



# SHIFTING POWER

TEN YEARS OF INCLUSIVE  
DEVELOPMENT INTERNATIONAL

ANNUAL REPORT 2021



Inclusive  
Development  
International


## CONTENTS

<b>A MESSAGE FROM THE FOUNDERS</b>	<b>02</b>
<b>HOW WE WORK</b>	<b>04</b>
<b>A DECADE OF IMPACT</b>	<b>06</b>
Our Story	06
By the Numbers	10
A Global Presence	11
<b>HIGHLIGHTS FROM 2021</b>	<b>12</b>
Following the Money to Justice	14
Cases and Campaigns	16
Policy Impact	26
<b>CHINA GLOBAL PROGRAM</b>	<b>30</b>
<b>OUR TEAM</b>	<b>32</b>
<b>OUR FINANCES</b>	<b>33</b>
<b>OUR SUPPORTERS</b>	<b>35</b>



**COVER:** LOADING BAUXITE ORE ONTO A CARGO SHIP. PHOTO BY IGOR GROCHEV.

**RIGHT:** SANGAREDI, GUINEA.



# FOR TEN YEARS, WE HAVE BEEN WORKING TO SHIFT POWER BACK TO COMMUNITIES TO CLAIM THEIR RIGHTS AND DETERMINE THEIR OWN DEVELOPMENT PATH.

---

**INCLUSIVE DEVELOPMENT INTERNATIONAL WORKS TO ADVANCE SOCIAL, ECONOMIC AND ENVIRONMENTAL JUSTICE BY SUPPORTING COMMUNITIES AROUND THE WORLD TO DEFEND THEIR RIGHTS IN THE FACE OF HARMFUL CORPORATE PROJECTS. THROUGH RESEARCH, CASEWORK AND POLICY ADVOCACY, WE HOLD CORPORATIONS AND DEVELOPMENT AGENCIES ACCOUNTABLE AND PROMOTE A MORE JUST AND EQUITABLE INTERNATIONAL ECONOMIC SYSTEM.**

**WE ENVISION A WORLD IN WHICH LOCAL COMMUNITIES AND INDIVIDUALS DETERMINE THEIR OWN DEVELOPMENT PATHS, AND BUSINESSES RESPECT THEIR HUMAN RIGHTS AND ENVIRONMENTAL RESPONSIBILITIES.**

# TEN YEARS FIGHTING FOR JUST AND INCLUSIVE DEVELOPMENT

## A MESSAGE FROM THE FOUNDERS

It's been 10 incredible years since we founded Inclusive Development International.

In that time, we have grown from just the two of us working from our basement office to a team of 22 researchers, advocates and organizers collaborating across geographies and time zones. Thanks to the support of our partners and donors, some of whom have been with us from day one, we have grown stronger and stronger over the past decade.

We filed the paperwork to formally establish Inclusive Development International in late 2011, but the seeds were planted years before as we watched Cambodian police bulldoze the homes and belongings of our friends in the poor but vibrant community of Dey Krahom in Phnom Penh to make way for high-end apartments and office space. The gross human rights violation we witnessed that day — the brutal end of a years-long resistance to an unjust forced eviction — was heartbreaking and enraging. Sadly, there were communities like Dey Krahom all over Cambodia, suffering the same fate because they were unequipped to hold back or negotiate with powerful elites and deep-pocketed corporations that wanted their land and resources.

This organization was born out of a desire to shift power back to these communities and so many others like them around the world.



We started analyzing the corporations and individuals behind land grabs and other human rights violations and the hidden financial actors that enable them. We began leveraging that information to the communities' advantage — exposing corporate abuses and demanding governments, development banks and other investors follow through on their human rights commitments. For ten years, we have been refining our approach. We have expanded and sharpened the set of tools we have to do this work, and we have collaborated with community advocates and a magnificent tapestry of partners around the world to apply these strategies to defend their rights, resources and environment against powerful economic actors who threaten them.

**THIS ORGANIZATION WAS BORN  
OUT OF A DESIRE TO SHIFT  
POWER BACK TO THESE  
COMMUNITIES AND SO MANY  
OTHERS LIKE THEM AROUND  
THE WORLD.**

**RIGHT:** BOEUNG KAK LAKE RESIDENT KHUN NGET CONFRONTS POLICE DURING A CRACKDOWN ON PROTEST TO FREE HER FELLOW HOUSING RIGHTS ACTIVISTS WHO HAD BEEN UNJUSTLY DETAINED (DECEMBER 2012). PHOTO COURTESY OF EQUITABLE CAMBODIA.



With our groundbreaking Follow the Money to Justice initiative, we enhanced our contribution to the global corporate accountability movement and we have been working to get better at what we do and to expand our reach and impact every year. We've developed new ways to use Wall Street tools to dig up critical information on the web of actors behind irresponsible investment projects. We've found new and more effective ways to use that information to help communities prevent human rights abuses and environmental destruction, and to secure redress. We began training fellow advocates in our methods, growing the larger movement's capacity to unravel investment chains and seize pressure points behind harmful projects. And we have advocated for and secured stronger human rights policies and accountability mechanisms at over a dozen multinational corporations, international financial institutions and standard-setting bodies, which affected communities can now leverage in their quest for justice.

In 2021, we investigated more harmful projects than ever before, identifying over 100 advocacy opportunities that partners in Africa, Asia, North and South America can use to push back against mines, plantations, oil pipelines and other industrial projects that threaten the planet and nearby communities. We also reached critical milestones in our cases — from getting reparations payments into the bank accounts of more than one thousand displaced Cambodian families, to helping communities in Guinea reach an agreement with a major mining company to stop harmful dynamite blasting near their villages and to compensate them for past damages. We helped build a global alliance of hundreds of organizations working to stave off what would be one of the world's riskiest fossil fuel projects, and we expanded our campaign for human rights protections in the international aluminum supply chain, where demand is exploding due to its prominent role in the transition to a low-carbon economy.

We feel deeply honored to have led such an inspiring team and contributed to the global corporate accountability and human rights movement over the past 10 years. With your support, we are barreling full steam ahead into the next decade of Inclusive Development International and we can't wait to see what we can achieve together.

**Natalie Bugalski and David Pred**

# EXPOSING THE ENABLERS OF INJUSTICE

## HOW WE WORK

Behind most harmful investment projects there lie invisible webs of corporate and development actors that are benefiting or providing support. Many are bound by rules that require them to respect human rights and the environment. Others are global brands that care about their reputations. But because of the opaque nature of international financial flows and supply chains, affected communities are usually unaware of who is enabling and profiting from the projects that threaten their environment, livelihoods and human rights, so they are unable to hold them accountable.

We use the financial sector's own technology and tools to help communities follow the money behind the projects that threaten them and identify pressure points for advocacy. We then support communities to engage these financial and corporate actors and urge them to use their leverage to prevent and redress harms and deliver a fair share of benefits to those most affected by their investments. We also support communities over the long haul to pursue accountability through international grievance mechanisms and legal strategies.

We contribute to the corporate accountability movement by developing resources and training front-line defenders to pursue these strategies themselves.

And we use the lessons from our casework and research on financial flows and supply chains in global policy forums to campaign for stronger human rights regulation and accountability of corporations, financial institutions and development agencies.

**WE HELP COMMUNITIES UNRAVEL AND EXPOSE THE ENABLERS OF CORPORATE ABUSE TO IDENTIFY A BROADER RANGE OF ADVOCACY TARGETS AND OPTIONS, AND TO GAIN LEVERAGE TO DEFEND THEIR RIGHTS.**

**RIGHT:** NEWLY LAID RAIL TRACK IN WESTERN GUINEA, FINANCED BY THE INTERNATIONAL FINANCE CORPORATION, TO FACILITATE BAUXITE EXPORTS AS THE SCRAMBLE FOR GUINEA'S RESOURCES GATHERS PACE. PHOTO BY IGOR GROCHEV.

**NEXT PAGE:** SMOKING CHIMNEY OF A COAL POWER PLANT.



# 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.

04

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

WE SEEK TO INCREASE THE FINANCIAL AND REPUTATIONAL COSTS FOR CORPORATIONS AND INVESTORS THAT ENABLE AND PROFIT FROM HUMAN RIGHTS ABUSES AND ENVIRONMENTAL DESTRUCTION.



# OUR STORY

## A DECADE OF IMPACT

### 2012

- **Our Organization:** Inclusive Development International is founded.
- **Papua New Guinea:** With the U.N. Human Rights Office, we develop a housing rights education program for residents of informal settlements in Port Moresby.
- **Cambodia:** In a landmark case that inspired the founding of Inclusive Development International, 700 Boeung Kak lake families stave off a forced eviction and secure their land rights after the government caves to pressure from World Bank advocacy supported by our founders.
- **Cambodia:** We launch the Clean Sugar Campaign with Cambodian partners to pressure the EU to stop granting trade privileges to land grabbers and importing sugar produced on stolen land.
- **Ethiopia:** We support Ethiopian refugees in Kenya and South Sudan to file a complaint to the World Bank Inspection Panel regarding a Bank-funded program implicated in the forcible relocation of hundreds of thousands of people.

### 2013

- **World Bank Safeguards:** We lead a global campaign to push for stronger resettlement and land rights protections in the bank's new Environmental and Social Framework.
- **Cambodia:** We help 17 Indigenous communities in Ratanakiri file a landmark complaint against the International Finance Corporation for its indirect investments in Hoang Anh Gia Lai (HAGL), a Vietnamese rubber firm that grabbed their land and destroyed their forests and streams.
- **Cambodia:** We help representatives of thousands of families displaced by an Asian Development Bank-financed railway project file a complaint with ADB's Compliance Review Panel.



ABOVE: ANUAK CHILDREN AT GOROM REFUGEE CAMP IN SOUTH SUDAN.

### 2014

- **Cambodia:** ADB agrees to a multimillion dollar compensation and remedy package for families displaced by the railway project.
- **Cambodia:** We help hundreds of displaced farmers file an Organization for Economic Cooperation and Development (OECD) complaint against Australia's ANZ Bank for financing Phnom Penh Sugar's land grab.
- **Samoa:** With our support, four customary chiefs file a complaint with the Asian Development Bank's Accountability Mechanism over ADB-backed financial deregulation that threatened the country's customary land tenure system.



ABOVE: CAMBODIA RAILWAY.



**“WITHOUT INCLUSIVE DEVELOPMENT INTERNATIONAL’S SUPPORT AND ENORMOUS CONTRIBUTION, OUR COMPLAINT WOULD NEVER HAVE GOTTEN TO WHERE IT IS, AND CONSEQUENTLY THE ADB AND THE SAMOAN GOVERNMENT WOULD NEVER HAVE WASTED RESOURCES TO MAKE AMENDMENTS.”**

Fiu Mataese Elisara,  
Samoa matai (customary chief)

ABOVE: SAMOA. PHOTO BY MIKIGROUP. LICENSED UNDER CC BY SA 2.0.

## 2015

- **Tools and Training:** With Equitable Cambodia, we publish "Avoiding Forced Evictions: A Community Guide to Negotiation and Advocacy," and we release our first Following the Money guide for advocates, in collaboration with International Institute for Environment and Development (IIED).
- **Cambodia:** HAGL agrees to return all community lands it improperly acquired in Ratanakiri and its concessions are reduced by over 50%, preserving thousands of hectares of forests from conversion into rubber plantations.
- **AIIB:** We begin advocacy to shape the Asian Infrastructure Investment Bank’s first Environmental and Social Framework.



ABOVE: AFFECTED COMMUNITY MEMBER, CAMBODIA.

## 2016

- **Development Finance Accountability:** With 10 partners we publish the landmark report, "Glass Half Full? The State of Accountability in Development Finance," analyzing how independent accountability mechanisms at 11 development banks have (and haven't) worked for communities seeking redress. The report includes recommendations for strengthening these mechanisms so they serve as an effective avenue of recourse.
- **World Bank Safeguards:** The bank releases a new Environmental and Social Framework, incorporating stronger standards on land rights and involuntary resettlement (though set within a weaker overall policy framework).
- **Tools and Training:** We launch the Follow the Money initiative, investigating over 30 harmful projects upon request of grassroots advocates, and publish an online resource for fellow advocates at [www.followingthemoney.org](http://www.followingthemoney.org).
- **Cambodia:** We file a complaint to the London-based “sustainable” sugar group Bonsucro, challenging its admission of Thai sugar giant Mitr Phol despite the company’s land grabs in Cambodia.
- **China Global Program:** We publish our first in-depth report on Chinese development finance, "Making Inroads: Chinese Infrastructure Investment in ASEAN and Beyond."
- **Financial Intermediary Lending:** We publish the first report in our 7-part investigative series, "Outsourcing Development: Lifting the Veil on the World Bank Group’s Lending Through Financial Intermediaries," highlighting the bank’s role in financing Asia’s coal boom.
- **Samoa:** ADB internal watchdog finds ADB violated its operational policies in advising the Government of Samoa to adopt controversial land and financial sector reforms, which were likely to cause direct and material harm to the Samoan people (however, the Board deferred a full investigation due to promises that the Government of Samoa would propose legislative changes that would remove the harm).



ABOVE: FARMER DISPLACED BY RAMPAL COAL PLANT, BANGLADESH. PHOTO BY JOE ATHIALY.

## 2017

- **Guinea:** We help displaced people in the Siguiri region of Guinea file a complaint against the International Finance Corporation (IFC) for its role in backing AngloGold Ashanti to expand its gold mine, which led to violent forced evictions.
- **Tools and Training:** We publish our "Community Guide to the International Finance Corporation," a resource to help people affected by IFC-funded projects understand and claim their rights.
- **Tools and Training:** We publish "Safeguarding People and the Environment in Chinese Investments: A Reference Guide for Advocates," a resource to help advocates understand and better engage with Chinese companies, financial institutions and regulatory bodies.
- **Philippines:** We help 19 communities and 100 citizen groups file a historic complaint against the IFC for its indirect financing of the Philippines' coal boom through its investments in Rizal bank.



ABOVE: SIGUIRI, GUINEA.

## 2018

- **Our Organization:** Inclusive Development International becomes an independent 501c3 organization and we open a new branch in West Africa.
- **Cambodia:** With our support, 700 displaced farming families file Asia's first transboundary class-action human rights lawsuit against the Thai sugar giant Mitr Phol, and an Organization for Economic Cooperation and Development (OECD) investigation of ANZ Bank finds that the bank's financing to Phnom Penh Sugar violated its human rights responsibilities.
- **Myanmar:** The Ban Chaung community gets a planned coal mine suspended and mining permit withdrawn from the Thai developer, following a complaint we helped them file with the Thai Human Rights Commission, complementing other international advocacy. If developed, the mine would have threatened the land and livelihoods of 16,000 people in a delicate post-conflict region.
- **Financial Intermediary Lending:** Following years of advocacy by Inclusive Development International and partners, IFC announces a series of reforms to strengthen due diligence and bring greater accountability and transparency to its financial intermediary lending portfolio.
- **AiIB:** With global partners, we advocate for the Asian Infrastructure Investment Bank (AIIB) to adopt a robust, independent accountability mechanism.



ABOVE: BURNING COAL IN BAN CHAUNG, MYANMAR.

## 2019

- **Samoa:** As a result of the ADB accountability process we supported, legislation passes that creates a separate registry system to safeguard customary land.
- **Laos:** One year after the tragic collapse of the Xe Pian Xe Namnoy dam, we work with International Rivers and others to bring attention to survivors' plight and demand remedy and accountability for those responsible.
- **Indonesia:** Our investment chain analysis finds that the IFC is indirectly backing the extremely dangerous Dairi Prima Mineral zinc mine in North Sumatra and we help communities file a complaint to the Compliance Advisor Ombudsman.
- **Guinea:** With our support, 13 farming communities lodge a complaint against the IFC for financing the expansion of the highly destructive Compagnie des Bauxites de Guinée (CBG) bauxite mine, which had been grabbing their land and polluting their water for decades.
- **Guinea:** We help communities displaced by AngloGold Ashanti's Siguiri gold mine negotiate with the company to improve access to water and education, address the root causes of conflict and human rights abuses by Guinean security forces, and undertake an independent audit of the resettlement process remediating any deficiencies identified.
- **Cambodia:** We help displaced Cambodian communities file an OECD complaint against Bonsucro for its greenwashing of member company Mitr Phol.



ABOVE: FINALIZING AGREEMENT WITH ANGLGOLD ASHANTI IN SIGUIRI, GUINEA.

## 2020

- **Cambodia:** After six years of persistent advocacy, we reach an agreement with Australia's ANZ bank to compensate families forcibly displaced by its former client Phnom Penh Sugar, setting a global human rights precedent for the banking sector.
- **Thailand:** A Thai court of appeals rules in favor of our attorneys, advancing the landmark transboundary human rights litigation against Mitr Phol for its Cambodia land grab.
- **EACOP:** Following advocacy by Inclusive Development International and partners, which laid the basis for a global campaign, the African Development Bank rules out support for the controversial East African Oil Pipeline (EACOP).
- **Indonesia:** We help Indigenous communities in Central Java take on one of the world's largest cement companies, HeidelbergCement, and defend their right to free, prior and informed consent through international complaints mechanisms and shareholder advocacy.
- **Philippines:** Spurred by the IFC complaint we helped file and years of pressure from climate activists in the Philippines, Rizal bank announces it will exit coal.
- **Financial Intermediary Lending:** The IFC begins requiring new financial intermediary clients to disclose additional information for higher risk sub-projects, and unveils a "Green Equity Approach," setting coal exit requirements for its equity clients in the financial sector.
- **Tools and Training:** We publish the "Community Guide to the Asian Infrastructure Investment Bank" to equip communities and activists to hold AIIB accountable to its environmental and social responsibilities.



ABOVE: KENDENG, INDONESIA; PHOTO BY JM-PPK.

## 2021

- **EACOP:** We help launch the #StopEACOP campaign, a global coalition of 200+ organizations, and convince 11 major banks and 3 multinational insurers to rule out support, increasing financing costs of the project by \$1.5 billion.
- **Indonesia:** HeidelbergCement agrees to mediations with communities threatened by its limestone mine and cement factory in Central Java, and to pausing the project while the talks are ongoing.
- **Australia and Cambodia:** We complete the distribution of the ANZ settlement funds to 1,096 Cambodian families and support ANZ to design and launch a new human rights grievance mechanism that is the first of its kind in the commercial banking sector.
- **Guinea:** Following the complaint we helped file, CBG begins mediations with Guinean communities and agrees to stop harmful dynamite blasting activities near villages and provide reparations for past damages.
- **AIIB Advocacy:** AIIB adopts an updated Environmental and Social Framework, incorporating key recommendations we made regarding safeguards in financial intermediary lending and resettlement.
- **China Global Program:** We help launch the People's Map of Global China, a collaborative platform for tracking and documenting China's complex and rapidly changing international corporate and financial activities.



ABOVE: BAUXITE MINE, GUINEA.

## BY THE NUMBERS

215

HARMFUL PROJECTS  
WE'VE INVESTIGATED  
USING FOLLOW THE  
MONEY METHODS



234

INVESTORS AND SUPPLY CHAIN  
ACTORS WE'VE ENGAGED TO  
APPLY PRESSURE



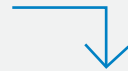
\$3.1T

TOTAL MARKET CAP OF THE  
PUBLIC COMPANIES WE'VE  
TAKEN ON



76

COMPANIES AND INTERNATIONAL  
INSTITUTIONS WE'VE HELD  
ACCOUNTABLE



45,243

FAMILIES WE'VE HELPED  
TO SECURE REDRESS

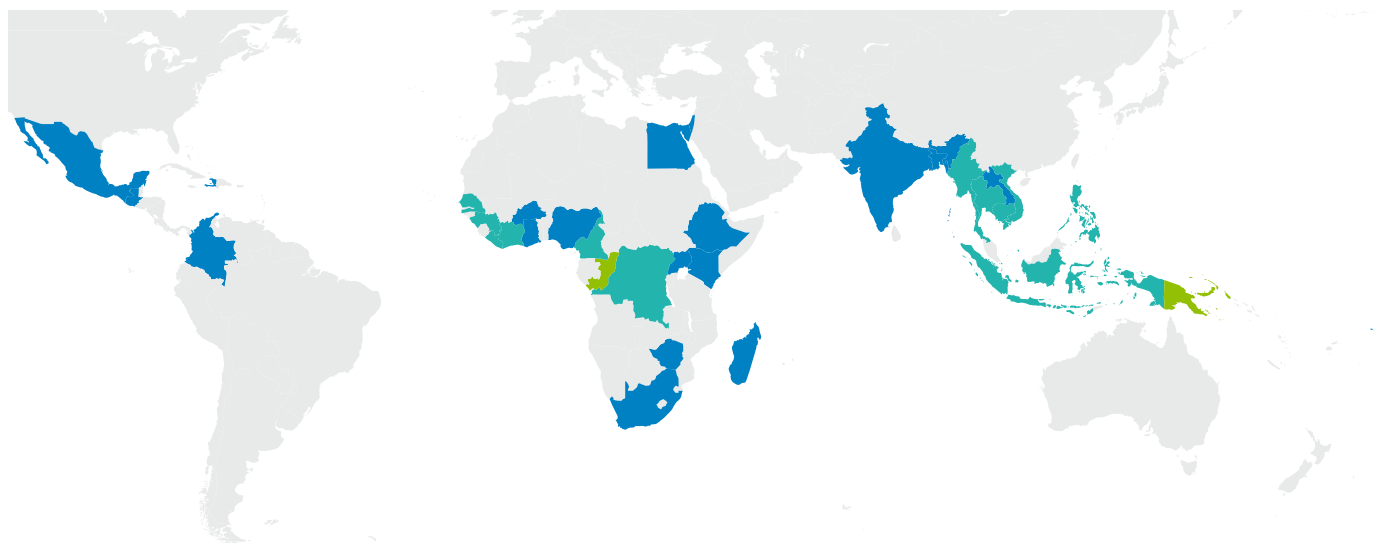
10.3M

TOTAL VALUE OF MATERIAL  
REMEDIES SECURED FOR  
HARMED COMMUNITIES

12

CASES IN WHICH WE'VE PREVENTED  
HUMAN RIGHTS AND ENVIRONMENTAL  
HARMS FROM TAKING PLACE

## A GLOBAL PRESENCE



# 13

**INSTITUTIONS THAT HAVE ADOPTED POLICY CHANGES TO STRENGTHEN HUMAN RIGHTS PROTECTIONS AS A RESULT OF OUR ADVOCACY**

# 302

**COMMUNITIES WE'VE ACCOMPANIED WITH ADVOCACY AND LEGAL SUPPORT**

# 1,074

**GRASSROOTS HUMAN RIGHTS DEFENDERS WE'VE TRAINED**

**Countries where Inclusive Development International has investigated harmful projects and supported communities to defend their rights:**

- Bangladesh
- Burkina Faso
- Colombia
- Egypt
- Ethiopia
- Ghana
- Guatemala
- Haiti
- India
- Kenya
- Laos
- Madagascar
- Mexico
- Nigeria
- Palestine
- Samoa
- South Africa
- South Sudan
- Uganda
- Zimbabwe

**Countries where Inclusive Development International has trained grassroots human rights defenders:**

- Papua New Guinea
- Republic of the Congo

**Countries where Inclusive Development International has investigated projects, supported cases and trained advocates:**

- Cambodia
- Cameroon
- Côte D'Ivoire
- Democratic Republic of Congo
- Guinea
- Indonesia
- Liberia
- Myanmar
- Philippines
- Senegal
- Thailand
- Vietnam

# STRONGER THAN EVER

## HIGHLIGHTS FROM 2021



WE AND OUR PARTNERS  
CONTINUED COMMUNICATING AND  
COLLABORATING VIRTUALLY ACROSS  
BORDERS AND TIME ZONES TO  
ACHIEVE RESULTS.

**LEFT:** A STOP EACOP PROTESTER. PHOTO COURTESY OF FRIDAYS FOR FUTURE.  
**RIGHT:** BAUXITE MINE, GUINEA.

Despite ongoing challenges posed by a global pandemic, the Inclusive Development International team had one of its most impactful years to date.

We and our partners continued communicating and collaborating virtually across borders and time zones to achieve results. That included sharing our Follow the Money investigation findings and advocacy advice with community advocates around the world through virtual meetings and streamlined written reports, and accompanying community representatives in nearly 200 hours of mediations with the Compagnie des Bauxites de Guinée mining company and its multinational shareholders via Zoom.

In 2021, we investigated 55 harmful projects, identified 121 new advocacy opportunities for affected communities and moved advocacy strategies forward in 23 cases, securing major wins in several that were years in the making. We launched a powerful new report and advocacy campaign with Human Rights Watch to safeguard human rights in the global aluminum supply chain, drawing on years of experience working with communities in mining-affected regions of Guinea. And we helped secure important policy wins that we've been fiercely advocating for years, including a more effective accountability mechanism at the International Finance Corporation and enhanced environmental and social protections at the Asian Infrastructure Investment Bank.

NUMBER OF NEW ADVOCACY OPPORTUNITIES IDENTIFIED FOR COMMUNITIES AFFECTED BY HARMFUL PROJECTS

↑  
**121**

# 55



NUMBER OF HARMFUL  
PROJECTS INVESTIGATED  
IN 2021



# WE UNRAVELED FINANCIAL DATA TO EXPOSE WEBS OF ACTORS BEHIND HARMFUL INVESTMENT PROJECTS

## FOLLOWING THE MONEY TO JUSTICE

Multinational corporations driving lucrative projects in countries with weak governance and accountability systems has disastrous results for marginalized communities.

But these corporations don't act alone. Behind them are a web of banks, investors, insurance companies and commodity buyers that remain hidden from view. Many have made policy commitments to protect human rights and the environment. Others are bound by laws and regulations in their home countries that apply to their overseas investments and supply chains. But as long as they remain invisible, they can evade responsibility.

**We expose them.**

By revealing the actors that are backing and profiting from harmful projects, we gain leverage that communities can use to fight back. Every year, we conduct dozens of in-depth investigations to support grassroots activists and human rights defenders in their struggles for justice.

This approach is the cornerstone of our work to shift power back to the people who are most affected, and to advance corporate accountability and inclusive development.

Detailed information on all of our investigations is available at [www.inclusivedevelopment.net/following-the-money](http://www.inclusivedevelopment.net/following-the-money)

**BELOW:** PARTICIPANT IN THE FOLLOW THE MONEY TRAINING PROGRAM.





## FEATURED INVESTIGATIONS

### Mapping Cobalt Supply Chains to Ensure Accountability for Abuses

Cobalt is a key component in green technologies such as batteries for electric vehicles. About 70% of the global supply comes from the Democratic Republic of Congo (DRC), where cobalt mining has been linked to corruption, environmental degradation, physical and economic displacement, and child labor. But because the supply chain tends to be opaque, it is difficult to identify links between end users and the mines where abuses are occurring.

Our investigation of six cobalt mines in the DRC for Resource Matters showed how the mineral moves through global supply chains and ends up in electric vehicles produced by major car brands, including Tesla and Volkswagen.

Resource Matters used this research to create an interactive online map for advocates, journalists and researchers to use to untangle these complex webs and hold key players accountable.

As part of this work, we specifically investigated the investment chain of the Swiss miner Glencore, one of the largest operators in the DRC's cobalt sector. In addition to identifying shareholders — including pension funds and Environmental, Social and Governance (ESG)-focused investors — and corporate lenders with ties to Glencore's mines, we uncovered an indirect link with three European development finance institutions. This opened the door for communities in the DRC to file a complaint to those institutions' shared accountability mechanism.

Resource Matters also put our research to use directly engaging Glencore's financial backers and raising the profile of the case in the Dutch media and in parliamentary hearings.

One of the investors uncovered by our investigation, the Dutch pension fund ABP, divested from Glencore following this engagement, citing human rights concerns.

### Shining a Light on Plans for Destructive Deep-Sea Mineral Mining

Deep-sea mining is being promoted as a sustainable alternative to harmful terrestrial mining of cobalt and other minerals. But mining the ocean floor comes with serious environmental risks. Environmental organizations argue that until the current scientific understanding of these ecosystems is expanded, mining of the seabed should be put on hold.

We conducted Follow the Money research to support a coalition of environmentalists, scientists and fisher organizations that are advocating for a moratorium on deep-seabed mining in order to safeguard the long-term health, integrity and resilience of deep-sea ecosystems.

Our investigation uncovered extensive supply chain links to some of the world's biggest brands, including the U.S. retailer Home Depot. We also discovered a planned merger that would create one of the largest and most advanced deep-sea miners, The Metals Company. We uncovered previously unknown shareholders and controversies connected to many of the key players in the deal, including the directors of the new company. The deep-sea mining coalition used our research to engage investors and lenders, highlight the risks of project finance for one of the mines, and attend and ask questions at an extraordinary meeting of investors for The Metals Company.

**BELOW:** ORE CONTAINING COPPER, COBALT AND NICKEL. PHOTO BY PAUL ALAIN HUNT.



# WE ACCOMPANIED COMMUNITIES TO PREVENT HARMFUL INVESTMENTS AND SECURE REDRESS

## CASES AND CAMPAIGNS

In select cases, after we have mapped the investment and supply chains of harmful projects and provided strategic advice, 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 accompany communities through dispute resolution processes and negotiations with companies and development institutions to remediate violations and prevent future harms.

In 2021, we provided this ongoing support to partners to move forward 23 separate cases and campaigns around the world. These are some of the highlights.

## REALIZING REMEDY AFTER ANZ-BACKED LAND GRAB

When a Cambodian sugar company illegally seized and bulldozed the farms and residential land of more than 1,500 families to make way for a sprawling plantation and refinery, the communities organized to push back. In 2014, their struggle received a boost when we discovered and exposed the fact that the project was financed by Australia's ANZ bank, which had failed to do its human rights due diligence on the loan. After ANZ cut its ties to the sugar company without ensuring that it provided redress to the displaced communities, we helped the families file a formal complaint against the bank with the Australian government. At shareholder meetings and in parliamentary hearings, we advocated for the bank to contribute to remedy for the harms that it contributed to through its loan. Some five years later, in a world first, the bank agreed to contribute the gross revenue it made on the loan to the communities that had been forcibly displaced.

From mid-2020 through 2021, Inclusive Development International and our partner Equitable Cambodia worked with community representatives to devise and carry out an inclusive process to distribute the settlement funds to affected families. Together, we identified and certified approximately 1,100 families eligible for the funds and took steps to ensure that they received an equitable share, including safeguards for women and vulnerable persons. In November 2021, the last of the funds were disbursed and a portion of the settlement was set aside to fund local development projects, designed by the communities themselves.



**ABOVE:** ROAD TO PHNOM PENH SUGAR PLANTATION, CAMBODIA. PHOTO BY THOMAS CRISTOFOLETTI / ROUM.



**ABOVE:** TRUCKS HAULING SUGARCANE FROM PHNOM PENH SUGAR PLANTATION, CAMBODIA. PHOTO BY THOMAS CRISTOFOLETTI / ROUM.

This is the first time known globally that a bank has provided any form of financial compensation to communities harmed by the activities of a corporate lending customer, and the funds have changed the lives of families who have been fighting for justice for over a decade. The case sets an important precedent for the human rights obligations of financial institutions: when they contribute to harm through their financing activities, they have a duty to contribute to remedy.

As a result of this case, ANZ also launched a new human rights grievance mechanism — the first commercial bank to do so — giving communities harmed by ANZ-financed projects access to remedy and putting pressure on other banks to follow suit. Inclusive Development International was part of a stakeholder working group that helped ANZ shape the mechanism in line with the expectations of the U.N. Guiding Principles on Business and Human Rights.

**“WITH THIS MONEY, THE MORE THAN ONE THOUSAND FAMILIES FORCIBLY EVICTED FROM THEIR LAND BY PHNOM PENH SUGAR ARE REBUILDING.”**

**Eang Vuthy,**  
Executive Director of Equitable Cambodia

# 23



**NUMBER OF CASES AND CAMPAIGNS WE PROVIDED ONGOING SUPPORT TO GLOBALLY IN 2021**



**ABOVE:** NEW BOREHOLE CONSTRUCTED BY CBG TO ALLEVIATE URGENT WATER CRISIS IN FASSALLY FOUTABE VILLAGE.

## GETTING RESULTS IN MEDIATION WITH ALCOA-RIO TINTO BAUXITE MINE

The West African nation of Guinea is home to the world's largest reserves of bauxite — the raw material needed to produce the aluminum used by major consumer brands to make cars, beverage cans and technology products. Although the government aims to expand the country's refining capacity, bauxite from Guinea is still largely processed abroad and few Guineans have benefited from the industry. The multinational corporations extracting the bauxite, however, are making a fortune.

The Compagnie des Bauxites de Guinée (CBG) mining company, which is majority owned by a joint venture of multinational mining giants Alcoa, Rio Tinto and Dadco, has been operating in Guinea's Boké region since the early 1970s. For years, the joint venture has denied the customary land rights of local communities and expropriated their farmland without compensation or land rehabilitation, causing severe environmental damage.

In 2019, our Follow the Money research revealed that the International Finance Corporation (IFC) had arranged and contributed to an \$800 million loan to expand CBG's mine, alongside U.S. and German government financing agencies and a half dozen major commercial banks. We helped the residents of 13 nearby villages file a formal complaint to the IFC's Compliance Advisor Ombudsman. The complaint triggered a dispute resolution process, which began in 2021 with Inclusive Development International and our Guinean partners Centre du Commerce International pour le Développement (CECIDE) and Association pour le développement rural et l'entraide mutuelle en Guinée (ADREMGUI) serving as advisors to community representatives.

In November, after nearly 200 hours of negotiations, a first agreement was reached, with CBG committing to stop harmful dynamite blasting within a kilometer of inhabited areas, to compensate people for the damage caused by past blasting activities, and to take steps to avoid future harms.

13



NUMBER OF GUINEAN VILLAGES WE ARE ACCOMPANYING IN MEDIATIONS WITH CBG

OUR ONGOING ADVOCACY WITH CBG'S LENDERS AND CUSTOMERS, INCLUDING A REPORT WE CO-PUBLISHED WITH HUMAN RIGHTS WATCH IN JULY 2021, PUTTING A SPOTLIGHT ON HUMAN RIGHTS PROBLEMS IN THE GLOBAL CAR INDUSTRY'S ALUMINUM SUPPLY CHAIN, HAS CONVINCED MANY TO TAKE ACTION. THE RESULTING PRESSURE HAS GIVEN COMMUNITIES INCREASED LEVERAGE IN THEIR ONGOING NEGOTIATIONS WITH THE COMPANY.

## SUPPORTING PLAINTIFFS IN ASIA'S FIRST TRANSBOUNDARY CLASS ACTION ON HUMAN RIGHTS

Plaintiffs representing seven hundred Cambodian farming families are preparing for trial in Thailand against sugar giant Mitr Phol for its complicity in their forcible displacement between 2008–2009 and its ongoing refusal to provide remedy or compensation. Inclusive Development International has been working with the displaced families for over a decade and helped file this case, Asia's first ever extraterritorial human rights litigation. We are now providing support to the plaintiffs' Thai counsel.

In 2021, our legal team lined up expert witnesses and worked with plaintiffs to prepare their written statements and to collect other evidence for trial, including an assessment of damages. We also filed a successful petition in the Northern District of Georgia, under the U.S. Foreign Legal Assistance Statute, asking the U.S. Court to help the plaintiffs obtain evidence from Coca-Cola, a former customer of Mitr Phol, to assist the litigation in Thailand.

"ACCESS TO THE INFORMATION COCA-COLA HAS COULD BE GAME-CHANGING FOR THE COMMUNITIES SEEKING JUSTICE IN THIS CASE AND HELP PAVE THE WAY FOR HOLDING MITR PHOL TO ACCOUNT AFTER SO MANY YEARS."

**Sor.Rattanamanee Polkla,**  
Executive Coordinator of Community Resource Centre Foundation and one of the Plaintiffs' lawyers



**ABOVE:** FARMER AND HIS INFANT SON WHOSE LAND WAS GRABBED TO MAKE WAY FOR MITR PHOL SUGAR PLANTATION. PHOTO BY THOMAS CRISTOFOLETTI.



**ABOVE:** A DIRT ROAD IN THE MURCHISON FALLS NATIONAL PARK NEAR LAKE ALBERT. OIL DRILLING WILL BE HAPPENING NEAR THIS ROAD.

**“IN THE LAST YEAR, THIS CAMPAIGN HAS SNOWBALLED FROM ITS GRASSROOTS IN UGANDA AND TANZANIA TO BECOME A GLOBAL MOVEMENT WITH OVER 260 ORGANIZATIONS SUPPORTING IT. AS A RESULT, MAJOR BANKS AND INSURERS HAVE COMMITTED TO STAYING AWAY FROM THE EACOP PROJECT — ACKNOWLEDGING THAT IT PUTS PEOPLE, NATURE AND THE CLIMATE AT RISK.”**

Omar Elmawi,  
#StopEACOP Campaign Coordinator

## **PUTTING THE BRAKES ON A DISASTROUS EAST AFRICAN OIL PIPELINE PROJECT**

Plans for a massive oil pipeline running through the heart of East Africa would displace tens of thousands of people, endanger critical ecosystems, threaten the water resources that more than 40 million people rely on in the Lake Victoria basin, and tip the world closer to a climate catastrophe.

An investment chain analysis we conducted in 2019 helped form the basis for a global campaign led by East African civil society groups to disrupt the flow of capital to the disastrous East African Crude Oil Pipeline (EACOP) project. In 2021, we helped formally launch the #StopEACOP campaign to stop the pipeline, keep Uganda’s oil in the ground and support the vision of East African civil society for a sustainable, inclusive and diversified economy powered by renewable energy.

Support for the campaign has exploded in East Africa and globally, thanks in part to the #StopEACOP campaign website, mailing list and social media presence we helped develop. Today, over 260 organizations have signed on as partners and thousands of individuals have participated in public actions targeting the project developers and the development finance institutions, commercial banks and insurance companies still considering support for the project.

Inclusive Development International continues to engage in targeted private advocacy with prospective project financiers and we helped file a complaint against the World Bank’s private sector arm, which holds a stake in an important local insurance firm that has agreed to provide coverage for the pipeline.

By the end of 2021, 11 major banks and 3 multinational insurers had backed away, increasing costs of the project by \$1.5 billion.



ABOVE: FISHERMAN ON LAKE VICTORIA, UGANDA.

## STOPPING A CENTRAL JAVA MINE THAT WOULD DESTROY SACRED INDIGENOUS LANDS

Communities in the Kendeng Mountains in Central Java are taking on HeidelbergCement — one of the world’s largest cement companies — in a fight to preserve their way of life. The Samin are self-identified Indigenous peoples whose ancestral territory is located in and around the site of a prospective limestone mine and cement factory site owned by a HeidelbergCement subsidiary. In 2021, we helped them win a key battle — convincing HeidelbergCement to pause development of the proposed limestone mine and cement factory that would destroy their sacred karsts and threaten their livelihoods and water resources.

We began supporting the Samin in 2020, conducting investment chain research on the proposed project and working with them to file a complaint against HeidelbergCement with the German Government’s National Contact Point for Responsible Business Conduct. The Contact Point determined that the issues raised in the complaint regarding human rights risks and impacts, company disclosure, stakeholder engagement, and adequacy of the environmental impact assessment merit further examination. In May 2021, the complaint was accepted.

At the same time, we have been conducting extensive shareholder advocacy in collaboration with the Heartland Initiative ethical investor network. We have engaged with all of HeidelbergCement’s top shareholders, calling on them to fulfill their responsibilities under the U.N. Guiding Principles on Business and Human Rights. Following this pressure, the company has agreed to enter into mediations with the communities and has paused development of the mine.

**BELOW:** KENDENG MOUNTAINS, CENTRAL JAVA.





19

NUMBER OF AFFECTED  
COMMUNITIES WE ASSISTED TO  
FILE A CLASS-ACTION STYLE  
COMPLAINT TO IFC



ABOVE: CONSTRUCTION OF A COAL FIRED POWER PLANT IN THE PHILIPPINES.

## HOLDING IFC ACCOUNTABLE FOR ITS ROLE IN THE PHILIPPINES' COAL BOOM

Since 2017, we have been working with the Philippine Movement for Climate Justice to stop 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. In 2017, we assisted more than 100 citizen groups and 19 affected communities to file a class-action style complaint to the International Finance Corporation (IFC)'s Compliance Advisor Ombudsman, accusing the lender of fueling climate change through its opaque investments in a major financier of the Philippines' coal industry, the Rizal Commercial Banking Corporation.



ABOVE: COAL PLANT PROTEST IN THE PHILIPPINES. PHOTO BY 350.ORG.

The resulting investigation, completed in December 2021, confirmed the claims made in the complaint. The watchdog found that IFC breached its environmental and social sustainability policy and procedures in the supervision of its investments in Rizal Bank, contributing to a situation whereby the bank contributed to the financing of at least 10 harmful coal plants that did not comply with the IFC Performance Standards. The investigation report includes several strong recommendations for remedial action to address the local environmental and social impacts of the coal plants, the cumulative greenhouse gas emissions from the plants, and the systemic problems with IFC's approach to financial intermediary lending. In response to the report, IFC will implement a remedial action plan to address these findings and recommendations, bringing the Philippines and affected communities a huge step closer to justice in this case.

**"GIVEN ITS MISSION, IT'S SHOCKING THAT IFC HAS ENABLED THE DRAMATIC EXPANSION OF COAL IN THE PHILIPPINES. IT IS VITAL THIS REPORT LEADS TO THE SYSTEMIC REFORMS NEEDED, INCLUDING STOPPING CLIENTS FUNDING NEW COAL AND ENSURING IFC INVESTMENTS ARE ALIGNED WITH THE PARIS AGREEMENT."**

**Kate Geary,**  
Co-Director of Recourse and board member  
of Inclusive Development International

## PREVENTING A LOOMING DAIRI PRIMA MINERAL MINE DISASTER

Dairi Prima Mineral’s proposed zinc and lead mine in North Sumatra, one of the most earthquake prone areas of the world, is a disaster waiting to happen. According to technical experts we commissioned to assess the environmental risks of the project, collapse of the tailings dam associated with the mine is a “virtual certainty” and could unleash more than 1 million tons of mud and toxic waste on nearby communities.

Inclusive Development International has been working with these communities for several years, starting in 2019 when we mapped the investment chain behind the project. Our investigation revealed that the International Finance Corporation (IFC) was indirectly backing Dairi Prima Mineral through its equity investment in Postal Savings Bank of China. This enabled the communities to file a complaint to the IFC’s Compliance Advisor Ombudsman, which was accepted and led to a compliance appraisal that is ongoing.

In 2021, we increased pressure on various stakeholders involved in the highly dangerous mine. Along with partners, we ramped up media advocacy, including by publishing an op-ed in the Asia-Pacific policy-focused outlet The Diplomat, laying out the dangers of the project, and supporting Indonesian partners to hold a media event in March. The case has received high profile coverage in China-focused media and local Indonesian outlets, as well as from the respected environmental journalist Fred Pearce, who published an in-depth article on the case in Yale360 drawing on our research and highlighting the role of car brands who are likely to use zinc from the mine in their supply chains.

**AS A RESULT OF THIS CONCERTED AND ONGOING ADVOCACY, THE COMPANY HAS STRUGGLED TO SECURE PROJECT FINANCING AND HAS BEEN UNABLE TO OBTAIN ENVIRONMENTAL CLEARANCE FROM THE GOVERNMENT.**

**BELOW:** OUTSIDE THE DAIRI PRIMA MINERAL MINE SITE, NORTH SUMATRA.



## HOLDING AVESORO RESOURCES TO ITS COMMUNITY DEVELOPMENT PROMISES

More than five years after Liberia's first and largest commercial gold mine went into full production, many people living nearby find themselves worse off than before — despite promises that the mine would bring a better life, including functional roads, safe drinking water, electricity, education, healthcare and employment. Instead, community leaders say that the New Liberty project has taken their homes and farms, polluted their water and failed to provide promised jobs and social benefits.

In 2020, Liberian NGOs that had been working with the community since 2015 turned to Inclusive Development International to help investigate the project's financial backers and gold off-takers. Our investment chain research revealed that the German development agency Deutsche Investitions- und Entwicklungsgesellschaft (DEG), the French development bank Proparco and the Dutch entrepreneurial development bank FMO were all linked to the project through their investments in South Africa's FirstRand Bank. So, we helped the communities file a complaint to the development banks' shared accountability mechanism.

In February 2021, that groundbreaking complaint was accepted, opening the door to a formal mediation process with the operating company, Avesoro Resources.

We also traced the gold supplied by the New Liberty mine to over 100 major U.S. and global brands and urged those brands to use their leverage to get Avesoro Resources to the table. The pressure worked. Communities now have a real opportunity to secure full and fair redress for all of the harms and losses they have suffered, hold the company to its prior agreements with communities and prevent future harm as the mine continues to expand.

**“THIS DECISION CREATES A VITAL OPPORTUNITY FOR THE LIBERIAN COMMUNITIES TO SECURE REDRESS FOR THE TERRIBLE IMPACTS THEY HAVE SUFFERED AS A RESULT OF THE NEW LIBERTY MINE. IT ALSO ESTABLISHES AN IMPORTANT PRECEDENT THAT OPENS THE DOOR TO REMEDY FOR ANY COMMUNITY THAT HAS BEEN HARMED BY COMPANIES SUPPORTED BY THE FINANCIAL INTERMEDIARIES OF THE EUROPEAN DEVELOPMENT BANKS.”**

**Sarah Jaffe,**

Senior Legal and Policy Associate at  
Inclusive Development International

# 100



**NUMBER OF MAJOR U.S. AND GLOBAL BRANDS LINKED TO THE NEW LIBERTY MINE**



**ABOVE:** KINJOR, LIBERIA.

# WE ADVOCATED FOR BINDING HUMAN RIGHTS RULES AND ACCOUNTABILITY MECHANISMS FOR CORPORATIONS AND FINANCIAL INSTITUTIONS

## POLICY IMPACT

In addition to supporting communities to challenge harmful investment projects, we work to change the system that perpetuates destructive development.

We advocate 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 experience working with impacted communities and our knowledge of the regulatory and accountability gaps that we encounter through our investment chain research and case work, we develop and promote policy solutions to advance a more just and equitable global economy.

## PROTECTING HUMAN RIGHTS IN THE ALUMINUM SUPPLY CHAIN

As the world embraces better and cleaner technologies to combat climate change, the market for electric cars is booming, driving demand for aluminum, which is used to make lighter weight vehicles. Unfortunately, the current practices of extractives companies involved in mining bauxite — the primary mineral used in the production of aluminum — have been devastating to local and Indigenous communities in mining regions around the world.

Because bauxite mines involve surface level mining, they often destroy huge swathes of forests and farmland, along with the livelihoods of local communities for whom those resources are essential. Bauxite mines can also have a devastating impact on rivers and groundwater sources that people rely on for drinking and irrigation.

In Guinea, home to the world's largest bauxite deposits, a government study predicts that over the next 20 years the bauxite mining boom will remove 858 square kilometers of agricultural land and destroy more than 4,700 square kilometers of natural habitat.

It is imperative that mining companies start respecting customary land rights, compensating communities fairly for the use of their land and then rehabilitating and returning it once they are finished mining. And mining companies must institute programs to ensure that local communities share in the economic benefits derived from the extraction of valuable minerals from their land. In the absence of these measures, hundreds of thousands of people could be thrust into intergenerational poverty.

The good news is the car brands that sit at the end of the global aluminum supply chain wield incredible clout within the industry and have the purchasing power to drive change. That is why we have partnered with Human Rights Watch and Guinean civil society groups to document abuses in the bauxite mining industry, reveal how those abuses are linked to major brands via global aluminum supply chains and push those brands to use their leverage to ensure the mines, refineries, and smelters they source from are respecting human rights and the environment.



ABOVE: ASSEMBLY LINE MANUFACTURING ELECTRIC VEHICLES.

In July 2021, we co-authored a report with Human Rights Watch on how car companies can drive up human rights standards in aluminum production. The report included examples of the human rights impacts of bauxite mining from around the world and an in-depth case study from Guinea, based on the work Inclusive Development International has been doing with communities in the Boké region to advocate for their rights and for fair compensation for land and resources lost to mining operations. The report also assesses how the global automobile industry is currently addressing the impacts of aluminum production, based on a year of dialogue with nine major car manufacturers — BMW, Mercedes-Benz, Ford, General Motors, Groupe PSA, Renault, Toyota, Volkswagen, and Volvo — and lays out a roadmap these companies can follow to ensure their aluminum is ethically sourced.

Some of the world’s major car companies, notably those based in Germany, have begun to establish human rights due diligence systems for their aluminum supply chains and have continued to consult us on how to get this right. The car brands are now well aware of the harmful impacts Guinean communities are facing as a result of the growing global demand for the rich bauxite under their customary land, and have engaged directly with mining companies to express their expectation for respect for human rights in their supply chains.

We also joined forces with Human Rights Watch to co-author a submission to the Aluminium Stewardship Initiative (ASI) to propose extensive revisions to its environmental and human rights Performance Standard and auditing process, which are being updated. ASI is a multi-stakeholder certification body that aims to “recognize and collaboratively foster responsible production, sourcing and stewardship of aluminum.” Car companies and other users of aluminum rely on ASI certification in their supply chain

“THESE POSITIVE STEPS SHOULD BE THE START OF A WIDER EFFORT BY THE CAR INDUSTRY TO ADDRESS THE DEVASTATING IMPACT OF ALUMINUM PRODUCTION ON COMMUNITIES IN GUINEA AND ELSEWHERE. CAR COMPANIES SHOULD CONTRACTUALLY REQUIRE MINES, SMELTERS, AND REFINERIES TO RESPECT STRONG HUMAN RIGHTS AND ENVIRONMENTAL STANDARDS AND MAKE SURE THERE ARE CONSEQUENCES FOR THEIR BUSINESS RELATIONSHIP IF THEY DON’T.”

**Natalie Bugalski,**  
Legal and Policy Director at  
Inclusive Development International.

due diligence. These companies, whose complex supply chains often involve hundreds of materials, want to be assured that an ASI stamp of approval means that the aluminum they buy is ethically and sustainably sourced. Unfortunately, like similar initiatives in other industries, deep flaws in the body’s standards and auditing system impede its ability to effectively measure and improve the environmental and human rights conduct of mining and other companies seeking ASI certification. Our recommendations to ASI are aimed at making certification a genuine badge of high performance that car companies and other aluminum users — and ultimately consumers — can rely on. Without these improvements, car companies will need to seek alternative ways to assure themselves that the aluminum they use has not displaced and impoverished local communities or destroyed their environment.

## STRENGTHENING ACCOUNTABILITY AT THE INTERNATIONAL FINANCE CORPORATION

More than twenty years ago, the World Bank Group established the Office of the Compliance Advisor Ombudsman (CAO) as an independent accountability mechanism for projects supported by the bank's private sector arms — the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). Since then, the office has done important work, providing an independent forum for dispute resolution between IFC/MIGA clients and affected communities and investigating project-related harms caused by non-compliance with the development bank's environmental and social policies and standards.

But this accountability system had become dysfunctional in recent years, primarily because IFC management disregarded the findings of compliance investigations and failed to take remedial actions to address harms.

Following an independent external review of the accountability system initiated by the IFC and MIGA boards, which Inclusive Development International contributed to extensively, a new CAO policy was developed and adopted by the World Bank Group on July 1, 2021. The new policy responds to the recommendations of the external review and incorporates key reforms, which we have long advocated, to strengthen the CAO's effectiveness and make facilitating access to remedy for project-affected people its central focus. The policy reinforces the CAO's independence from IFC and MIGA management by changing the office's reporting lines from the World Bank President to the IFC and MIGA boards. It strengthens the role of complainants in the compliance review process; gives the CAO an express mandate to make recommendations on remedial actions; and critically, it requires IFC and MIGA management to respond to compliance

findings through time bound, remedial action plans developed in consultation with complainants and focused on outcomes for affected communities.

A separate process is now underway at the IFC to address the recommendations of the external review aimed at ensuring substantive remedies for project-affected people who have suffered harm. Advocating for a robust policy framework that secures the right to remedy and closes this tremendous gap in development finance accountability, once and for all, will be a top policy priority for Inclusive Development International in the year ahead.

**BELOW:** WORLD BANK HEADQUARTERS, WASHINGTON DC.



## ADVANCING ENVIRONMENTAL AND SOCIAL PROTECTIONS AT AIIB

The Beijing-based Asian Infrastructure Investment Bank (AIIB), established in 2015, was envisioned as a “lean, clean and green” multilateral development bank for the 21st century. Inclusive Development International has been following AIIB’s evolution since it was established, working alongside international and regional partners to monitor and influence its institutional and policy development and to advocate for strong protections for people affected by AIIB-supported projects.

**A MAJOR OPPORTUNITY FOR INFLUENCE AROSE IN 2020 AND 2021 WHEN THE BANK REVIEWED AND UPDATED ITS ENVIRONMENTAL AND SOCIAL FRAMEWORK, WHICH CONTAINS THE STANDARDS AIIB CLIENTS ARE EXPECTED TO UPHOLD AND THAT AIIB IS OBLIGATED TO ENSURE ITS CLIENTS AND PROJECTS MEET.**

AIIB’s original Environmental and Social Framework, adopted in 2016, was in many respects weaker than the policies in place at other established development banks and financial institutions. The need for stronger safeguards has become increasingly clear, as AIIB has already been linked to several contentious high-risk projects that have made headlines due to their impacts on local communities and the environment.

Fortunately, the bank wrote into its original policy a requirement that the framework would be reviewed after three years. This review commenced in January 2020 and a new draft framework was released in June of that year. Inclusive Development International submitted detailed comments in response to that initial draft and published several briefing papers and commentaries laying out our recommendations for the new policy. We also undertook direct engagement with AIIB and partners in the region to inform and influence development of the new framework and to ultimately ensure more robust human rights and environmental protections at AIIB moving forward.

One of our main concerns — and an area where the new policy, adopted in October 2021, was significantly stronger — related to AIIB’s increasing focus on financial intermediary lending. These types of investments had grown to comprise almost one-quarter of the bank’s approved projects, but its original Environmental and Social Framework imposed few safeguards on them, and civil society groups had raised concerns about intermediary investments through which the bank was exposed to problematic projects in Myanmar and Bangladesh, as well as concerns that, like IFC and other institutions, AIIB was providing “back door” support for fossil fuels through this portfolio.

AIIB’s updated Environmental and Social Framework appears to take into consideration these concerns, expanding the bank’s role in reviewing and approving — or excluding — the highest-risk projects from financial intermediary portfolios. It also adds important requirements for clients to develop environmental and social management systems. These are fairly robust oversight requirements relative to other development banks and represent a huge step forward. If applied stringently, the bank should in theory avoid exposure to harmful companies and projects.

While progress has been made in the way financial intermediary lending is handled under the revised Environmental and Social Framework, some significant weaknesses remain. These include the bank’s decision not to apply the new framework to its capital market investments, an alternative form of indirect financing that it is increasingly using. Capital market operations delegate portfolios to a third-party asset manager, which makes decisions about investments in securities (for example, bonds) traded through capital markets. Critically, AIIB’s revised Environmental and Social Framework expressly excludes these operations from its application. We have been advocating for AIIB to close this dangerous loophole.

We are also continuing to advocate for AIIB to strengthen its disclosures related to all types of lending, whether direct or indirect. The bank is a relatively new player in the world of multilateral finance, but has grown quickly and now has a formidable portfolio of projects. Inclusive Development International continues to monitor the bank’s operations, supporting local partners to identify projects of potential concern, understand the policies and mechanisms that apply, and hold the bank accountable to its environmental and social commitments and responsibilities.



ABOVE: AIIB HEADQUARTERS, BEIJING.

# ENGAGING AND INFLUENCING A GLOBAL SUPERPOWER

## CHINA GLOBAL PROGRAM

Following the adoption of China's "going out" strategy in the early 2000s, the global presence of Chinese companies and the cross-border flow of Chinese capital began to grow rapidly.

China is now one of the largest global investors, a major provider of development finance, an important aid partner for many developing nations and sits at the heart of global trade networks. As Chinese companies and financial institutions have expanded globally, it has become increasingly important to understand how they operate, how they undertake, invest in and secure financing for overseas projects, and what regulations apply. Having worked on these issues for many years, Inclusive Development International has developed significant expertise in researching, understanding and influencing Chinese actors.

We created our dedicated China Global Program to continue growing and deepening this expertise and to share it with partners. The program works to monitor, understand and raise awareness about ongoing trends in Chinese overseas investment, and the environmental, social and governance standards that govern it.

To help civil society partners keep up with these developments and understand how they apply to their work, we produce informational tools, including our *Safeguarding People and the Environment in Chinese Investments* guide for advocates. We also maintain a database of policies, regulations and guidelines issued by Chinese regulators that apply to overseas projects, and since 2020 have published quarterly newsletters focusing on emerging issues in the global China space.

Inclusive Development International also supported the development of the People's Map of Global China, a collaborative platform for tracking China's international activities, which launched in 2021. The project sources content from civil society organizations, researchers, journalists and academics from around the world, producing profiles on China's bilateral relationships with various countries, as well as profiles on specific development projects.

With much of the current narrative around China and China's global presence highly polarized, Inclusive Development International seeks to produce materials that are factual, evidence based, and accessible to those who wish to know more about these important developments. The overarching objective of all these activities is ultimately to improve understanding and in turn support communities and civil society groups to engage more strategically when they have concerns about the impacts of projects that are being developed or financed by Chinese actors.



**ABOVE:** SINOHYDRO'S KAMCHAY DAM, CAMBODIA.





ABOVE: ROAD CONSTRUCTION FOR CHINA'S SINOHYDRO IN GABON.

# PASSION, TENACITY AND EXPERIENCE

## OUR TEAM

### LEADERSHIP

**Executive Director:**

David Pred

**Legal and Policy Director:**

Natalie Bugalski

**Research Director:**

Dustin Roasa

**China Global Program Director:**

Mark Bo

### RESEARCH

**Senior Researcher:**

Annie Burns-Pieper

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

Erik-Myxter-iino

**Research Associate:**

Styrling Tanguosso

### LEGAL AND POLICY

**Senior Legal and Policy Associate:**

Sarah Jaffe

**Legal and Policy Associate:**

Coleen Scott

**Legal and Policy Associate:**

Nilsun Gürsoy

**Africa Program Associate, Guinea:**

Mariama Barry

**Land and Livelihoods**

**Technical Consultant:**

Adrien Desplat

**China Global Program**

**Senior Associate\***

**Southeast Asia Legal Coordinator\***

**Southeast Asia Program Associate\***

**Senior Attorney, Mekong Region\***

**Southeast Asia Program Advisor\***

**Program Associate, Indonesia\***

### OPERATIONS

**Development Manager:**

Jeannine Guthrie

**Communications Manager:**

Mignon Lamia

**Communications Consultant:**

Tom Clarke

**Human Resources and Administrative Coordinator:**

Christine Thoemke

**Finance Officer:**

Ari Schantz

\* The names of some team members have been withheld to protect their personal security.

### 2021 INTERNS

Maria Gelpi

Brynn Talamhan

Leila Yow

Jason Nemerovski

Hannah Goldfarb

Camelia Metwally

### BOARD OF DIRECTORS

**President:**

David Pred

**Chair:**

Mark Gibney

**Vice Chair:**

Joanne Bauer

**Treasurer:**

Elizabeth Porter

**Secretary:**

Anna Demant

**Director:**

Bonny Ibhawoh

**Director:**

Jean du Plessis

**Director:**

Kate Geary

**Director:**

Rob Lake

**Director:**

Bruce Shoemaker

**Director:**

Sumi Dhanarajan

# GROWTH AND CONSOLIDATION

## OUR FINANCES

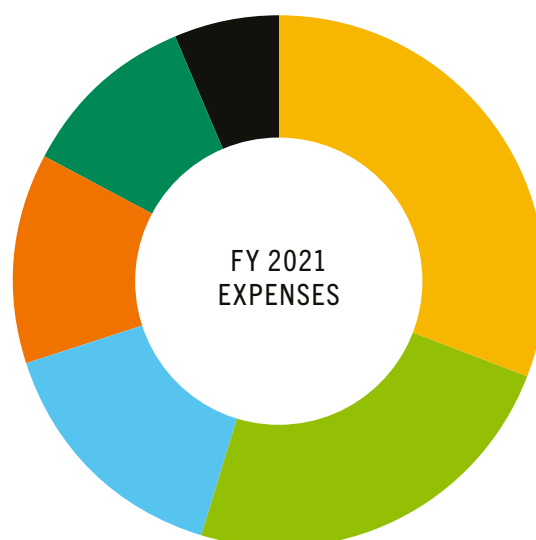
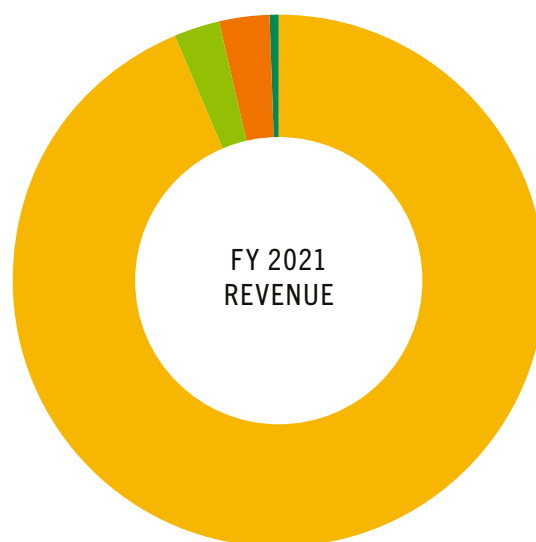
### FY 2021 REVENUE

● Foundation Grants	\$1,577,366
● Individual Donations	\$45,007
● Program Service Fees	\$52,459
● Other Income	\$7,411
<b>Total Revenue</b>	<b>\$1,682,243</b>

### FY 2021 EXPENSES

Total Program	\$1,212,871
● Africa Program	\$454,643
● Southeast Asia Program	\$350,063
● China Program	\$223,720
● Policy Advocacy	\$184,445
● Management and Administration	\$160,655
● Fundraising	\$90,775
<b>Total Expenses</b>	<b>\$1,464,311</b>

Net assets at beginning of year	\$1,560,878
Net assets at end of year	\$1,778,810



# MAKE A DONATION

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. The donations we receive go a long way toward increasing our capacity to serve more communities and realize more lasting change.

**TO MAKE YOUR DONATION HEAD TO:**

**[WWW.INCLUSIVEDEVELOPMENT.NET/DONATE](http://WWW.INCLUSIVEDEVELOPMENT.NET/DONATE)**

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

Inclusive Development International  
9 SW Pack Square, Suite 301, 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: +1 (828) 505-4340 or email [info@inclusivedevelopment.net](mailto:info@inclusivedevelopment.net)

# THANK YOU FOR YOUR SUPPORT!



# WITH GRATITUDE

## OUR SUPPORTERS

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

Our work in 2021 was supported by:

### FOUNDATIONS AND PARTNER GRANTS

- Anonymous funders (4)
- 11th Hour Project
- Australian Communities Foundation
- Bread for the World
- Charles Stewart Mott Foundation
- Fund for Global Human Rights
- Heinrich Böll Stiftung
- Israelson Family Foundation
- Open Society Foundations
- Oranges and Sardines Foundation
- Oxfam Novib
- Partners for Equity
- Planet Wheeler Foundation
- Sigrid Rausing Trust
- Wellspring Philanthropic Fund

### INDIVIDUALS

- Anonymous donors (4)
- Susan Arrendell
- Joanne Bauer
- Shelley Berkowitz
- Mary Burns
- Leila Darabi
- Mark Gibney
- Abie Harris
- Casey L Hastings and Dana Berkowitz
- David Hunter and Margaret Bowman
- Bonny Ibhawoh
- Richard Jaffe
- Leron Katsir
- Ronit Leffler
- Walter Milner
- Anne and Bruce McGregor
- Jenny Dodson Mistry
- Chelsea Muller
- Jean du Plessis
- Elizabeth Porter
- Lisa Pred-Sosa
- James Ross
- Ananda Rubens
- Bertram Scott
- Bruce Shoemaker

LEFT: MURCHISON FALLS, UGANDA.

# FIGHTING TO MAKE THE GLOBAL ECONOMY MORE JUST AND INCLUSIVE.

[WWW.INCLUSIVEDEVELOPMENT.NET](http://WWW.INCLUSIVEDEVELOPMENT.NET)



Inclusive  
Development  
International