

LIGHTING THE PATH TO JUSTICE

ANNUAL REPORT 2020

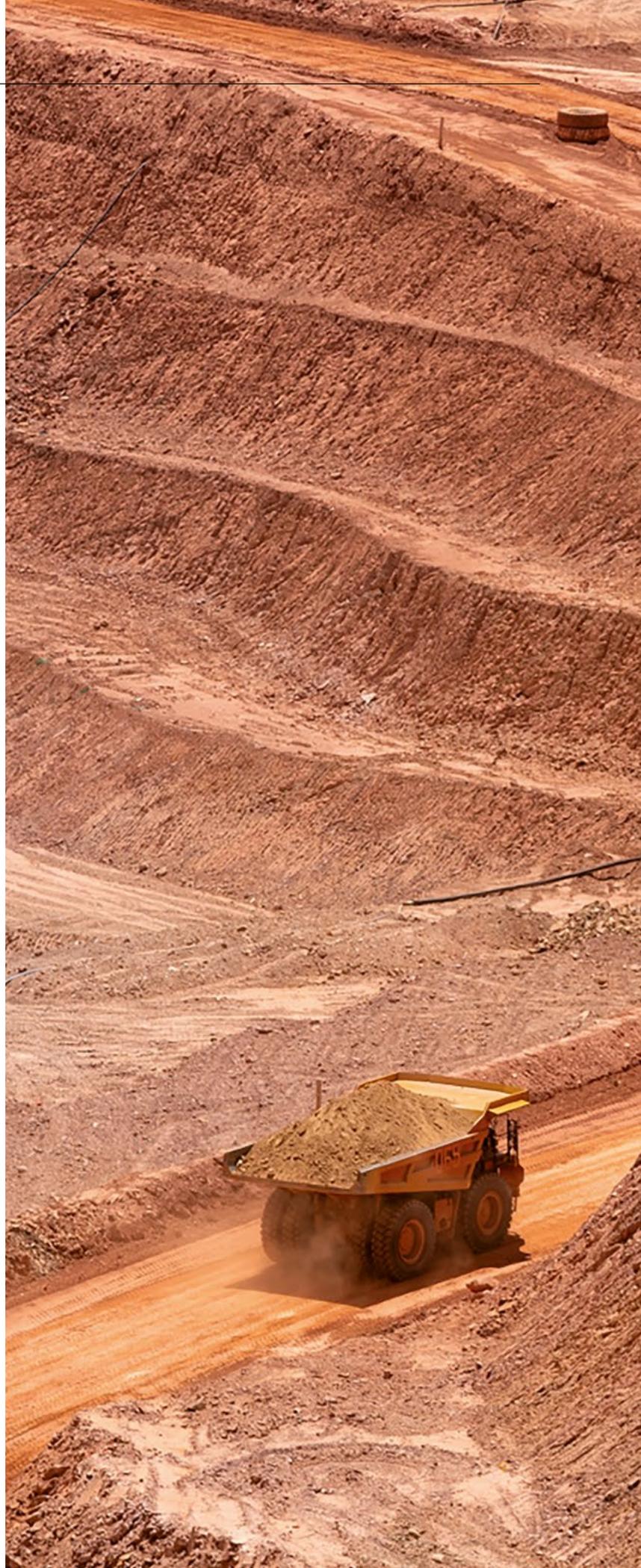


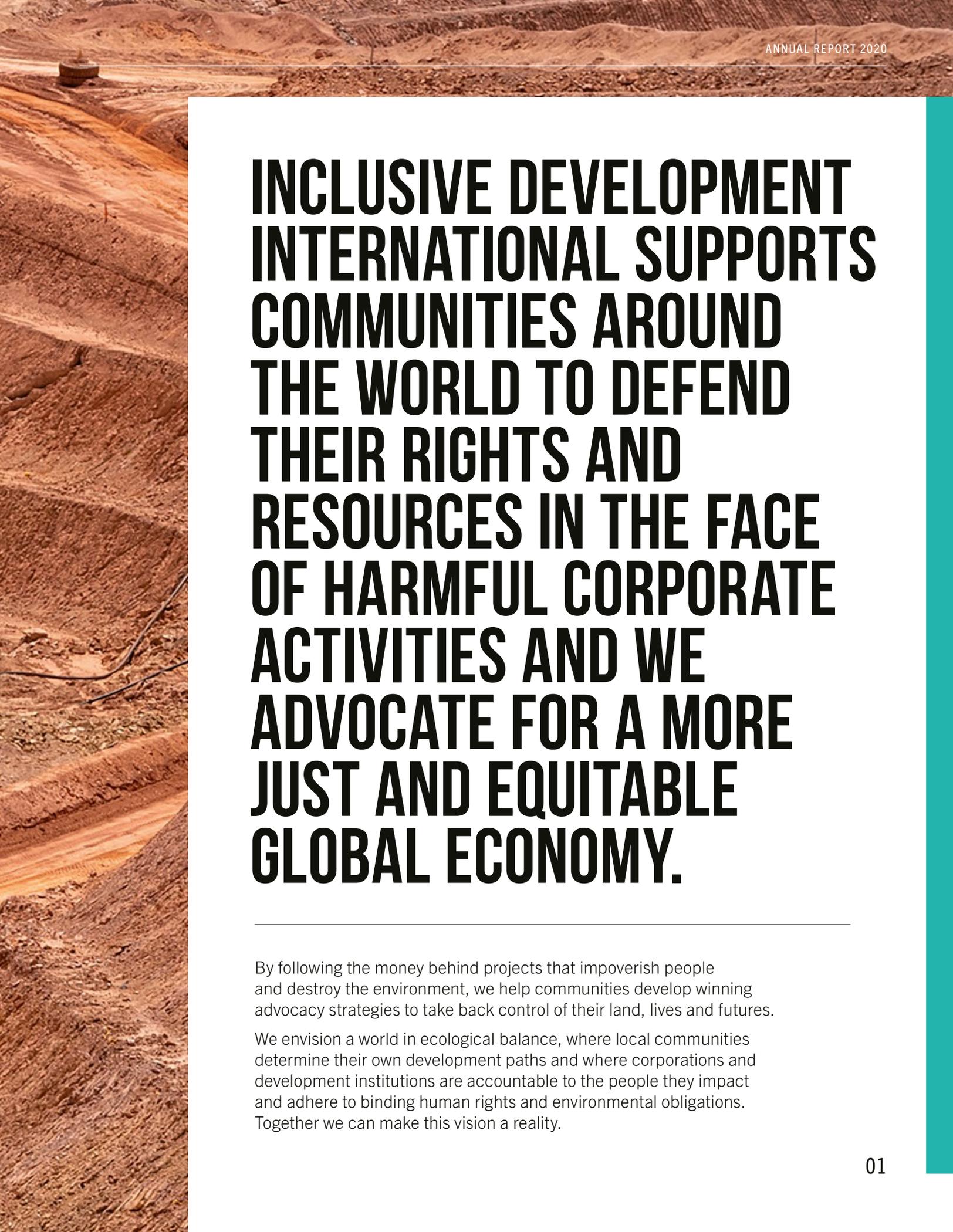
Inclusive
Development
International



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INCLUSIVE DEVELOPMENT INTERNATIONAL SUPPORTS COMMUNITIES AROUND THE WORLD TO DEFEND THEIR RIGHTS AND RESOURCES IN THE FACE OF HARMFUL CORPORATE ACTIVITIES AND WE ADVOCATE FOR A MORE JUST AND EQUITABLE GLOBAL ECONOMY.

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

We envision a world in ecological balance, where local communities determine their own development paths and where corporations and development institutions are accountable to the people they impact and adhere to binding human rights and environmental obligations. Together we can make this vision a reality.

RISING TO THE CHALLENGE OF 2020

A MESSAGE FROM THE FOUNDERS

One of our core values at Inclusive Development International is *tenacity*. When we decide to support a community to fight a harmful corporate project that will destroy their forests and rivers, or to demand redress for harms they have already suffered, we commit for the long haul. And we help them turn over every stone until they secure accountability.

More than ever before, in 2020 our incredible team of researchers, organizers and advocates embodied this core value in everything they did. Putting aside the personal challenges we've all faced during the extraordinary year, with grit and creativity, our team found new ways of working to support dozens of community partners around the world.

These communities — from along the Nunez River in western Guinea to the Karst mountains of Java, Indonesia — faced the impacts of the global pandemic like all of us. But they had to deal with these challenges alongside forced displacement, pollution of their water supply and destruction of their livelihoods by unscrupulous corporations.

Knowing that harmful corporate activities wouldn't slow down because of COVID-19, our team didn't skip a beat.

And remarkably, with your support 2020 was one of our most impactful years yet.



We celebrated some big wins, which secured meaningful benefits for communities and systemic change in the fight for corporate accountability. In a world first, as a result of our advocacy, a commercial bank provided compensation to communities after financing a company that grabbed their land. And we made some important gains in the struggle for climate justice as the International Finance Corporation unveiled its “Green Equity Approach” and its Philippines-based client Rizal Bank announced it would immediately stop financing new coal projects.

Of course, none of these results happened overnight — they took years of persistent effort.

That's why we're so grateful to have supporters like you who have enabled us to stick with our community partners for as long as it takes to prevail in their struggles for justice against corporate Goliaths.

With your support, we are helping these communities unleash their hidden power to defend their rights and resources and determine their own development path.

Thank you so much for being part of our shared efforts to make the global economic system more just and fair. We hope you are as proud of the impact detailed in this report as we are.

**Natalie Bugalski and David Pred
Co-founders**



Road to the sprawling Phnom Penh Sugar plantation in Cambodia's Kampong Speu province. In 2010–2011, more than 1,500 families were forcibly displaced from their farmland to make way for the sugar project, which was financed by ANZ Bank. In 2020, Inclusive Development International and Equitable Cambodia reached a precedent-setting agreement with ANZ to provide the families with a monetary remediation package equivalent to the profit that ANZ made on the loan.

Photo: (c) 2013 Thomas Christofolletti for Inclusive Development International

LOCAL AND GLOBAL IMPACT

OUR HIGHLIGHTS FROM 2020

CAMBODIA/AUSTRALIA

Setting a global human rights precedent by reaching agreement with ANZ bank to compensate families forcibly displaced by one of its clients

After six years of persistent advocacy, we reached an agreement with Australian commercial bank ANZ to provide financial payments to more than 1,100 Cambodian farming families who were forced from their homes by one of the bank's clients to make way for a sugar plantation and refinery. The agreement created a human rights precedent for the global banking sector, placing pressure on banks worldwide to strengthen their due diligence and solidifying the norm that when financial institutions contribute to harm they have a responsibility to contribute to remedy. We're working with our partner Equitable Cambodia to implement an equitable process to distribute the settlement funds to affected families and providing advice to ANZ to develop a new human rights grievance mechanism — another first for a commercial bank.

INDONESIA

Using the World Bank's watchdog to improve the practices of the bank's clients

After discovering that a banking client of the International Finance Corporation had loaned money to help China Nonferrous Metal Mining Group develop a zinc mine that would create millions of cubic meters of toxic tailings in North Sumatra — one of the most earthquake-prone regions of the world — we assisted threatened communities to lodge a formal complaint to the Compliance Advisor Ombudsman. The Ombudsman found that the complaint against Postal Savings Bank of China was eligible and it is currently assessing whether the company is willing to engage in a voluntary dispute resolution process to discuss the communities' concerns or if the complaint will instead be transferred to its Compliance unit for an investigation.

Planting the paddy, Wukirsari village, Tambakromo sub-district, Indonesia.

Photo: JM-PKK



UGANDA, TANZANIA

Ensuring that the African Development Bank will not back the massive East African Crude Oil Pipeline

After marshalling more than 100 civil society organizations from Africa and around the world to form an alliance to oppose plans to construct the world's longest heated crude oil pipeline — which would displace communities, endanger wildlife and fuel the climate crisis, we pressured the African Development Bank to publicly rule out support for the project. This was an important first win, which paves the way for a dedicated global campaign to cut off all sources of finance for the project.

INDONESIA/GERMANY

Defending the right to Free, Prior and Informed Consent through international complaints mechanisms

We helped Indigenous and local communities in the Kendeng Mountains of Central Java take on one of the world's largest cement companies in a fight to preserve their livelihoods, an incredible natural environment and a unique way of life. We assisted community representatives to file a complaint to the German National Contact Point for Responsible Business Conduct regarding HeidelbergCement's plans to build a limestone mine and cement factory that threatens their sacred karst mountains and water supply without their consent.

MYANMAR**Preventing abusive investments**

In addition to our successful public advocacy calling on companies, such as Japanese beer brand Kirin, to cut ties with the business-arm of Myanmar's human rights-abusing military, we also researched and exposed a dubious proposal to set up a special economic zone in Karen State in southern Myanmar from a fugitive wanted for financial crimes in China. The subsequent publicity saw the project frozen.

PHILIPPINES**Reforming IFC policies to phase out coal prompting significant climate win in the Philippines**

Our ground-breaking investigations and advocacy for reform at the World Bank Group's International Finance Corporation came to fruition in 2020 with the formal unveiling of its new "Green Equity Approach." The policy requires the hundreds of financial institutions the IFC invests in around the world to wind down and completely exit all coal financing by 2030. In December, one of those clients, the Filipino Rizal Bank, announced that it would immediately stop financing new coal projects. The bank was the target of the formal complaint we filed alongside the Philippine Movement for Climate Justice to the IFC's watchdog in 2017 after we uncovered the bank's financing of 19 new coal plants across the climate vulnerable archipelago.

GLOBAL**Untangling the web of finance and equipping communities with a roadmap to accountability**

Our research team completed investigations into the investment and supply chains of 27 harmful projects, such as risky dam constructions, mines, plantations and other industrial projects in Africa and Southeast Asia. The resulting analysis provided communities with 79 new pressure points suitable for targeted advocacy, including 27 opportunities to file formal complaints to independent international accountability mechanisms.

CAMBODIA/AUSTRALIA**Winning a key procedural appeal to advance landmark cross-border human rights litigation**

In another precedent-setting win, the Thai Courts gave our attorneys the green light in July to proceed with the first transboundary human rights class action litigation in Asia against the continent's largest sugar producer, Mitr Phol. More than a decade ago, the company that supplies Coca-Cola, Nestle and Mars, grabbed the land of more than 700 Cambodian families to make way for a sugar plantation, leaving many of the families landless and homeless. In the nine years our team has been supporting their quest for justice, the pressure has never been greater on the company to reach a settlement with them.

GUINEA**Ensuring equitable access to remedy for mining-affected communities**

We brought considerable pressure to bear on the Rio Tinto-Alcoa joint venture Compagnie des Bauxites de Guinée (CBG), which has been grabbing community farmland, polluting rivers and destroying people's livelihoods for more than 40 years in Guinea. We got the company's lenders and major auto brands whose cars contain aluminum sourced from the mine to use their leverage with the company to commit to a fair remediation process with 13 affected communities. After accompanying community representatives in 50 hours of virtual negotiations, in December we signed favourable ground rules that level the playing field for substantive mediations to begin in early 2021.



PROVIDING STRATEGIC SUPPORT TO THE FIGHT FOR JUST AND INCLUSIVE DEVELOPMENT

OUR STORY

The COVID-19 pandemic has brought into sharp relief the deep economic and social inequality produced by the prevailing neoliberal economic model.

While this inequality manifests in multiple ways, one of the most insidious is the displacement and dispossession of millions of the world's most marginalized people from their land and resources every year to make way for extractive industries that fuel consumerism and wealth accumulation for those at the top.

PROJECTS LIKE OIL AND GAS PIPELINES, GOLD MINES AND INDUSTRIAL PALM OIL PLANTATIONS 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.

The global financial system is fueling this crisis with its relentless pursuit of new resources and markets. As capital becomes more interconnected, communities are further removed from the investment decisions that affect them, even as they are forced to shoulder more of 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. With 11 global board members and a team of 25 dedicated staff, consultants and interns working from our three bases in Southeast Asia, West Africa and the United States, Inclusive Development International supports marginalized

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HOW WE WORK

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

communities to defend their land, environment and human rights in the face of harmful investment and works to build a more just and equitable economic system. Our strategy revolves around the mining of financial data to unravel the investment and supply chains behind harmful industries in order to help local communities and movements pursue winning advocacy strategies that increase the cost of corporate malfeasance and incentivize business decisions that put people and planet first.

Together with our local partners in Southeast Asia and Africa, we have stopped harmful projects in their tracks and obtained dramatic gains for tens of thousands of families:

- Preventing land grabs and forced evictions,
- Protecting thousands of acres of ancient forests from being clear-cut,
- Obtaining multimillion-dollar compensation packages for displaced communities.

Through our policy advocacy, we have influenced the policies and practices of major financial institutions and development agencies and helped shape the global norms that govern their human rights responsibilities.

We believe a world in ecological balance, where local communities determine their own development paths and corporations are held accountable to binding human rights and environmental obligations, is possible.

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

FOLLOWING THE MONEY TO JUSTICE

Multinational corporations drive lucrative projects in countries with weak governance and accountability systems with disastrous results for local communities. But these corporations don't act alone.

Behind them are a web of banks, investors and commodity buyers that remain hidden from view. Many have made policy commitments to protect human rights and the environment, while some are bound by laws and regulations in their home countries that apply to their overseas investments and supply chains. But because they are invisible, they evade responsibility, and the corporations they enable continue to wreak havoc on the ground, with impunity.

OUR RESEARCHERS USE THE FINANCIAL SECTOR'S OWN TECHNOLOGY AND TOOLS TO FOLLOW THE MONEY — UNCOVERING AND EXPOSING THOSE WHO PROFIT FROM HARMFUL PROJECTS.

This approach is the cornerstone of our work to advance corporate accountability and inclusive development. We shine a light on the hidden backers of corporate misconduct and provide communities and activists on the front lines of this fight with powerful new advocacy opportunities.

In 2020, we conducted “deep-dive” investment chain investigations of 27 harmful projects in nine countries in Africa and Southeast Asia. We identified 79 new pressure points for advocacy and shared 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. Our research opened the door to 27 potential formal complaints to international accountability mechanisms.



FOLLOWING THE MONEY TO JUSTICE — SINCE 2016

416



HELPED COMMUNITIES IDENTIFY AND SEIZE 416 ADVOCACY OPPORTUNITIES, INCLUDING 65 OPPORTUNITIES TO ACCESS INTERNATIONAL ACCOUNTABILITY MECHANISMS.

1/4

UNCOVERED THE INVOLVEMENT OF 1 IN 4 FORTUNE 500 COMPANIES IN HARMFUL PROJECTS.

144

INVESTIGATED 144 HARMFUL PROJECTS IN 27 COUNTRIES.



PROJECTS INVESTIGATED IN 2020

- 1 A limestone mine being developed in Zimbabwe by LafargeHolcim, a Swiss multinational corporation.
- 2 Fortescue, an Australian company exploring significant interest in the planned Inga 3 hydroelectric project in the Democratic Republic of the Congo.
- 3 Five planned hydroelectric dams on the Salween River in Myanmar.
- 4 Four oil palm plantations in Cameroon owned by the Belgian company Socfin.
- 5 The Java 9 and 10 coal-fired power plants being developed on the Indonesian island of Java.
- 6 The nascent, Chinese-backed coal power sector in Cambodia.
- 7 Astra Agro Lestari, an Indonesian agribusiness company that is one of the largest palm oil producers in the world.
- 8 The Toliara Sands mine being developed by the Australian firm Base Resources in Madagascar.
- 9 The Titan Cement Plant in Egypt.
- 10 Asili Farms, an industrial maize, soy and rice farm in Uganda owned by Agilis Partners, a US firm.
- 11 The Tanintharyi hydropower dam being developed in Myanmar by a Thai company called GMS Power.
- 12 A limestone mine and cement plant being developed on the Indonesian island of Java by a joint venture controlled by HeidelbergCement, a German multinational corporation.
- 13 Seven coal mines in various parts of Indonesia that are having their licenses renewed by the government.
- 14 The Akiira Geothermal project being developed in Kenya by joint venture partners, including a Danish private equity firm called Frontier Investment Management.



DESPITE BEING RICH IN NATURAL RESOURCES, MADAGASCAR HAS SOME OF THE HIGHEST POVERTY RATES IN THE WORLD. ITS RICHES HAVE BEEN OF REGULAR INTEREST TO FOREIGN FIRMS, WHICH OFTEN STAND TO GAIN AT THE EXPENSE OF THE COUNTRY'S PEOPLE AND LAND.

CASE STUDY: HELPING COMMUNITIES IN MADAGASCAR CHALLENGE DEVELOPMENT OF THE TOLIARA SANDS MINE

At the request of local advocates in Madagascar, our team investigated a planned mine in the country's southwest that presents serious human rights and environmental risks. The \$600 million Toliara project, which will extract mineral sands for use in consumer products such as paint, has been met with intense opposition from Indigenous and other local communities due to the anticipated destruction of forests, sacred sites and the livelihoods of thousands of farmers.

Despite being rich in natural resources, Madagascar has some of the highest poverty rates in the world. Its riches have been of regular interest to foreign firms, which often stand to gain at the expense of the country's people and land.

The Australian mining company Base Resources has pushed ahead with Toliara despite these concerns. Our research revealed that the company is seeking a \$357 million project loan to fund the mine, a key milestone in the development process. Base Resources has hired a financial advisor, a firm called Endeavour Financial, to approach banks and development finance institutions to join the deal.

Community advocates have used our research to publicly warn banks to stay away from financing the mine.

The mine will produce rutile and zircon, among other minerals. Our investigation revealed that U.S. home improvement giant Home Depot, viewed as one of the most socially and environmentally responsible corporations in the United States, is the exclusive retailer of Behr paints, which utilizes rutile ore mined by Base Resources.

We also found that several development finance institutions, which have strong social and environmental standards on paper, are indirectly exposed to Base Resources through their relationships with African commercial banks. The European Investment Bank, the German government's DEG and the African Development Bank all have independent accountability mechanisms that affected communities can access.

Base Resources' largest shareholder is a private equity fund called Pacific Road Resources Fund II, which is managed by the Australian firm Pacific Road Capital. The fund's outside investors include pension funds, foundations, colleges and universities, overwhelmingly in

the United States. Many of these funds — including Washington University, the University of Richmond, the AT&T Pension Fund and the Laborers Pension Trust Fund for Northern California — publicly state commitments to protect people and the environment in their investments.

In all, we uncovered nine pressure points for international advocacy that community advocates can pursue in order to hold Base Resources accountable. As a result of local activism and a lack of clarity about the project's benefits to the government and the country, the project has been temporarily suspended. As Base Resource pursues project financing and a green light from the government, affected communities and their supporters are now engaging the project's current and prospective backers, identified by our research, in order to defend their rights.

WE ACCOMPANY COMMUNITIES TO PREVENT HARMFUL INVESTMENTS AND SECURE REDRESS

OUR 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 accompany communities through dispute resolution processes and negotiations with companies and development institutions to remediate violations and prevent future harms.

In 2020, we supported communities in their quest for justice in 11 cases and campaigns around the world. Here are some of the highlights from the year.

HEIDELBERGCEMENT AND THE FIGHT TO SAVE KENDENG

For the Indigenous Samin people, the subterranean river system that flows beneath the mountains is of deep spiritual significance, but it also provides vital water supplies that 35,000 people rely upon for subsistence and agriculture. A huge limestone mine and factory proposed by Indocement — owned by German company HeidelbergCement — would jeopardize this water supply and threaten sites that are sacred to the Samin communities.

We helped community representatives to file a formal complaint against the International Finance Corporation (IFC) for its indirect financing of the potentially devastating project through its equity investment in HeidelbergCement financier Raiffeisen Bank.

“EVERY PERSON NEEDS A SAFE PLACE TO LIVE AND ENOUGH FOOD TO EAT. WE ASK THE COMPANY TO STOP ITS PLAN TO DESTROY OUR ENVIRONMENT AND LIVELIHOODS IN THE NAME OF DEVELOPMENT.”

Kendeng community representative
(name withheld due to fear of reprisals)

The complaint to the IFC’s Compliance Advisor Ombudsman emphasized that communities had not given their consent for the mine and factory, in breach of IFC’s own commitments to respect the rights of Indigenous Peoples. We lodged the complaint in June, but unfortunately it was not admitted by the Ombudsman because the IFC had quietly divested its stake in Raiffeisen Bank just before the complaint was filed.

Building on this work and evidence we had gathered, in September we supported community representatives to prepare a new complaint — this time directly against HeidelbergCement and lodged with the German Government’s National Contact Point for Responsible Business Conduct.

As a member of the Organization for Economic Cooperation and Development (OECD), Germany maintains an office that accepts and responds to complaints against German companies for breaches of the OECD Guidelines on Multinational Enterprises. The guidelines contain standards on human rights and the environment, which we argue have been violated.

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IN 2020, WE SUPPORTED COMMUNITIES IN THEIR QUEST FOR JUSTICE AGAINST SOME OF THE WORLD'S BIGGEST CORPORATIONS IN 11 CASES AND CORPORATE ACCOUNTABILITY CAMPAIGNS AROUND THE WORLD.

After filing the complaint, we wrote to HeidelbergCement's top shareholders, including U.S.-based investment firms BlackRock and First Eagle, Société Générale of France, and Norges Bank Investment Management (the asset manager of Norway's sovereign wealth fund), to put them on notice and urge them to use their leverage to bring their portfolio company into compliance with its human rights obligations.

"THE COURT'S DECISION SHOWS THAT ACCESS TO JUSTICE IS POSSIBLE, AND THAT THEIR DECADE-LONG FIGHT HAS NOT BEEN FOR NOTHING."

Eang Vuthy,
Executive Director of Equitable Cambodia



COURT DECISION ON MITR PHOL PAVES WAY FOR ASIA'S FIRST TRANSBOUNDARY CLASS ACTION ON HUMAN RIGHTS ABUSES

A decade-long struggle by displaced Cambodian farmers against Asia's largest sugar company received a major boost in 2020 with a landmark court victory in the company's home country of Thailand. The court confirmed we can proceed with our transboundary human rights litigation with 700 farming families against Mitr Phol — a supplier of Nestle, Mars and Coca-Cola. It's the first of its kind in Southeast Asia and was filed under Thai laws permitting a class action to be brought by foreign plaintiffs for abuses committed by Thai companies overseas.

The case centers around Mitr Phol's collusion with Cambodian authorities to grab 9,400 hectares of land from smallholder farmers for an industrial sugarcane plantation. More than 2,000 families in 26 villages were forced to give up their land — losing extensive rice fields, orchards, grazing land, crops and access to non-timber forest products that sustained their livelihoods. One residential village was completely destroyed when police and private security forces descended on the village, forcibly evicting residents, bulldozing houses,

torching rice fields, and beating and arresting villagers. The families were left homeless and landless.

"THE IMPORTANCE OF THIS LEGAL PRECEDENT CANNOT BE OVERSTATED. THIS IS A DAVID VS. GOLIATH CASE THAT WILL REDEFINE ACCESS TO JUSTICE FOR THE VICTIMS OF CORPORATE ABUSE IN SOUTHEAST ASIA AND BEYOND."

Natalie Bugalski,
Legal and Policy Director of
Inclusive Development International

Alongside the Thai litigation, the U.K. National Contact Point for Responsible Business Conduct is examining our complaint, submitted in 2019 along with Cambodian partners, against the sugar industry's so-called 'sustainability initiative' Bonsucro for its shameful greenwashing of Mitr Phol's human rights abuses.



STOPPING A 'TOTAL' DISASTER — THE EAST AFRICAN CRUDE OIL PIPELINE

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

But building the longest heated oil pipeline in the world is expensive work and French oil giant Total and the China National Offshore Oil Corporation can't do it alone — they need support from investors, commercial banks, public financiers, contractors and insurance providers. That's why we've been working with a coalition of organizations from East Africa and around the world to ensure that the oil companies cannot find support.

In March, we mobilized more than 100 civil society organizations with an open letter to African Development Bank President Akinwumi Adesina urging the bank not to finance this disastrous

project. The following month, the bank issued a statement distancing itself from the project and emphasizing its commitment to renewable energy.

With BankTrack, 350 Africa and the Africa Institute for Energy Governance, we then galvanized nearly 25,000 people to petition Standard Bank, Africa's biggest lender, and Sumitomo Mitsui Banking Corporation, which have been tapped as financial advisors to the project.

This work laid the foundation to establish the #StopEACOP Alliance, which will run a dedicated campaign in 2021 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.

**"WE CAN BE THE EYES AND EARS,
BUT IT'S NOT SAFE FOR US
TO USE OUR VOICES — WE NEED TO
BORROW THOSE OF OUR FRIENDS
AROUND THE WORLD. BUT THIS
IS NOT SIMPLY A MATTER OF
STANDING IN SOLIDARITY,
FOR ALTHOUGH THE COMPANIES
WANT TO BUILD THIS CRUDE OIL
PIPELINE IN EAST AFRICA, THE
COMPANIES AND THEIR FUNDING
IS INTERNATIONAL. THE IMPACTS
OF THE PIPELINE WILL BE
GLOBAL, IT WILL SCUTTLE THE
WORLD'S EFFORTS TO REDUCE
CARBON EMISSIONS."**

Ugandan activist who does not want to be named due to safety concerns

PREVENTING ENVIRONMENTAL DEVASTATION FROM A PLANNED ZINC MINE ON A MAJOR EARTHQUAKE FAULT LINE

When local communities heard that Dairi Prima Mineral's proposed zinc mine in their earthquake prone region in North Sumatra would require a tailings dam to sit behind a 25-meter-high wall to prevent toxic waste flowing downstream, they were understandably very concerned. Feeling that they had been kept in the dark by the authorities, the community members decided to get informed and get organized.



Inclusive Development International has been working alongside Indonesian partners to help them to obtain independent technical information on the risks of the mine and pursue accountability through the IFC's complaint mechanism and other international channels.

In 2019, we found that the IFC was indirectly backing the mine through its equity investment in Postal Savings Bank of China, a key financier of the project's parent company. The relationship with Postal Savings Bank opened the door for us to help local communities file a complaint with the IFC's Compliance Advisor Ombudsman. After a lengthy eligibility assessment, the Ombudsman found the complaint admissible in March 2020. This is the first complaint involving a Chinese bank accepted by the accountability mechanism.

We have also helped the communities engage independent technical experts, including world-renowned seismic risk expert Richard Meehan, to assess the project's risks and the developer's proposed mitigation measures. Dr. Meehan has concluded that the failure of the mine's proposed tailings dam is a "virtual certainty" during the period in which it will need to be kept safe, given that the mine sits at the heart of one of the most seismically unstable regions of the earth's crust.

"I CANNOT AVOID THE CONCLUSION THAT WITHIN A FEW DECADES AFTER THE 'CLOSURE' OF THE DEPOSIT, THERE WILL LIKELY BE AN EARTHQUAKE-INDUCED SUDDEN FAILURE OF THE TAILINGS DAM, WITH A DISASTROUS BREACH SENDING A WAVE OF LIQUID MUD DOWNSTREAM."

Dr. Richard Meehan

Throughout 2020, we supported our local partners to increase community awareness of the risks posed by the project, and assisted them in raising the profile of their concerns. Press conferences held in July and December attracted domestic and international media attention, and expert reports that we commissioned played a key role in helping local partners secure engagement with the Indonesian Environment Ministry, which is still considering whether to grant the project an environmental permit.



IN 2019, WE FOUND THAT THE IFC WAS INDIRECTLY BACKING THE MINE THROUGH ITS EQUITY INVESTMENT IN POSTAL SAVINGS BANK OF CHINA, A KEY FINANCIER OF THE PROJECT'S PARENT COMPANY.

Inclusive Development International's partners BAKUMSU and YDPK conduct a press conference in March 2020 about the lack of public information regarding the Dairi Prima Mineral mine and its risks to public health and safety.

DEMANDING A FAIR DEAL FOR COMMUNITIES FROM ALCOA-RIO TINTO BAUXITE MINE

The West African nation of Guinea is home to the world's largest reserves of bauxite — the raw material used to produce aluminum. The multinational corporations extracting it are making a fortune, but instead of sharing the benefits with local communities, they are driving farmers off their ancestral lands without compensation and causing severe environmental damage.

This year we continued to support local communities in Guinea's Boké region in their efforts to secure redress for decades of harms they have suffered at the hands of Compagnie des Bauxites de Guinée (CBG). The mining company, which has been operating since the early 1970s, is majority owned by a joint venture of multinational mining giants Alcoa, Rio Tinto and Dadco. In 2019, we assisted the residents of 13 affected villages to file a formal complaint to the Compliance Advisor Ombudsman of the International Finance Corporation (IFC), which arranged and contributed to a \$800 million loan to expand the mine. In addition to demanding redress for past damage and protection from future harms as the mine expands, the communities are seeking development benefits from the expansion project, as envisioned by the IFC's environmental and social Performance Standards.

The complaint triggered a dispute resolution process, which was set to begin in March 2020, but was delayed due to the pandemic and the worldwide lockdowns that ensued. Unfortunately, CBG exploited this situation in April and moved forward with the relocation of more than a hundred families from the village of Hamdallaye, even though this controversial resettlement was one of the key issues on the agenda of the pending mediation.

Despite the challenges of the pandemic, we were able to work remotely with community representatives to document the deeply flawed resettlement process and we published a report about its shortcomings and the multiple ways in which it failed to live up to the IFC' standards.

We also sent letters and held meetings with CBG's lenders and customers, including automotive companies and their direct parts suppliers who source from CBG, including Audi-VW-Porsche, Daimler (Mercedes Benz), BMW, Peugeot, Renault/Nissan, Ford, General Motors, Norsk Hydro and Novelis. In these meetings, we explained how CBG is involved in their respective supply chains, outlining the extensive

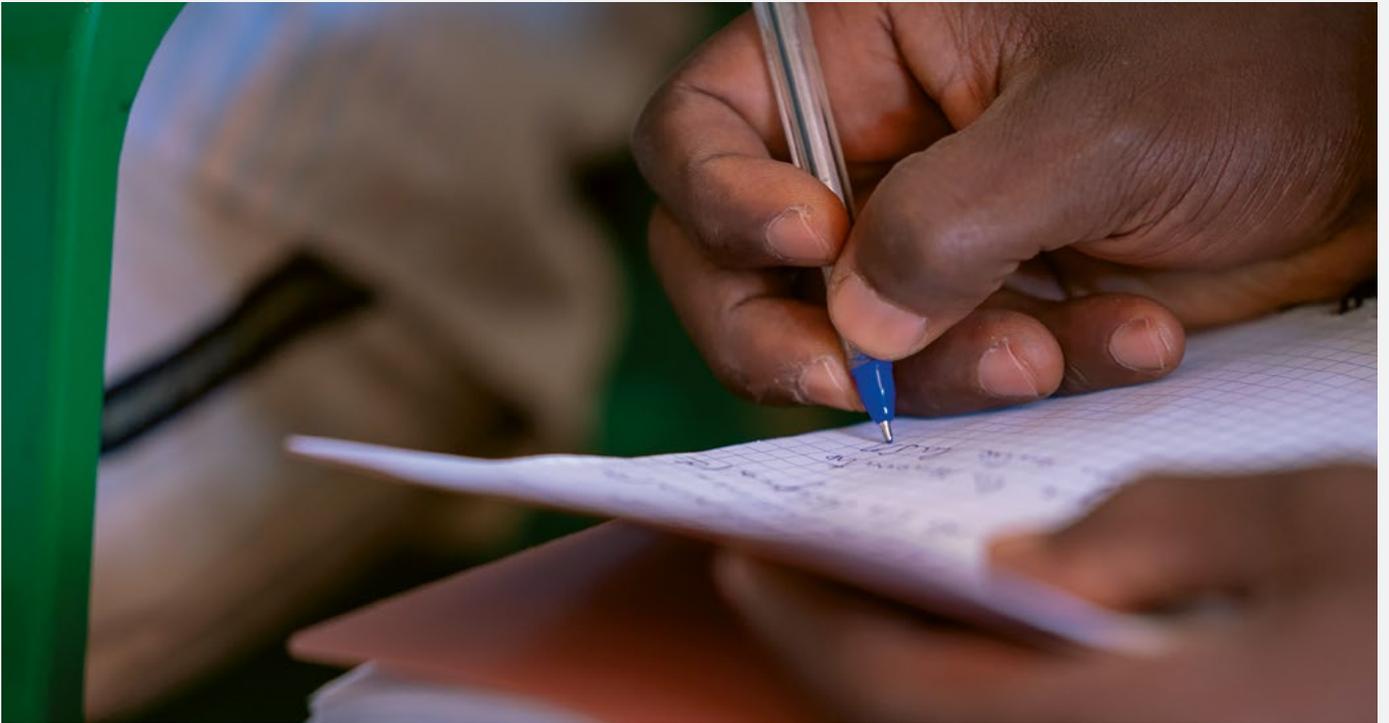
harms that affected communities have experienced, and urged them to use their leverage with CBG to redress and prevent harms through good faith engagement in the CAO mediation process.

These actors expressed concern about the case and accepted that they have supply chain due diligence responsibilities. Several companies took demonstrable actions following our engagement, including Audi-Porsche-VW Group, which issued a public "call to action" to CBG, Rio Tinto and Alcoa in October 2020.

With pressure mounting on CBG, we were finally able to hold a series of virtual pre-mediation meetings between CBG and several community representatives, along with our Guinean NGO partners between August and November in an effort to reach agreement on the terms for substantive mediations. And after some 50 hours of pre-mediation meetings, we succeeded in negotiating favorable ground rules for the mediations, which will help ensure a level playing field for the communities. Substantive mediations are expected to begin in April 2021.



WE ASSISTED 13 VILLAGES
AFFECTED BY THE MINE TO FILE A
COMPLAINT TO THE COMPLIANCE
ADVISOR OMBUDSMAN OF
THE INTERNATIONAL
FINANCE CORPORATION.



Ms. Nalla's story

In March, with the onset of worldwide lockdowns, and while we were readjusting to our new reality, the Hamdallaye community in Guinea was forcibly relocated from their beautiful 200-year old village to a barren resettlement site to make way for one of the world's largest bauxite mines. CBG disregarded the health risks posed by the pandemic and bulldozed the homes of more than 100 families.



Ms. Nalla, a widowed mother of seven, had not been provided a replacement house at all. While the rest of the country was being told to shelter in their homes, Ms. Nalla and her children were forced to separate and shelter in cramped conditions with different relatives. We highlighted her story in the exposé we published about the evictions, which

we sent to the mining firm's lenders and customers. If the CBG's multinational owners thought they could get away with these human rights violations under the cover of the pandemic when no one could travel, they were wrong.

In December, our Guinea-based program associate Mariama Barry was finally able to visit the resettled Hamdallaye community for the first time since March. Behind a mask, she interviewed the residents. While many problems persist, especially lack of access to farming land and a water supply that has been dried up and polluted, the community told her that the advocacy that NGOs like Inclusive Development International had been doing had led to a marked shift in the company's attitude towards them. The firm has now helped with housing repairs and, after years of refusing to do so, has begun compensating families for lost land. They also allocated a plot at the resettlement site for Ms. Nalla and her children, and began constructing them a new home. She told Mariama:

"BEFORE YOUR HELP, I WORRIED ABOUT HOW I WAS GOING TO FEED MY FAMILY, HOW TO FIND A PLACE TO LIVE. EVERYONE HAD BEEN RESETTLED AND I WAS ALONE. ABOVE ALL I WANTED TO FIND A HOUSE FOR MY CHILDREN. AT THE BEGINNING THE COMPANY HAD NO INTENTION OF COMPENSATING ME IN ANY WAY — THEIR AGENTS TOLD ME THIS OPENLY ON SEVERAL OCCASIONS. NOW I AM SATISFIED WITH MY SITUATION THANKS TO YOUR EFFORTS. MY HOUSE IS UNDER CONSTRUCTION, AND I ALSO RECEIVED A FAMILY ALLOWANCE AND THE MEANS TO MOVE MY BELONGINGS TO MY NEW HOME."

SECURING COMPENSATION FOR ANZ-BACKED LAND GRAB

FEATURE CASE

When a Cambodian sugar company, with powerful friends in high places, illegally seized and bulldozed farms and residential land from more than 1,500 families to make way for a sprawling plantation and refinery, the communities organized collectively to push back.

Their struggle received a boost when we discovered that the project was financed by Australia's ANZ bank, which had failed to do its human rights due diligence on the loan. Inclusive Development International helped the families file a formal complaint with an Australian government agency, and in a world first, the bank agreed to provide monetary payments to the communities that had been forcibly displaced.

More than six years in the making, the landmark settlement that we secured from ANZ bank on behalf of Cambodian communities has set an important human rights precedent for the global banking industry. For the first time ever, a commercial bank has made financial payments to households harmed by one of its corporate clients after acknowledging that its human rights due diligence had been inadequate.

The Cambodian communities, comprising more than 1,100 families, were forcibly evicted from their farming land in 2010 and 2011 to make way for a sprawling sugarcane plantation. The company used the police and military, including a former Khmer Rouge battalion to carry out

the land grab, destroying crops, which the local families relied upon for subsistence, and clearing forests in a protected wildlife sanctuary.

At the time, Cambodia was a hotbed of forced displacement of local smallholder farmers from their productive land to make way for large-scale industrial plantations. For most of these farming communities thrust into poverty, holding the companies behind these land grabs accountable and obtaining remedy would prove elusive — and most, not seeing a viable and accessible path to justice, did not have the means to try.

For years, this appeared to be the case for the families displaced by the sugarcane plantation, which is owned by one of Cambodia's most notorious tycoons, Ly Yong Phat. Phat is also a senator and major benefactor of the ruling party, and is widely regarded as untouchable.



But in January 2014, two confidential social and environmental assessment reports leaked to Inclusive Development International revealed that ANZ Royal Bank (at the time, a controlled entity of ANZ) provided significant financing to the sugar company. The information opened a pathway for the communities to pursue redress.

We worked to ensure that the news of ANZ's loan to this high profile forced eviction made headlines in Cambodia and Australia.

We also requested a meeting with the bank, where community representatives were for the first time able to sit opposite bank managers and describe the harms they had suffered, and which the bank had profited from. The bank made some efforts to push its client to redress the harms — though we did not believe that it used its full leverage — and soon afterwards, ANZ announced that the company had repaid its loan early and the business relationship had ended.

But the communities weren't about to give up the fight, so neither were we.

In October 2014, along with our partner Equitable Cambodia, we filed a complaint against ANZ to the Australian National Contact Point for Responsible Business Conduct, an Australian government body that promotes the OECD Guidelines for Multinational Enterprises and works to resolve claims of corporate misconduct. We argued that ANZ breached its responsibilities under the OECD Guidelines when it provided a loan to a company notorious for its abusive behavior, and despite knowing the risk of forced evictions of Cambodian families. ANZ, we argued, had a responsibility to contribute to remediation.

Complaints of this kind against banks were novel at the time and there was little global precedent for the Australian National Contact Point to look to. Moreover, the Australian office was understaffed, flawed in its structure, and ill-equipped to

MORE THAN SIX YEARS IN THE MAKING, THE LANDMARK SETTLEMENT THAT WE SECURED FROM ANZ BANK ON BEHALF OF CAMBODIAN COMMUNITIES HAS SET AN IMPORTANT HUMAN RIGHTS PRECEDENT FOR THE GLOBAL BANKING INDUSTRY. FOR THE FIRST TIME EVER, A COMMERCIAL BANK HAS MADE FINANCIAL PAYMENTS TO HOUSEHOLDS HARMED BY ONE OF ITS CORPORATE CLIENTS AFTER ACKNOWLEDGING THAT ITS HUMAN RIGHTS DUE DILIGENCE HAD BEEN INADEQUATE.

handle the complaint. As a result, the process was slow and badly handled until 2017 when the National Contact Point was overhauled, finally making it possible to hold Australian corporations accountable for their human rights impacts overseas. With a new structure that gave the office greater impartiality, and new personnel with appropriate qualifications, in 2018 the National Contact Point finally released a decision in the case: It found that ANZ's actions were inconsistent with its own human rights policies and the standards set by the OECD.

The National Contact Point did not go as far as we believe it should have, and was silent on the question of what, if anything ANZ should do, to contribute to the remediation of the harms suffered by the Cambodian community. Moreover, despite being one of the only forums for corporate accountability for human rights abuses globally, National Contact Point decisions are not enforceable. We had achieved an important victory, but for the Cambodian families the battle was far from won.

With partners in Australia and around the world, our advocacy picked up pace. We got to work talking to journalists, putting questions to ANZ's CEO at its

Annual General Meeting, and asking members of the Australian parliament to intervene. The communities told their story in major Australian news outlets.

Together we called upon ANZ to divest itself of the revenue it earned unjustly from the loan and provide those funds to the affected families to help them get back on their feet.

In public forums and behind the scenes, we urged ANZ's CEO to do the right thing.

And to his credit, he did.

Twelve months after its decision, the National Contact Point offered to facilitate a conciliation between the parties. And in February 2020, we reached a landmark agreement, which includes:

- A contribution by ANZ of the gross profit it earned from the loan to help alleviate the hardships faced by the affected communities and support their efforts toward rehabilitation.
- A commitment by ANZ to review and strengthen its human rights policies, including its customer social and environmental screening processes, and a specific grievance mechanism accessible to affected communities.

Throughout 2020, we worked with Equitable Cambodia to locate all the affected families who have a right to a share in the settlement funds and we designed an equitable, transparent and accessible scheme to distribute the money. Limitations on travel posed by the pandemic made this work quite challenging, but by the end of the year the systems were mostly in place to facilitate the distribution.

We are also now advising ANZ, as part of an external advisory group, on the development of what is set to be the world's first human rights complaint mechanism established by a commercial bank. ANZ has committed to establishing a mechanism that is accessible to communities affected by the bank's clients operating around the world, and which meets international human rights standards for effectiveness.

Not only does this win help address the hardship experienced by the impacted communities, but it also helps to solidify the emerging global norm that when a bank contributes to adverse human rights impacts through its lending activities, it has a responsibility to contribute to a remedy.

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

OUR POLICY IMPACT

In addition to supporting communities to challenge harmful investment projects, we work to change the system and regulatory framework 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 of 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.

TWIN CLIMATE WINS AT THE IFC AND IN THE PHILIPPINES

For years we've been shining a light on a troubling trend in development finance that's been led by the World Bank's International Finance Corporation: the outsourcing of public development funds to the commercial financial sector in the form of so-called "financial intermediary lending." In the twelve years since the 2008 financial crisis, the IFC has shifted more than half of its total budget, amounting to tens of billions of dollars, to commercial banks, private equity funds and other increasingly exotic commercial financial vehicles in the name of development. These intermediaries go on to invest this money in risky projects and companies, with little oversight from IFC, and often in direct violation of its environmental and social standards. Working alongside partners, including Recourse, Oxfam and Urgewald, we have conducted forensic financial research, published seven exposés and a database of harmful projects that the IFC has bankrolled indirectly, and filed numerous complaints to the IFC's

accountability mechanism challenging this deeply harmful, hands-off approach to development.

In our research, we found that one of the biggest categories of offenders that IFC intermediaries were supporting was coal-fired power plants and coal mines — despite the fact that the IFC effectively committed to stop funding this industry in 2013 in a nod to the looming global climate crisis. This exposure to coal was particularly stark in the Philippines, an island nation that is extremely vulnerable to the effects of climate change, where we found that IFC's equity client Rizal Bank was responsible for financing a bonanza of 19 new coal plants since 2013. After exposing this gaping loophole in IFC's energy and climate commitments, in 2017 we joined the Philippine Movement for Climate Justice in filing a class-action style complaint to the IFC's Compliance Advisor Ombudsman, accusing the lender of fueling climate change through its opaque investments in Rizal Bank. The Ombudsman



launched an investigation that is nearly complete, with the findings expected to be released in early 2021. It's the first investigation ever undertaken by the watchdog to specifically examine IFC's contribution to climate change.

In 2020, this work finally paid off. In September, the IFC unveiled a new policy aimed at “greening equity investments in financial institutions” and closing the indirect lending loophole that we exposed in the World Bank Group’s 2013 promise to get out of coal. The IFC has promised to end equity investments in financial institutions that do not have a plan to phase out all investments in coal-related activities. Its “30 by 30 Zero Program” aims to help the banking sector increase climate-related lending to 30 percent and reduce their exposure to coal-related projects to zero by 2030. This is an important step forward in the effort to decarbonize the global economy and hasten the transition to renewable energy.

And several months after the IFC released its new policy, Rizal Bank of the Philippines announced that it would immediately stop financing new coal projects. “No more coal. I’ll say that slowly: no more coal,” said the bank’s president and CEO, Eugene Acevedo, at an event in December. With this commitment, Rizal became just the fourth bank in Southeast Asia — and the first in the Philippines — to exit coal.



“THIS CRITICAL MOVE BY RIZAL BANK TO STOP FUNDING COAL CAN BE SEEN AS A TRIBUTE TO THE STRUGGLES OF SO MANY COMMUNITIES IN THE PHILIPPINES AGAINST THE COAL PLANTS RUINING THEIR LANDS AND LIVELIHOODS. THE ERA OF COAL IS TRULY OVER — AND BOTH PUBLIC AND PRIVATE BANKS ARE FINALLY RECOGNIZING THIS.”

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



INCLUSIVE DEVELOPMENT

INTERNATIONAL LOOKS

FORWARD TO CONTINUED

ENGAGEMENT IN THE

ACCOUNTABILITY REVIEW

PROCESS AT THE WORLD BANK

GROUP IN 2021, WHEN WE HOPE

TO SEE THE ADOPTION OF

MEANINGFUL REFORMS THAT

CLOSE THE ACCOUNTABILITY

GAP AND TRULY

OPERATIONALIZE THE RIGHT TO

REDRRESS IN THE CONTEXT OF

DEVELOPMENT FINANCE.

ADVANCING THE RIGHT TO REDRESS IN THE CONTEXT OF INTERNATIONAL DEVELOPMENT FINANCE

Since 1993, when the World Bank Board established its Inspection Panel, there has been a proliferation of transnational accountability mechanisms at development finance institutions. These mechanisms have helped to enforce the safeguard policies of the development banks, which promise to avoid or at least mitigate harms to affected communities and the environment through the development projects that they finance throughout the world. Yet, despite the adoption of independent accountability mechanisms at more than 20 financial institutions over the past twenty-five years, the right to redress — the core element of the right to effective remedy for human rights violations — remains elusive for the vast majority of communities that have experienced project-related harms. This is because there is currently no guaranteed right to redress within the safeguards and accountability frameworks at the World Bank Group and regional development banks.

Even when investigations carried out by the accountability mechanisms conclude that harm has been caused as a result of non-compliance with operational

policies, there is no mechanism in place to ensure redress. Without such a mechanism, those whose rights have been violated must rely on the goodwill of the management and board of the institution to take appropriate remedial action, as well as the cooperation of client governments and/or companies, which is not always forthcoming. We believe this fundamental accountability gap must be closed once and for all in order to effectively meet the development challenges that the world is currently facing.



To address this gap, in September, we provided the Board of Directors of the World Bank Group a series of detailed recommendations to strengthen access to effective remedy for communities affected by the investments of its two private sector arms — the International Finance Corporation and the Multilateral Investment Guarantee Agency (MIGA). Our submission followed a Board-commissioned External Review of IFC and MIGA’s environmental and social accountability framework, including

the role and effectiveness of the Compliance Advisor Ombudsman, which contained some strong recommendations that we have long been advocating.

The most ground-breaking recommendations that the Review Team made advanced the evolving international norm that if a bank contributes to harm it must contribute to remedy.

Our submission — prepared jointly with our partners at the Accountability Counsel, Bank Information Center,

Center for International Environmental Law and the Arab Watch Coalition — drilled down on what this principle means for IFC and MIGA and provided a menu of innovative yet practical options for realizing the right to redress.

Inclusive Development International looks forward to continued engagement in the accountability review process at the World Bank Group in 2021, when we hope to see the adoption of meaningful reforms that close the accountability gap and truly operationalize the right to redress in the context of development finance.

DRIVING CHANGE IN THE ALUMINUM INDUSTRY

With the world embracing better and cleaner technologies to combat climate change, the market for electric cars is booming and driving a massive 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 the livelihoods of local and Indigenous communities around the world and the land and natural resources that they rely upon.



Building on our work with communities affected by the Rio Tinto-Alcoa bauxite operation in Guinea, we initiated research in a collaborative project with Human Rights Watch to document abuses within the bauxite mining industry and shine a light on the global aluminum supply chains from destructive mines in Guinea to refineries and smelters to parts used by major automobile brands. This work is motivated by our belief that buyers and consumers of natural resources have a role to play in ensuring that mining is conducted responsibly and with respect for the rights of local communities. Our report, which will be forthcoming in 2021, aims to raise awareness within the automotive sector of the human rights impacts of bauxite mining and provide an assessment of car companies’ current efforts to responsibly source aluminum, while pushing them to do better.

Watch this space and look out for our joint report in 2021.

“IN GUINEA THE LOCAL POPULATION, WHO SHOULD BE THE FIRST TO BENEFIT FROM THE MINING OF THEIR TERRITORY, ARE INSTEAD BEING FORCED OFF THEIR ANCESTRAL LANDS AND STRIPPED OF THEIR LIVELIHOODS BY MULTINATIONAL COMPANIES. THE MOST FERTILE AGRICULTURAL LAND IN THE COUNTRY IS BEING PERMANENTLY DESTROYED BY THESE MINING OPERATIONS, WHILE LOCAL RIVERS ARE DRYING OUT OR BEING POLLUTED BY RUN-OFF FROM BAUXITE MINES, MAKING IT HARDER FOR GUINEAN WOMEN TO FIND SAFE WATER FOR THEIR FAMILIES.”

Mariama Barry,
Program Associate,
Inclusive Development International



PUSHING THE ASIAN INFRASTRUCTURE INVESTMENT BANK TO RAISE THE BAR ON ITS ENVIRONMENTAL AND SOCIAL STANDARDS

The Beijing-based Asian Infrastructure Investment Bank (AIIB) was launched in 2015 with a bold agenda to create a “lean, clean and green” multilateral development bank for the 21st century. It quickly set about developing the structures, staffing and policies required to achieve this vision. An important part of this work was creating its Environmental and Social Framework, which contains the standards that AIIB clients are expected to uphold in their projects and the policies that are binding upon AIIB to ensure that these standards are met.

The framework, which was adopted in February 2016, was strengthened in response to public comments, but it remained less robust in many respects to the environmental and social safeguards in place at other established institutions. Fortunately, the bank wrote into the policy a clause that after three years there would be a review of the framework and its application during the bank’s start-up phase. This review commenced in January 2020.

Inclusive Development International provided detailed comments on the new draft framework released by AIIB in June. While there is still much that needs to be strengthened, the new draft has been expanded significantly from the initial framework and it brings several important aspects of AIIB’s policy into closer alignment with its multilateral development bank peers, including more robust standards for financial intermediaries, which Inclusive Development International has advocated for.



We also published a briefing paper this year to help inform these consultations by examining the bank’s operations over its first four years. The AIIB’s first project was approved in June 2016, and as of early March 2020, the bank has approved 64 projects worth over \$12 billion. The briefing paper, *Time to Raise the Bar: Reflecting on Four Years of AIIB Projects*, looks at the bank’s portfolio and seeks to inform readers about where and how AIIB funds are flowing in order to provide important factual context for those engaging in the review of the Environmental and Social Framework.

WITH THE REVIEW OF THE AIIB'S ENVIRONMENTAL AND SOCIAL FRAMEWORK NOW UNDERWAY, THE BANK HAS AN OPPORTUNITY TO RAISE THE BAR. BUILDING ON THE EXPERIENCES OF ITS MULTILATERAL PEERS, AS WELL AS THE EXPERIENCES IT HAS GATHERED FROM ITS OPERATIONS IN THE LAST FOUR YEARS, THE BANK CAN FILL THE GAPS IN THE EXISTING FRAMEWORK AND ADDRESS THE SHORTCOMINGS OF ITS FIRST ITERATION. WITH ITS PORTFOLIO OF STANDALONE PROJECTS GROWING AND AN INCREASING NUMBER OF HIGH-RISK PROJECTS FILLING THE PIPELINE, THIS IS AN OPPORTUNITY THAT THE BANK CANNOT AFFORD TO MISS.



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

TOOLS AND TRAINING

As a complement to our casework, 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 to defend them. They are often kept in the dark about the identities of the companies, investors, and other institutions behind the projects that threaten them and have little awareness of the legal and regulatory frameworks that govern these investments.

In response to this need, we develop practitioner and popular education materials and conduct workshops that aim to inform and empower communities and local advocates so that they are equipped to take on powerful corporate and economic actors and advocate for their rights.

In 2020, as the COVID-19 pandemic grounded our team and our local partners, we had to find creative new ways to advance these capacity building efforts through virtual platforms:

- We held virtual workshops with partners in Asia and Africa to present and strategize around our investment and supply chain findings.
- We conducted webinars on strategies to influence Chinese investment for civil society groups in Cambodia, Cameroon and the Democratic Republic of Congo.
- In Liberia, when an international fact-finding mission we were planning to assess the human rights impacts of a mine was scuttled by the global travel ban, we instead provided remote support and guidance to enable our Liberian partner organizations to collect and analyze the evidence themselves.
- In Guinea, we organized virtual workshops with our community partners to prepare for virtual mediations in the two dispute resolution processes we are supporting in relation to the AngloGold Ashanti gold mine and the CBG bauxite mine.



GUIDES AND RESOURCES



Online, open-source public resource to track palm oil supply chains

We collaborated with the University of Chicago's Data Sciences Initiatives to develop an exciting 'Big Data' artificial intelligence tool for tracing palm oil supply chains and their environmental and human rights impacts.

Palm oil is found in more than 50% of the products on our supermarket shelves. But the industrial cultivation of oil palm trees has decimated forests from Indonesia to West Africa, destroying biodiversity and accelerating climate change. Communities living near the plantations face land grabs, lost livelihoods and violence. For too long, these harmful impacts have remained disconnected from the primary users of palm oil: multinational consumer brands such as Nestle, Unilever and Pepsi. We believe if these brands can be publicly connected, through their supply chains, to the plantations and their impacts,

then advocates, affected communities and the general public could more effectively push for change.

The Palm Oil Tracker will connect 17 of the largest end users of palm oil to every mill that they source from — and make all of that data searchable in one place. It will also capture the deforestation and human rights impacts of these mills, thus revealing the true cost of each brand's palm oil supply chain. We expect to launch the Palm Oil Tracker in the second half of 2021.

Safeguarding People and the Environment in Chinese Investments: A Guide for Community Advocates

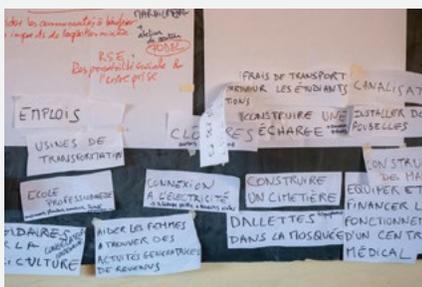
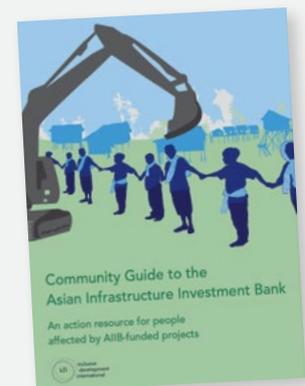
Given the widespread interest that we have in this guide, which we published in 2019, in June 2020 we released a French version and circulated it widely to our partners and networks in Francophone Africa. The guide explains the key actors involved in Chinese overseas investment and describes the environmental and social standards and guidelines that apply. It provides practical tips on how these standards can be used in advocacy with relevant Chinese actors and institutions.

News China Global Newsletter

To help share the information and insight emerging from our China Global program, we began publishing a new serial e-newsletter which covers developments, news and trends related to Chinese international investment and Finance.

Community Guide to the Asian Infrastructure Investment Bank

We published a new guide that equips communities, and the activists who support them, with information that can help protect their rights when their lands, homes, livelihoods and environment are threatened by high-risk projects funded by the Asian Infrastructure Investment Bank. The Guide seeks to close information gaps by explaining the background and approach of the AIIB, what environmental and social policies it has in place, and what people can do if they are affected or fear they will be affected by an AIIB project.



PASSION, TENACITY AND EXPERIENCE

OUR TEAM

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Legal and Policy Director:

Natalie Bugalski

Research Director:

Dustin Roasa

Development Manager:

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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.

2020 INTERNS

Michelle von Euw

Leila Yow

Brynn Talamhan

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GROWTH AND CONSOLIDATION

OUR FINANCES

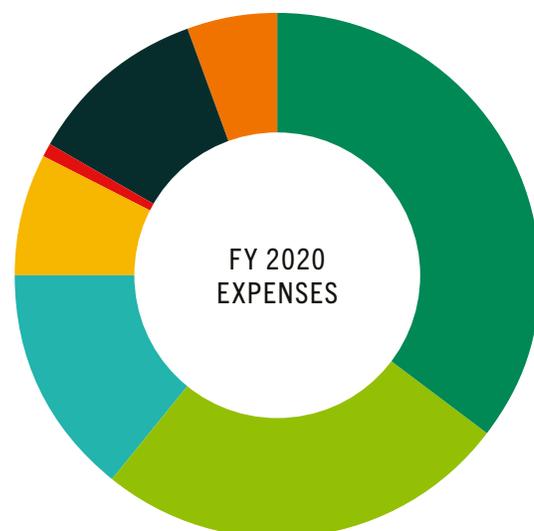
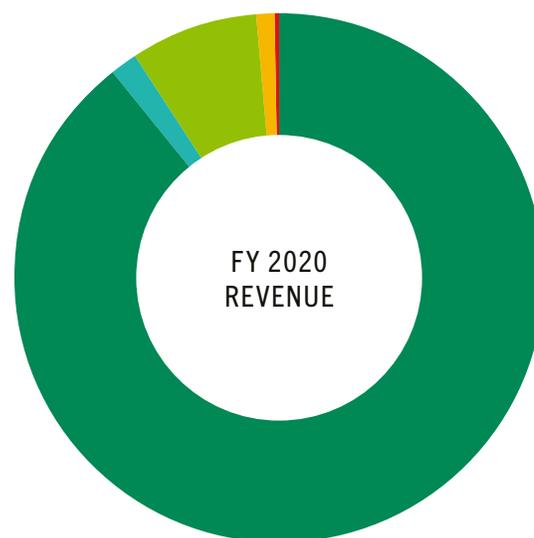
FY 2020 REVENUE

● Foundation Grants	\$1,265,429
● Individual Donations	\$22,034
● Program Service Fees	\$112,297
● Pro Bono Contributions	\$16,284
● Other Income	\$811
Total Revenue	\$1,416,855

FY 2020 EXPENSES

Total Program	\$1,014,804
● Africa Program	\$ 432,635
● Southeast Asia Program	\$308,654
● China Global Program	\$174,340
● Policy Advocacy	\$90,768
● Program (Other)	\$8,407
● Management & Administration	\$134,978
● Fundraising	\$67,105
Total Expenses	\$1,216,887

Net assets at beginning of year	\$1,360,910
Net assets at end of year	\$1,560,878





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/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: (828) 505-4340.

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 2020 was supported by:

FOUNDATION AND PARTNER GRANTS

- 11th Hour Project
- Anonymous
- Anonymous
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- Bread for the World
- Charles Stewart Mott Foundation
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- University of Chicago Data Sciences Initiatives



FIGHTING TO MAKE THE GLOBAL ECONOMY MORE JUST AND INCLUSIVE.

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