider that it has received cogent evidence that... Mitr Phol breached the terms of Bonsucro’s Code of Conduct.” The reams of evidence that we provided of illegal land seizures, destruction of private property, forced evictions and deforestation — including an official investigation report from the Thai Human Rights Commission confirming the allegations — was apparently not enough to persuade the self-appointed standard-setter for the sugar industry that its member’s conduct was problematic.

And with the case neatly closed, Bonsucro proceeded with its plans to promote Mitr Phol “as a leading member” at its “Bonsucro Global Week” annual conference, which was held in



OVER 700 SMALLHOLDER FARMING FAMILIES WERE VIOLENTLY DISPLACED AND STRIPPED OF THEIR LAND, HOMES AND LIVELIHOODS



700

Bangkok this March. The event, which Mitr Phol apparently paid Bonsucro tens of thousands of dollars to sponsor, showcased the sugar giant as an exemplar of corporate responsibility, including a tour of its Thai operations for guests to “see first-hand sustainability in action.” What they didn’t highlight is Mitr Phol’s legacy of land grabbing and complicity in forced displacement in Cambodia.

We believe it’s time to hold voluntary industry standards organizations like Bonsucro accountable to their own human rights responsibilities. That’s why we filed a complaint against Bonsucro this year with the UK National Contact Point for the OECD Guidelines on Multinational Enterprises.

Bonsucro, by design, provides an ethical seal of approval to the companies that it accepts as members. This reputational benefit is used by these companies to advance their business, including attracting investment, finance, customers, and securing land deals for plantations — all with human rights implications. Consumers, like us, are led to believe we can trust in the Bonsucro label in making responsible purchasing decisions.

Through actively positioning itself as a regulatory body, albeit voluntary

in nature, Bonsucro creates a public expectation and arguably a duty of care to meet minimum standards of regulatory oversight. Given the scale of the sugarcane industry and its social, environmental and human rights impacts worldwide, and the large number of enterprises that make up Bonsucro’s membership, it is critical that Bonsucro be held accountable to international human rights standards to ensure the credibility of its public claims.

The OECD Guidelines, which set standards on human rights and other areas of responsible business conduct, encourage membership of multi-stakeholder initiatives as a means by which enterprises can achieve and

UNLESS THESE ORGANIZATIONS ARE FIRMLY HELD ACCOUNTABLE TO INTERNATIONAL HUMAN RIGHTS STANDARDS, THEY WILL NOT ONLY FAIL TO PUSH THEIR INDUSTRIES TOWARDS MORE RESPONSIBLE BEHAVIOR, BUT THEY WILL BECOME LITTLE MORE THAN WINDOW DRESSING FOR CORPORATE MISCONDUCT.

collectively ensure compliance with international standards. It is certainly not to promote initiatives that would provide cover to its corporate members for violating human rights through its stamp of approval.

One of Bonsucro’s key responsibilities under the guidelines is to use its leverage with its members to address human rights concerns, especially serious ones that are brought to its attention, as we did in the case of Mitr Phol. Bonsucro has special leverage when it comes to the human rights conduct of its members: its very mission is to promote responsible sugarcane, and the reason companies seek membership is to obtain the attendant reputational benefits.

Moreover, Bonsucro’s board and membership consists of the dominant players in the sugar industry, including some of Mitr Phol’s biggest customers, past and present, such as The Coca-Cola Company, PepsiCo, Mars Wrigley, Nestlé and Corbion. There is little doubt that if these major sugar buyers had acted collectively through Bonsucro, they could have effectively used their leverage with Mitr Phol to provide appropriate remediation for the displaced Cambodian families. But they actively decided not to do so.

“WE CAN AND WILL KEEP FIGHTING INDIVIDUAL HARMFUL PROJECTS, BUT AT SOME POINT WE NEED TO TACKLE THE PROBLEMS AT THEIR SOURCE: THE FINANCIAL SYSTEMS AND WEAK REGULATORY FRAMEWORKS THAT EXIST IN HOST COUNTRIES, HOME COUNTRIES AND AT THE INTERNATIONAL LEVEL THAT, NOT ONLY ALLOW, BUT ACTUALLY INCENTIVIZE MULTINATIONAL CORPORATIONS TO HARM COMMUNITIES AND THE ENVIRONMENT WITH IMPUNITY,”

Coleen Scott,
Legal and Policy Associate

Bonsucro has responded that it does “not expect Members to be perfect before they join” but that the reason Mitr Phol “remains a Member is because they are committed to continuous improvement and are working in complete transparency with us.”

Likewise, we have no expectation that business enterprises rise to the level of “perfection,” either before or after they join a multi-stakeholder initiative like Bonsucro. However, we do expect businesses to respect basic human rights, including by providing for remediation of serious violations that they have caused.

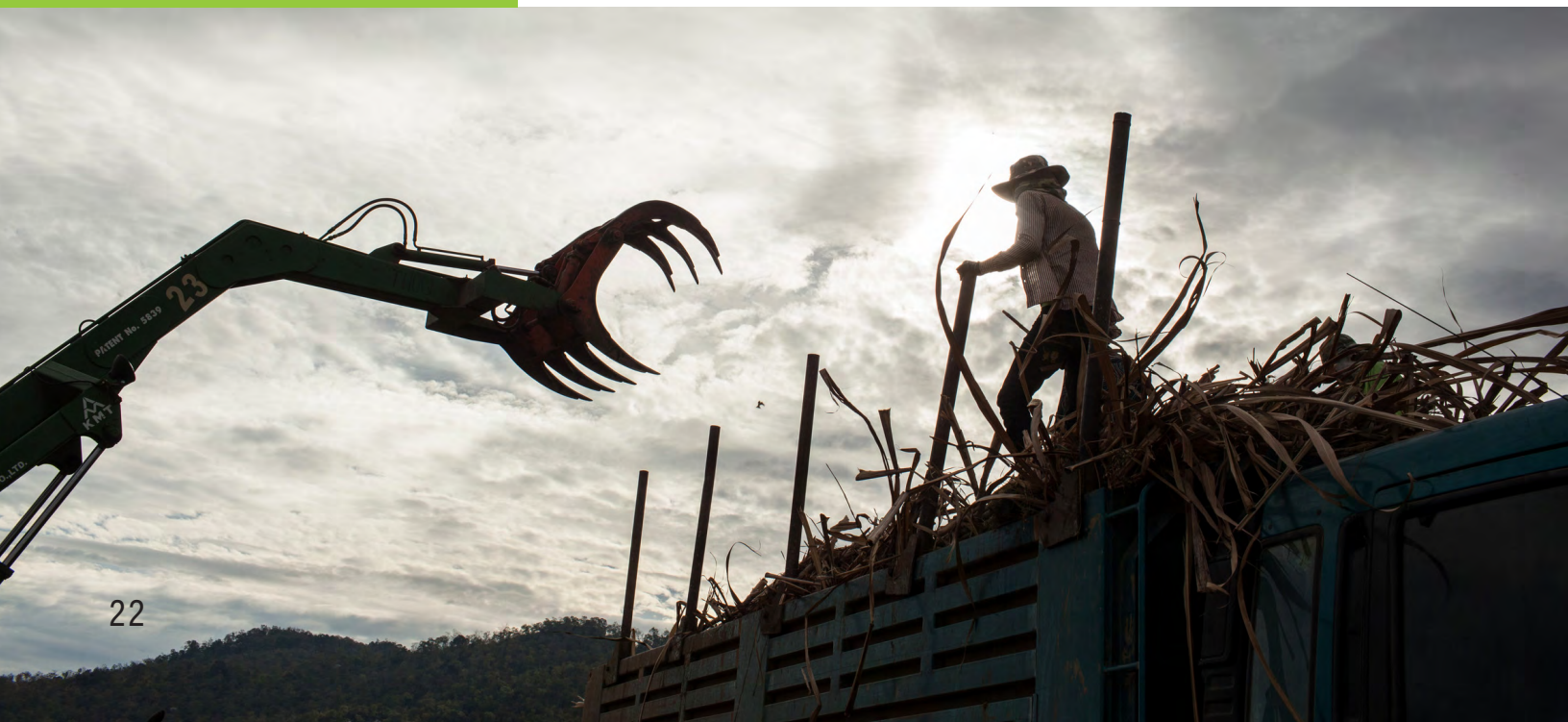
It renders Bonsucro’s membership criteria a complete farce if the only requirement for a business to join is a commitment to ‘continuous improvement’ — from any baseline, no matter how low and reprehensible, and without any requirement to begin the process of improvement by repairing existing violations that it has caused. By disregarding continuing violations in considering membership applications, Bonsucro wipes the human rights slate clean for companies wishing to join its club. This represents a fundamental failure of Bonsucro’s human rights due diligence responsibilities.

The fact is, over the years, Mitr Phol never showed any sign that it was willing to acknowledge the adverse impacts it caused and right its wrongs. It never

even once agreed to meet with the community to hear their grievances in person. Such behavior is antithetical to the notion of “continuous improvement.”

Multi-stakeholder initiatives like Bonsucro have proliferated in recent years, as the public demands ethical sourcing of commodities found in consumer products. But rather than representing the gold standard in environmental and social governance as they claim, experiences like ours with Bonsucro put the credibility and legitimacy of these initiatives at risk. Unless these organizations are firmly held accountable to international human rights standards, they will not only fail to push their industries towards more responsible behavior, but they will become little more than window dressing for corporate misconduct.

And that’s why we are calling BS.



POLICY WIN**REFORMING FINANCIAL INTERMEDIARY LENDING AT THE INTERNATIONAL FINANCE CORPORATION**

Our *Outsourcing Development* campaign and the historic complaint that we supported the Philippine Movement for Climate Justice to file compelled the World Bank's private sector lending arm to institute a new policy requiring all the commercial banks it holds shares in to eliminate their exposure to coal companies and projects that are fueling the climate crisis. (A compliance investigation of the complaint is still underway and will hopefully prompt further reforms.)

Through this campaign, we tracked and exposed how many of these "development" dollars ended up in harmful projects that had debilitating impacts on local communities and fueled global warming by bankrolling the coal power boom in Asia.

Our advocacy with coalition partners has changed the way the International Finance Corporation does business. In response to the campaign, it improved monitoring and supervision of financial sector clients, changed risk definitions, and began 'ring-fencing' all intermediated debt investments for targeted development purposes.

Perhaps most significantly, the World Bank Group member launched a new "Green Equity Approach" aimed at coaxing equity clients to phase out coal financing. The approach sets targets for financial sector clients to divest completely from coal by 2030, with an interim target of 50% reduction by 2025, while supporting them to shift their energy finance to renewables.

The IFC strengthened this policy from an earlier iteration, in response to our advocacy, by expanding the range of companies, projects and financing instruments that count towards coal exposure. The Green Equity Approach will be reviewed in 2021, and we'll be pushing for it to be extended to oil and gas.

POLICY WIN**INCREASED TRANSPARENCY FROM NEW IFC POLICY ON VOLUNTARY DISCLOSURES**

For years we have been campaigning for the IFC to disclose the high-risk projects that its commercial bank clients are lending to with its funds.

At the 2019 World Bank annual meetings, IFC CEO Philippe Le Houverou took a significant step forward when he announced that all new financial intermediary investments would require clients to request consent from their high-risk clients to disclose the project name, sector and location on IFC's project portal.

If the client does not consent to disclosure, they must provide an explanation to the IFC and the IFC will track and publish data on the number of high-risk projects that are not being disclosed. This is significant because, while IFC began disclosing sub-projects of private equity clients in 2015, for years it claimed it was impossible to do so with commercial banks due to banking privacy laws.

We pushed back, maintaining that these confidentiality regulations do not apply in any jurisdiction if the client consents to disclosure, and in fact many of these deals are being disclosed already for regulatory or marketing reasons. We finally won the argument.

**POLICY WIN****STRENGTHENING BUSINESS AND HUMAN RIGHTS NORMS FOR THE FINANCIAL SECTOR**

The Organization for Economic Cooperation and Development published new guidance on responsible business conduct for the banking sector, which we contributed to through submissions and meetings. The guidance strengthens the human rights responsibilities of banks in corporate lending and makes particularly important clarifications on what role a bank should play in remediating harms.

Inclusive Development International has been invited to join the Organization's Expert Working Group for its Responsible Business Conduct in the Financial Sector Project. In 2020, we will be contributing to the final phase of guidance focusing on project finance.

"WITH A \$57 BILLION PORTFOLIO AND INFLUENCE OVER ANOTHER \$4.5 TRILLION IN INVESTMENTS IN EMERGING MARKETS, THE IFC IS SENDING A STRONG SIGNAL THAT THERE IS NO FUTURE FOR COAL. THE GREEN EQUITY APPROACH WAS A MAJOR WIN, RESULTING FROM SOME VERY EFFECTIVE ADVOCACY BY INCLUSIVE DEVELOPMENT INTERNATIONAL AND ITS COALITION PARTNERS, AND IT'S GOING TO HAVE FAR REACHING RAMIFICATIONS."

Kate Geary,
IDI Board Member and
Co-Director of Recourse

COMPAGNIE DES BAUXITES DE GUINÉE, GUINEA

FEATURE CASE

The impoverished West African nation of Guinea is home to the world's largest reserves of bauxite, the raw material used to produce aluminum.

Over the last several years, the Guinean government has carved up its Boké region and sold it off to multinational mining companies from the United States, the United Kingdom, China, Russia and the United Arab Emirates. These companies have extracted billions of dollars of Guinea's bauxite and processed it abroad into aluminum, which is used by major consumer brands to make cars, beverage cans and technology products. Yet few Guineans have benefited from this extractive economy. Despite the 'bauxite boom,' more than 63 percent of the population still languishes under the poverty line, making Guinea one of the poorest countries in sub-Saharan Africa.

Compagnie des Bauxites de Guinée, or CBG, was the country's first bauxite mine, beginning operations in 1973. A joint venture of the Guinean government and three multinational aluminum producers – Rio Tinto, Alcoa and Dadco – CBG is today one of the largest bauxite mines in the world.

Since it began operations, CBG has mined large areas of land surrounding the town of Sangaredi in the heart of the lush Boké region. For years, the joint venture has denied the customary land rights of local communities and expropriated their farmland without compensation or land rehabilitation. This has seriously disrupted the traditional

crop rotation system and irreversibly destroyed large swaths of soil. Pollution of water and prevention of access to clean water has also been a major impact of CBG's operation, causing extreme hardship for local communities. The mine has had severe impacts on biodiversity, including critical habitats for endangered chimpanzees.

These practices have caused enormous frustration amongst the local population. In April and September 2017, the Boké region saw large-scale riots by thousands of young people protesting bauxite mining in the region, resulting in several deaths of protestors at the hands of security forces.

"INTERNATIONAL MINING COMPANIES HAVE BEEN MAKING A FORTUNE OFF OF GUINEA'S RICH MINERAL RESOURCES, WHILE THE COMMUNITIES IMPACTED BY MINING HAVE QUITE LITERALLY BEEN LEFT IN THE DUST. IT'S HIGH TIME FOR LOCAL COMMUNITIES TO GET THEIR FAIR SHARE OF THE BENEFITS FROM THE EXTRACTION OF THEIR RESOURCES,"

Mathilde Chiffert,
West Africa Legal Coordinator



FOLLOWING THE MONEY AND THE BAUXITE

In 2016, the International Finance Corporation provided CBG with a \$200 million loan to expand its operations, with the U.S. Government's Overseas Private Investment Corporation providing an additional \$150 million. A further \$473 million came from a syndicate of commercial banks: France's Société Générale, BNP Paribas, Crédit Agricole and Natixis; the German affiliate of ING bank. The syndicated loan was provided under the Equator Principles, the banking industry's voluntary environmental and social risk management framework that is based on the IFC's Performance Standards. The German government guaranteed \$293 million of the financing through its Untied Loan Guarantees program.

Inclusive Development International traced the bauxite from CBG's mine to refineries and smelters in North America and Europe, where it is processed into primary aluminum and sold on to big brands that produce automobiles and aluminum packaging for food, beverage and other consumer goods. These include Coca-Cola, Anheuser-Busch,

Red Bull, Coors, Crisco, Campbells Soup, Nespresso, Audi, BMW, Fiat-Chrysler, Ferrari, Ford, General Motors, Hyundai, Jaguar, Land Rover, Mercedes-Benz, Porsche, Volvo, Honda, and others.

We also traced the bauxite from CBG to Rio Tinto's Vaudreuil refinery in Quebec, Canada. The refinery was among the first to be certified as sustainable by the Aluminum Stewardship Initiative. When the certification was granted, Rio Tinto said that this means it is "the only company selling aluminum that customers can be assured has been produced to the highest environmental, social and governance standards, placing Rio Tinto at a competitive advantage."

DEMANDING ACCOUNTABILITY

After sharing the CBG investment chain with communities affected by the mine and raising their awareness about the IFC's environmental and social Performance Standards and its accountability mechanism, the Compliance Advisor Ombudsman, the communities decided they wanted to file a complaint. On February 25, we joined local partners CECIDE and ADREMGUI in submitting a complaint to the Ombudsman on behalf of 540 people from 13 affected villages.

The complaint alleges that CBG, in breach of seven different IFC Performance Standards, grabbed their land, polluted their water and destroyed their livelihoods. The complaint describes harms that were inflicted after IFC's investment in 2015, as well as historical grievances relating to the company's actions over the course of several decades.

We argue that the severity of the harms the communities have suffered historically, including the loss and destruction of much of their agricultural land and water resources to CBG, means that the spirit and objectives of the Performance Standards, such as the objective of improving, or restoring, the livelihoods and standards of living of displaced persons, cannot practically

be achieved by isolating impacts going forward. Years of damage from CBG's activities has gradually eroded living standards and economic resiliency, so only a comprehensive plan that reflects the past and future impact of CBG's operations can truly restore communities' livelihoods and standards of living.

The complainants are seeking full and fair redress for the harms and losses they have suffered and protection from future violations. They also want to see development benefits from the project as envisioned by the Performance Standards. They requested that the IFC Ombudsman facilitate mediations with CBG to achieve these goals.

After filing the complaint, we engaged with CBG's shareholders and financiers to ensure that the company comes to the table in good faith and meaningfully engages with the complainants in an effective process of remediation.

The Ombudsman found the complaint eligible for assessment in March and conducted a field visit to Guinea in April to discuss options for addressing the complaint with the relevant parties. The affected communities and CBG both agreed to engage in mediations, and in August the Ombudsman formally initiated a dispute resolution process.

PREPARING FOR MEDIATION

In partnership with CECIDE and ADREMGUI, our team worked intensively to prepare the thirteen communities for mediations with CBG. We conducted a series of workshops throughout the year to help community members select representatives and train them in negotiation skills, collect evidence and develop a negotiation strategy.

In order to help the communities build their evidence base, we brought in a team of cartographers specialized in geospatial mapping to facilitate a community-led land mapping process to gather information on the resources and infrastructure that have been destroyed, or which they lost access to, as a result of CBG's mining operations.

They produced a total of 48 maps documenting and geo-locating the

"THE LANDS ON WHICH WE AND OUR ANCESTORS HAVE LIVED AND FARMED FOR CENTURIES HAVE BEEN ALMOST TOTALLY CONSUMED BY CBG. WITH NO MORE LAND, NO MORE FORESTS, NO MORE WATER, HOW ARE WE GOING TO SURVIVE?"

Mamadou Lamarana Bah,
Community Representative of
Hamdallaye village

destruction of (or loss of access to) agricultural land, water resources, infrastructure and cultural sites. In parallel with the participatory mapping, we worked with a team of Earth Observation data specialists to procure satellite imagery and analyze land use changes spanning the years of CBG's operations from 1974 to 2019.

Through this work, the communities have been able to identify the precise areas of land and resources that they have lost to the mine. These maps will provide important evidence to underpin their demands for restitution and rehabilitation of their land, water and livelihoods.

The mediations are set to kick off in March 2020. The complainants are eager to finally have an equal seat at the table across from CBG and they are ready to claim their rights.



PASSION, TENACITY AND EXPERIENCE

OUR TEAM

US OFFICE

Executive Director:

David Pred

Legal and Policy Director:

Natalie Bugalski

**Research and
Communications Director:**

Dustin Roasa

**Communications and
Development Coordinator:**

Jeannine Guthrie

**Senior Researcher,
Private Equity Specialist:**

Alex Park

**Senior Researcher,
Belt and Road Specialist:**

Erik-Myxter-iino

**Researcher
(promoted to Legal and
Policy Associate in 2020):**

Coleen Scott

Administrative Coordinator:

Christine Thoemke

Senior Accountant:

Mark Halpert

Bookkeeper:

Ari Shantz

WEST AFRICA OFFICE

Africa Program Director:

Eugenie Cha

**West Africa Legal Coordinator
(until August 2019):**

Mathilde Chiffert

**Land & Livelihoods Technical
Consultant, Africa:**

Adrien Desplat

Program Associate, Guinea:

Mariama Barry

SOUTHEAST ASIA OFFICE

China Global Program Director:

Mark Grimsditch

SE Asia Legal Coordinator

SE Asia Program Associate

Senior Attorney, Mekong Region

SE Asia Program Advisor

Program Associate, Indonesia

The names of our Southeast Asia team members have been withheld to protect their personal security.

2019 INTERNS

Styling Tanguoso

Elina Morrison

BOARD OF DIRECTORS

President:

David Pred

Chair of the Board:

Mark Gibney

Vice Chair of the Board:

Joanne Bauer

Treasurer:

Elizabeth Porter

Secretary:

Anna Demant

Director:

Bruce Shoemaker

Director:

Bobbie Sta. Maria

Director:

Jean du Plessis

Director:

Rob Lake

Director:

Kate Geary

Director:

Eleanor Loudon

GROWTH AND CONSOLIDATION

OUR FINANCES

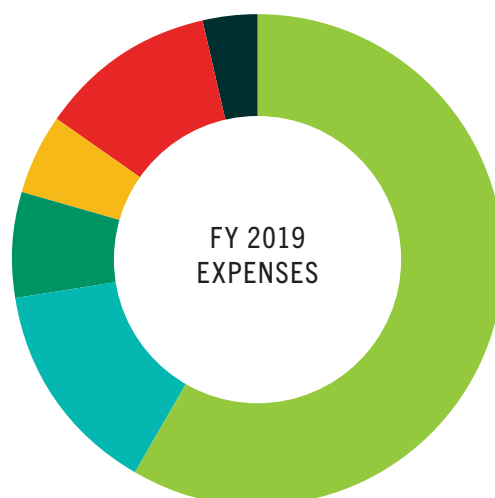
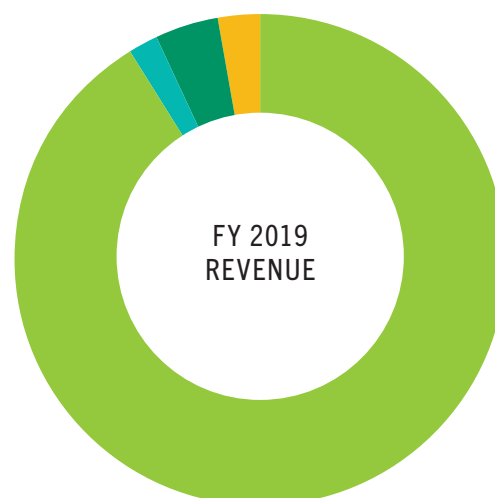
FY 2019 REVENUE

● Foundation Grants	\$1,830,806
● Individual Donations	\$38,226
● Program Service Fees	\$85,530
● Pro Bono Contributions	\$53,696
Total Revenue	\$2,008,258

FY 2019 EXPENSES

Total Program	\$955,939
● Follow the Money Initiative and Case Work	\$659,664
● China Global Program	\$159,032
● Policy Advocacy	\$79,822
● Program (Other)	\$57,421
● Management & Administration	\$132,989
● Fundraising	\$39,149
Total Expenses	\$1,128,077

Net assets at beginning of year	\$480,729
Net assets at end of year	\$1,360,910



DONATE NOW

Our work supporting communities and grassroots groups on the front lines of the struggle for human rights and inclusive development is only possible because of the support we receive from foundations and individuals like you.

We are a nimble organization that operates with very minimal overhead costs. This way the donations we receive go a long way towards increasing our capacity to serve more communities and realize more lasting change.

TO MAKE YOUR DONATION HEAD TO:

WWW.INCLUSIVEDEVELOPMENT.NET/CONTRIBUTE

To donate by mail, please send a check to the following address:

Inclusive Development International
9 SW Pack Square, Suite 302, Asheville, NC 28801

Your gift is tax deductible in the United States. Inclusive Development International is a section 501(c)(3) nonprofit organization. Our tax identification number (EIN) is: 82-2413310.

If you have questions about your donation, please call: (828) 505 – 4340.

THANK YOU FOR YOUR SUPPORT!



BACKING COMMUNITIES AND POWERING ACCOUNTABILITY

OUR SUPPORTERS

Inclusive Development International is deeply grateful for the support of foundations, partner organizations and committed individual donors who make our work possible.

Our work over the past fiscal year was made possible by:

FOUNDATION AND NGO GRANTS

- 11th Hour Project
- Anonymous
- Anonymous
- Bank Information Center Europe
- Bread for the World
- Casey Hastings Charitable Fund
- Charles Stewart Mott Foundation
- Ethical Sugar
- Heinrich-Böll-Stiftung
- IEEE Foundation
- Israelson Family Foundation
- McKnight Foundation
- Milieudéfense
- Planet Wheeler Foundation
- Rights and Resources Initiative
- Rockefeller Brothers Fund
- SOMO
- Fund for Global Human Rights
- Sigrid Rausing Trust
- Trust for Mutual Understanding
- Wildlife Conservation Society

IN KIND DONATIONS AND PRO BONO SUPPORT

- Catch-a-fire and 10 fabulous volunteers
- John Schneider
- University of San Francisco Data Institute

INDIVIDUAL DONATIONS

- Alan and Elizabeth Finkel
- Anna Demant
- Bobbie Sta Maria
- Bruce Shoemaker
- Eleanor Loudon
- James Ross
- Jason Frenkel
- Joanne Bauer
- Jon and Claire Schneider
- Samuel Underwood
- Toshi



FIGHTING TO MAKE THE GLOBAL ECONOMY MORE JUST AND INCLUSIVE.

WWW.INCLUSIVEDEVELOPMENT.NET



Inclusive
Development
International