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About the cover. A man fishing at the port of Colombo. Photo taken by Mykhailo Kolisnyk from Kyiv, Ukraine.
Dear Readers,

As 2018 comes to a close, we are happy to present to you our Bankwatch 2018 December Issue.

This issue features an article about the ‘Absence of environmental and social oversight mechanism continues in AIIB’s third year of operations’, written by Elizabeth Summers of BIC-USA.

Hemantha Withanage, the executive director of Center for Environmental Justice, contributed two fascinating articles, one talks about the ‘Development Debacles and Illegitimate Debt in Sri Lanka’ and second the ‘Environmental Damage of the Colombo Port City Project’.

For AIIB, you can find the article ‘Why is the world’s newest development bank investing in coal despite its green promise?’ By Petra Kjell of BIC Europe.

Lastly, a guest article about ‘Reclaiming Public Services’ written by Ma. Ceres P. Doyo is also featured in this issue. We hope that you will find this issue useful in your advocacy.

Happy Holidays everyone!

Sincerely,

Rayyan Hassan
Executive Director
The Asian Infrastructure Investment Bank (AIIB)'s third annual meeting in Mumbai comes as the Bank continues to scale up its operations. Since 2016, the Bank has approved nearly five billion USD in lending to 24 projects in 11 countries, all countries located along the Silk Road Economic Belt. At least 20 additional projects are likely to be approved before the end of this year. AIIB President Jin Liqun recently boasted that “in the face of many doubts and misgivings” about AIIB’s willingness to invest in environmentally and socially sustainable projects, “the AIIB defended itself – not with words but with performance. The initial performance of the AIIB over the past two years has gained widespread international recognition, gradually resolving many concerns.”

One concern that remains unresolved is AIIB’s commitment to a robust environmental and social oversight mechanism. Two and a half years since AIIB launched its operations, the Bank still lacks a functioning oversight mechanism—also known as an independent accountability mechanism—to ensure that projects comply with environmental and social requirements, and to provide a forum to address the harms to individuals and communities that can result from violations of those requirements.

The communities that experience harm from development bank-funded projects are nearly always impoverished, frequently lack formal education, and often live in remote rural areas. As a result of development bank-funded projects, children have been sexually abused by project workers, families have been violently and forcibly evicted from their homes to accommodate projects, and adults and children have been forced to work as project laborers. For each of these instances of grave harm, the development banks’ independent accountability mechanisms provided an avenue for redress for those who were harmed, and identified the actions that the banks needed to take to resolve the internal failures that allowed harms to occur.

AIIB’s founding documents, by committing to establish an oversight mechanism, recognized that internal oversight is needed to correct and prevent policy violations that result
in harm. But the institution has been extraordinarily slow in following through on that commitment. A draft of the oversight mechanism’s procedures was released for public comment only in March of this year, over two years after AIIB began funding projects. The draft was widely criticized by civil society as “grossly limited” [E1] in scope. It excludes nearly 70% of the Bank’s ongoing projects—all those that are co-financed by other development banks—from independent AIIB review. Instead, in the interests of efficiency, the AIIB directs communities to bring their concerns to co-financing institutions’ oversight mechanisms. The AIIB’s deferral of accountability is unprecedented among development banks. And it signals a concerning lack of interest from AIIB in playing an active role in ensuring the environmental and social sustainability of all the Bank’s projects, regardless of financing structure.

Moreover, the draft oversight mechanism incorporates excessively legalistic requirements that will make it nearly impossible for communities to have their claims heard. Since the policy also restricts the ability of civil society organizations to provide assistance to communities that wish to file complaints, communities will likely be navigating the legalistic process on their own. As a result of these and other flaws, a group of 14 expert watchdog groups concluded that the oversight mechanism, if approved by the AIIB’s Board of Directors as currently drafted, will “fail to achieve its core purpose of preventing and resolving harms experienced by project-affected communities, and enhancing institutional accountability and continuous learning within AIIB.”

AIIB, which aims to be “[a]n innovative international multilateral development institution with a 21st century governance structure,” must not prioritize efficiency over compliance with environmental and social standards. The Bank is quickly moving into riskier financing structures by increasing investments in large-scale resettlement programs and mobilizing private sector investment. The Bank must not lose sight of the importance of independent oversight of environmental and social requirements, and it must not compromise on providing an effective avenue for redress for the impoverished and marginalized.
Colombo port city is a major infrastructure facility in the BELT ROAD PROJECT of China. It is considered as the third strategic point since Sri Lanka is located along the east-west shipping line. It would have been beneficial for the Sri Lanka, if we could enter into a better deal understanding our significance in this strategy. However, Sri Lanka entered into this deal as a highly indebted nation and therefore Sri Lanka does not have much leverage.

The dream annexed city called Colombo Port City will have a major administrative and benefit sharing issues. It is proposed to run under new regulations and as a financial hub which details are not yet publicly available. Both Rajapasksha regime and Maithree-Ranil regime have so far failed to become accountable to the public on this annexed city. Despite its legal economic and social impacts, the environmental impacts have not been addressed under the prevailing laws in the country. Infact it is a highly greenwashed project by the respective agencies including the CCD, CEA, UDA, GSMB, and the academic community specially from the university of Moratuwa. This project was highly politicized during the Rajapaksha regime due to the China bias foreign policy in related to the historical relationship during the war period and therefore
there was no space for the government agencies or academics to make an independent opinion.

On 16th December 2014 Prime Minister, Ranil Wickramasinghe, announced that “the new government, would scrap the Colombo Port City Project, because it would end up destroying the coastal belt from Negombo to Beruwala.” Therefore, he himself aware of the environmental impacts. However, he twisted the situation due to the circumstances. The project under the previous regime planned to fill an area of 235 Ha, however become 269 under the new proposal. However, the total area of filling will be more than 300 hectare including the 2 canals in the project area and the total “footprint” could be approximately 485 hectares or 1200 acre of the sea.

UNSTOPPABLE SAND MINING
According to the supplementary Environmental Impact Assessment, 65 million m3 of dredged sea sand will be required. It may be minimum 75 million according to experts. However, considering the 15-20% wastage during suction dredging [which will wash away and deposited on the coral reefs in the area destroying the fishing grounds] the total sand mining requirement will be more than 90 million m3. Further to this, once the project completes it will still require sea sand to maintain the proposed beachfront and the marina, which will be amount to 300,000 m3 annually. This is not shown in the above figures including where this sand will be mined.

BIODIVERSITY AND LIVELIHOOD IMPACTS
This location currently provides livelihood for 15,000 fishermen. The sand mining area is approximately 150 sq. km protected by three weathered sandy rocks protecting beach from Colombo to Negombo. According to the previous studies, the area has four reefs, whose species are generally of low diversity and abundance. All are significantly influenced by sediments from the Kelani River, with high turbidity as well as accumulated sediments on the reef surface. The density and diversity of colonization by corals is generally very low, typically 85% uncolonized. Only one species (damselfish) Pomacentrus proteus is endemic. A total of 53 fish species and 4 shrimp and crab species were identified in commercial catches landed at Modera Fish Harbour.

EIA report on the building construction produced in October 2017, states that Palagala, Vatiyagala has been recently recovered completely.” However, according to the fishermen in the area this is not true. Further, coral reefs from Colombo to Negombo area has been severely destroyed by the port city project due to sand mining.
CORAL REEFS
The heavy reliance on reef balls to replace the habitats that will be lost as a result of this massive dredge/fill/build project is concerning. There is not a lot of evidence in the literature that artificial reefs are successful, let alone a successful substitute for a functioning nearshore reef, which is what will be destroyed in this area. It is assumed that this project will destroy the beaches in the Western province from Mount Lavinia to Negombo due to the coastal erosion. It will also destroy the coral habitats, nesting grounds and the fish resources in these areas.

ROCK MATERIAL
3.45 million m³ of rock material will be mined from 11 quarry sites in Kaduwela, Korathota, Divulapitiya and will be transported damaging the road and creating nuisance. They will use 300 tipper lorries twice a day. This will add 1200 times of trips up and down which all will cross at Kaduwela town daily. These projects have already created many environmental impact and public nuisance.

COASTAL EROSION
Coastal erosion has been experienced during the dredging in this area. It is assumed that this project will destroy the beaches in the Western province from Mount Lavinia to Negombo due to the coastal erosion.
FLOODING
According to the project design the port city could block drainage from Baire lake outfall and this would cause the accumulation of water on land, increasing the risk of flooding. We should not forget that Baire remains a polluted water body within the city.

SEA LEVEL RISE AND CLIMATE PROOFING
It is already evident that climate change has resulted 0.8 Centigrade temperature rise and as a result experiencing 40 cm sea level rise. The EIA document has no mention to the sea level rise due to climate change. The recent ADB report suggested that over 6-degrees centigrade temperature rise is unavoidable by the end of this century due to climate change. This will result significant sea level rise, strong waves and coastal erosion. Almost one meter sea level rise is evident in some parts of the world. Therefore, all new EIA reports around the world cover a significant assessment of climate change. They also have climate proofing in order to mitigate negative impacts. However, this report has no such study. Therefore, a serious climate impact assessment is vital for this project.

VALUE OF ROCK AND SAND
The Port City project will use sea sand worth USD 3.2 billion [Rs. 7000/m3]. Similarly, 3.45 m3 millions of rock material will worth USD 1 billion [Rs. 4000/m3]. There is no equivalent equity for Sri Lanka in this project. Therefore, it is not correct to consider USD 1.35 billion Chinese investment in the Colombo port city as a major investment in Sri Lanka.

The marina was the only component of this investment, which Sri Lanka Ports Authority would have operated for making profits. But this has already given to the Chinese company and no profitable operation is now available for Sri Lanka.

JAYA CONTAINER TERMINAL
The operation of the Sri Lankan own Jaya Container Terminal which is the only revenue making entity in the Colombo harbor will be given to the other terminals and the land will be sold to the private corporations.

DIKOVITA HARBOUR
The EIA is silent on the newly constructed Dikovita fishery harbor. It is Rs.8580 million (Euro 53 million) project. The impact to this harbor is necessary to study.
SOVEREIGNTY OF THE NATION
Sri Lankan sovereignty is under serious risk due to the Chinese own landmass within the Sri Lankan territories with access to the international oceans. Whether it is fully own or 99 year lease is irrelevant when the country loose its control once. Minister Champika Ranawaka was once very concern about this fact, however ironically, he has to implement the project now.

NO ALTERNATIVES
If the project is for development of Sri Lanka, there are plenty of other acts that the government can propose development projects. Rather, the EIA is for a specific development project is not addressing the issue of local development, but providing business space for the china’s strategy. The same reason the EIA is lacking alternatives related to the locations, technologies including alternative development model for Sri Lanka. The EIA has not identified less environmentally, socially and economically destructive alternative to the country. The project Magapolis once considered filling and area of 80 Ha and keeping it as public beach as there is no public beach in Colombo. We could assume that the pro Chinese advisors of the current regime defeated this proposal.

TRANSPORT IMPACTS
EIA report estimates that daily public transport trips in the Port City will be increased by about 300,000 which will add more vehicular emissions to the air than the existing. Even though emission free modes of transportation are promoted within the port city, still there would be a considerable increase in emission in the others areas. It further states, “Study carried out by CEA projected that level of various air pollutants viz. SO2, NO2, CO, O3 and VOC have been less than the maximum permissible levels stipulated by the World Health Organization (WHO). However, a comparative analysis on PM10 reveals that the pollutant level has relatively been stable within 70-80 μg/m3. This was found to be much higher compared to WHO guidelines for which the maximum permissible level is 50 μg/m3.”

According to Ambient Air Quality measurements at Fort Railway Station in 2014 even though NO2 and CO maximum concentrations were within local AAQ standard, while that of SO2 and PM10 were
occasionally observed to exceed the respective standard.

The traffic generated due to the project would make the situation worse, if not properly addressed, this conditions can create photochemical smog which is hazardous to human health. Colombo could even become another New Delhi.

**NOISE AND VIBRATION**

Phase 1 of the project which consists of high rise buildings are close to the land side. Therefore, within the first few years there will be a considerable noise and vibration. According to table 5.6 of the EIA report, the noise level around this area has already exceeded the permissible level (for medium noise area day time: - 63db night time 50 db) in areas around the project site. Construction activities, noise of machineries and extra traffic would add more noise.

Vibration was already a major issue during the last few months. Even the H.E. President raised this issue during one of the meeting held in the presidential secretariat. The EIA suggest that “Interim standards for noise and vibration limits have been implemented.

**SOLID WASTE GENERATION**

The estimated production of solid waste in Port City is around 375MT/Day at the year 2040 and at present
generation of solid waste in CBD of Colombo is 850MT/Day. Waste separation, 3R concept suggested in the EIA are good approaches. EIA states that the collected solid waste (disposable) during operational period will be directed to Solid Waste Treatment Plants at Karadiyana, Muthurajawela, and Aruwakkaru which will be in operation in three years from now. However, Muthurajawela is an ecologically important wetland and disposing waste in the area would destroy the ecosystem and associated biodiversity.

SOCIO ECONOMIC ISSUES
Fort is considered as one of the major economic center in Colombo. With the creation of port city these economic activities could be diverted into port city area resulting socio economic issues. Small scale Vendors can be affected. This has not been addressed in the EIA report.

WASTE WATER DISCHARGE AND STORM WATER MANAGEMENT
The responsibility of maintaining the sewerage infrastructure within the Port City will fall on the CMC, once the internal sewer network of
the Port City will be laid by the developer. The Estate Management Company of the Port City needs to discuss on this regard and agree with the GOSL and the CMC in the future. Mixing of waste water with storm water should be avoided.

**WATER QUALITY**

During the construction period, there is a high potential to generate sediments and other pollutants which can destroy the nearby reefs and aquatic life. Proposed Marina is a non-point source of pollution. It is important that measures suggested in the EIA (table 5.7) to prevent water pollution are implemented. During construction activities; dredging, mining, piling, as well as during construction period; storm water, land runoff and waste disposal can collectively contribute to general degradation of marine area both within and surrounding areas of Port City through a number of impact vectors (e.g. salinity changes, turbid plumes, sedimentation, resuspension, release of contaminants, and bathymetric changes).

Storm water runoff which contains suspended solids, petroleum hydrocarbons and other pollutants can contaminate the lagoon area within Port City and in adjacent waters would resultant salinity change, increase turbidity, sedimentation and in long run bathymetric change. Reefs in adjacent sea area get smothered and burial of macro-benthos as they silted caused by enhanced sedimentation. Sedimentation also results in the formation of sand bars across the sea outlets of Port City (lagoon and canals), reducing water exchange with the sea and leading to an accumulation of pollutants.

Shrimp and fish recruitment and ecosystem productivity may also affect due to reduce light penetration, increase turbidity and siltation as fish eggs, larvae, and early juveniles are more sensitive to pollution than adult fish.” The measures are presented in enough detail that they can be successfully followed.

**MARINE WATER QUALITY**

For marine water quality impacts, however, the mitigation measures are considerably less detailed (Ch. 5, p. 39): Site runoff during construction stage might affect the salinity, turbidity and sedimentation
of the adjacent seawater. Poor water quality impacts on benthos and other sessile or mobile organisms would be short-termed and localized, and would be self-correcting after rectifying the ill. Mobile organisms affected could return to the area while the nearby benthos and sessile organisms could disperse their offspring through water currents and recolonize the area after water quality gets improved. The following mitigation and compensation measures are recommended in the EIA.

- Erection of silt curtains around the point of impact;
- Timing restrictions/phase of construction;
- Designate specific enclosed area for maintenance activities;
- Introduce conservation measures like rainwater harvesting, use of tap with sensors;
- Restricted corridors of working;
- Proper management of waste water;
- Flood control, clogging of waterways and pollution of beaches;
- Construction of revetments and seawalls;
- Design storm water management plan;
- Optimizing construction methods to minimize the overall construction period.”

These briefly listed measures are unlikely to be effective in reducing impacts for at least two reasons. First, unlike the freshwater recommendations, there is insufficient detail included for practitioners to be able to take the necessary steps to carry out the measures. Simply stating “timing restrictions/phase of construction” and “restricted corridors of working” does not provide instructions for anyone hoping to prevent impacts. Second, in some cases the reasoning is not biologically sound. Sessile organisms like corals and sponges that are harmed by construction activities are unlikely to reproduce, and more unlikely still to time that spawning and dispersal to precisely coincide with the moment when their offspring might be able to drift back into the area to find conditions improved.

EIA state that “Mobile organisms affected could return to the area while the nearby benthos and sessile organisms could disperse their offspring through water currents and
recolonize the area after water quality gets improved.” However, this kind of reasoning shows either ignorance or disregard for the biological considerations of these systems by the consultants. The authors have not adequately addressed the potential impacts on nearshore habitats, which is all the more concerning because the area is known to be a lobster reserve.

CONCLUSION
This Colombo Port City project has multiple negative impacts. The Port City project not even consider the negative impacts at the construction stage and the operation stage which could include, water supply, waste management, energy supply etc. The so-called Supplementary EIA is not adequate and it has failed to address all those issues correctly and in unbiased manner. Coast Conservation and Coastal Resource Management Department is already bias towards this decision. They have a conflict of interest on this project, which is also violation of the law of the natural justice. According to our analysis and information the Colombo port city project has too many negative, social, environmental, economic and political impacts. The project is burdening the country by committing natural resource beyond the level of replenishment. Use of the main materials i.e. sand and metal will create unnecessary demand for the local construction industry beyond the economic and social benefits of the proposed Port city.

Photo by Thanuja Sandaruwan
WHY IS THE WORLD’S NEWEST DEVELOPMENT BANK INVESTING IN COAL DESPITE ITS GREEN PROMISE?

Petra Kjell, BIC Europe

The Asian Infrastructure Investment Bank (AIIB) has dirtied its hands with coal despite its green rhetoric, ahead of its third annual meeting in Mumbai next week.

As the world’s newest multilateral development bank, the AIIB has made big efforts to brand itself as a “green” bank, with President Jin Liqun saying its “sacred mission” is to invest “without leaving an environmental footprint”.

He told last year’s annual meeting that the AIIB “will not consider any proposals if we are concerned about their environmental and reputational impact”, and proudly proclaimed “there are no coal projects in our pipeline”.

But a year later, the AIIB has already invested in coal. A report by Bank Information Center Europe and Inclusive Development International reveals how the AIIB’s investment through a financial intermediary has led the institution down a carbon fuelled path.

In September 2017, AIIB backed the IFC Emerging Asia Fund (EAF), which subsequently bought equity in Shwe Taung Cement for expansion of a cement plant in Myanmar. The investment will fund a new kiln to increase production significantly, as well as more than double the output from a coal mine that supplies the plant exclusively.

The EAF also invests in Singapore’s Summit Power International, which operates 13 power plants in Bangladesh, all of them run on fossil fuels, with no renewable energy visible in the pipeline. The IFC’s own investment in Summit Power is considered “high risk” because of
concerns about issues such as land acquisition and pollution.

This back-door investment is a worrying sign that the AIIB may not stick to its green commitments as it prepares to invest $100 billion in new infrastructure projects in Asia and beyond. Asia is on the front line of the fight against climate change.

Asia has increased its greenhouse gas emissions by 3.6% per year between 2006 and 2014 – 3% more than the global average. This includes emissions from industrial processes such as cement production, which according to the Intergovernmental Panel on Climate Change accounts for at least a fifth of all direct emissions.

AIIB’s investment follows widespread disappointment that its energy sector strategy, agreed last year, failed to rule out coal, let alone fossil fuels more broadly. To date, the AIIB has disbursed US$4.59 billion, of which US$990 million has been invested in five fossil fuel projects. Many of its renewable energy investments are also questionable, focusing on large scale potentially damaging projects, rather than funding for off-grid renewable energy projects, that are better at providing energy access for those most in need.

The AIIB still has the chance to leapfrog its peers like the World Bank to more sustainable lending practices. To truly be a 21st century bank, the AIIB needs to act now to ensure no more coal in its portfolio and develop a plan to phase out remaining fossil fuel investment by 2020. This must cover both direct and indirect investments. And following the World Bank’s lead, it should also stop upstream oil and gas financing.
Finally, it must ensure that its future financial intermediaries disclose all their investments, so that AIIB's green commitments can be monitored and no more dirty projects slip through the net.

Photo by Rolf Dobberstein
Sri Lanka has got number of failed and controversial projects in the past decade. Norochcholai coal power plant, Hambanthota Harbour, Mattala airport, Uma Oya diversion, Colombo port city to name a few. They cost billions of rupees however do not distribute expected benefits. Perhaps many of them are not required for the country. This unwarranted development or over development is the result of political arrogance of the ruling regimes.

During the recent conference on the Environmental Impact Assessment held in Colombo, it was revealed that some major development project don’t even have a feasibility study or even a pre-feasibility study. The developers in both private and public projects expect the EIA process to deal with the feasibility as well. There is no way that EIA teams can fulfil the task of making both feasibility and the Environmental Impact...
Assessment. The projects this way lack looking in to the more feasible alternatives.

Uma Oya diversion project is a clear example of launching the project during the previous regime without a feasibility study done. Addressing the gathering on 29th April 2008 on the occasion of the visit of the Iranian President Mahmoud Ahmadinejad to Sri Lanka, at Sapugaskanda Former President Mahinda Rajapaksha said “Two gifts by Iran to Sri Lanka to build Uma Oya reservoir project and a modern oil refinery were the noblest of gifts we have received recently. Sri Lankans are visibly moved by this great gesture said President Mahinda Rajapaksa. A reservoir is the noblest gift one could give the Sri Lankan people.” However, President Ahmadinejad was not able to lay the foundation stone at Uma- Oya due to bad weather conditions. By December 2014, the Iranian gift become a death trap for the villagers in Bandarawela.

Other than the irrigation water to Wellawaya and Hambanthota it was promised to add 120 MW to the generation system with 230 GWh of annual energy generation. It was expected to connect the power plant to the national grid in 2015. The estimated cost of the project is 529 million USD and 85% of the total project cost is provided by the Government of Iran through Export and Development Bank as a loan. By now more than 7000 million rupees have been paid as compensation for the affected communities which is not even 20% of the total damage done by the Uma Oya project. Despite the failure of the project, Sri Lankan citizens will pay this money back to Iran next couple of decades. The project had neither a proper feasibility study nor an acceptable EIA with possible alternatives.

Hambanthota Harbor was built by digging Karagan Levaya which was one of the best lagoons for migratory birds reach Sri Lanka. Feasibility study for the harbor was rejected by the ministerial task force since the study is not bankable and is not a full feasibility study in 2002. Yet the project was pushed by the previous regime and it became another white elephant. Total estimated construction cost of the Phase 1 of the project is US$361 million and out of which, 85% has been funded by the EXIM Bank of the People's Republic of China. Then
Sri Lanka Port Authority Chairman boasted that Singapore Ambassador in Sri Lanka when touring the site said: “We’d better find ourselves another job”. Sri Lanka being at the very epicenter of trade routes will be able to accommodate even the largest of ships and cater to their needs. As expected, no shipping line was interested to use the harbor. In July 2017, the Sri Lanka Ports Authority (SLPA) leased out the Hambantota Port to China Merchant Port for a 99-year period at price of US$ 1.1 billion.

The SLPA has built an artificial island in the extent of 110 hectares near Hambantota Port at a cost of over $500 million during the previous Rajapaksa regime. This man-made island which has been built as an entertainment facility was also given to Chinese company. These are just two occasions that Department of National planning and the Ministry of Finance did not play its role when screening the suitable projects for the country. As a result, the Sri Lankan public pay heavy cost to pay back unnecessary and illegitimate debts.

Sri Lanka’s total net external debt exceeded $50 billion in 2017. Sri Lanka’s large external debt
repayments total US$ 4 billion per year between 2019 and 2022. Under the previous government from 2004-2015 has borrowed 5.17 trillion rupees of total loans including 2.16 trillion rupees ($14.06 billion) of foreign loan. According to the Central bank’s latest records show Sri Lanka’s total outstanding debt was 10.3 trillion rupees as of the end of September 2017.

Considering the failed projects such as Mattala Airport, Hambanthota Harbour, Uma Oya diversion and some other partly successful projects such as Moragahakanda, Yan Oya etc., half of the Sri Lanka’s debt could be considered as illegitimate debt. Illegitimate debt includes loans that: were knowingly given to oppressive regimes and dictators; caused harm to people, environment and communities; violated human rights; violated basic notions and rules of fairness, and basic assumptions of public contracts; violated democratic principles and exploited the vulnerability, impoverishment and misfortune of others. The accumulation of both legitimate and illegitimate debt in Sri Lanka in the recent times have caused enormous pressure on the country and the citizens which often see as tax increase and increase of the price of food and services.

In recent months Sri Lanka has been cited by several politician in other countries and the media as the latest victim of the China debt trap diplomacy. There and many African and Asian countries who struggle to pay the debt accumulated with Chinese investments overseas. China Belt Road Initiative is one of the mechanisms to get countries to this debt trap. However, it is the ruling regimes of each country has the right to engage or avoid.

It is unfortunate the development decisions in Sri Lanka has no much public acceptance or not referred for public opinion. There is no such an educated voice in the Parliament or such a dialogue happening in the country to select the development we need for the national development. Unfortunately, development decision making is in the handful of corrupted politicians. The past experience shows bureaucrats have no say on these decisions or either they are corrupt too. It is paramount to correct the system and clean the politics before Sri Lanka get drowned into this deep debt crisis.
In the country last week were experts who spoke about how public services have been or are being reclaimed by citizens who had been in the grip of private enterprises that made profit out of dispensing public services. The gathering was a good prelude to this week’s activities commemorating 1986 People Power that reclaimed freedom and democracy and ended more than a decade of tyranny and martial rule.

The event was initiated by the Asia Europe Peoples Forum’s Thematic Circle on Social Justice. Founded in 1996, AEPF is an interregional network of people’s movements, trade unions, activists, scholars and parliamentarians in Asia and Europe. I have been in on its activities these many years, attending some of its events here and abroad — how it engages governments in Asia and Europe on issues such as social and economic justice, trade and corporate accountability, climate justice, peace, security, democracy and human rights.

Tackled at the recent event was how public services are increasingly becoming inaccessible to millions worldwide. Healthcare, education, water, electricity, housing and transportation — services indispensable to a life of dignity and security — have become expensive while in private hands and as states continue to cut subsidies.

RECLAIMING PUBLIC SERVICES

Ma. Ceres P. Doyo
Privatization, marketization and commodification, AEPF notes, have become conditions imposed by multilateral financial institutions for financially strapped borrower-countries. States relinquish to profit-making private corporations the task and duty to provide public services. Public-private partnerships (PPP) have become the name of the game. Vulnerable sectors such as the unemployed, the sick and elderly, those with disabilities, and ethnic minorities are affected by private-sector takeover.

If the state, the duty bearer, cannot guarantee democratization of public services, what are the “doable alternatives” in which people can take part? How do people “reclaim” the services that the state is supposed to deliver? (I could not help thinking of the almost-daily multiple breakdown of the MRT system on Edsa, the metro’s main artery, which hundreds of thousands distressed commuters navigate daily.)

The “reclaim” concept is not new and has not remained a concept. It is, in fact, doable, as proven by successful cases in countries where people’s resolve and participation made them possible. Speakers at the gathering shared their experiences and insights.

The research and advocacy group Transnational Institute (TNI) has recorded at least 835 examples of what it calls “(re)municipalization of public services” worldwide in recent years, which involved more than 1,600 cities in 45 countries.

TNI uses “(re)municipalization” to refer to “the process of bringing previously private or privatized services which are under private control and management at the local level.” Other newly coined terms are “renationalization” and “deprivatization.”

The latter is “an overarching term for remunicipalization, renationalization and citizen-led reclaiming of public services, all of which are oriented towards fighting against the ills of privatization.”

To cite a few cases: In Oslo, Norway, waste collection was taken from a service provider and remunicipalized in 2017. In 2015, the government of the newly elected Aam Aadmi Party in Delhi, India, began delivering on its promises of affordable healthcare
by putting up 1,000 community clinics.

Grenoble (France) became a pioneer in water remunicipalization when it ended a corrupt contract with a multinational provider in the early 2000s. In Lithuania, central heating was remunicipalized after investigation showed manipulation of heating prices.

The book “Reclaiming Public Services: How cities and citizens are turning back privatisation” (2017), edited by Satoko Kishimoto and Olivier Petitjean, is a great reference for “untold stories” on reclaiming successes.

Ongoing beside the People Power Monument on Edsa are round-the-clock, nine-day fasting and prayer activities, called “Dasal at Ayuno Laban sa ChaCha, Para sa Demokrasya: Pagammin, Pagtitika, Pagbabago at Pagkakaisa.” It is led by Gomburza, a group of priests, religious and lay people who believe in prayer and action to make this country a better place for all. Join the prayers and reflections at any time of day or night. The activities end before noon of Feb. 25, the 32nd anniversary of People Power.

***Originally published via https://opinion.inquirer.net/111229/reclaiming-public-services
After two big announcements made by the World Bank (WB) this week during their Annual Meeting in Bali, Indonesia, NGO Forum on ADB, an Asian led network of over 250 civil society organizations (CSO) around the world will still not put their guards down in monitoring the issue of coal and other fossil fuel projects financed by the Bank, especially those made in partnership with the Asian Infrastructure Investment Bank (AIIB).

NGO Forum expressed its concerns on the deepening relationship between the WBG and AIIB after the two banks signed a memorandum of understanding “to strengthen cooperation and knowledge sharing between the institutions” last year, at the closing ceremony of the WBG Spring Meeting in Washington DC.

The network sees that the cooperation between the two banks will lead to a race to the bottom in terms of environmental and social protections because of the leniency of the multilateral development banks (MDB) towards infrastructure projects despite the announcement made by the WB that it will “ban new direct funding to coal plants except in rare circumstances”

THE PROMISE OF BEING CLEAN AND GREEN

During the 3rd AIIB Annual Meeting in Mumbai, India, NGO Forum demanded that the Chinese led bank fulfill its promise of being clean and green, this is after finding out that the Bank together with the WBG has funded several fossil fuel projects, including the Trans-Anatolian gas pipeline, Myingyan gas power project in Myanmar, and most recently through Public-Private Partnerships, the Bhola IPP gas power plant in Bangladesh.

Hassan Mehedi, chief executive director of Coastal Livelihood and Environmental Action Network (CLEAN), a grassroots organization based in Khulna, Bangladesh stated that the Bhola IPP gas project
endangers vulnerable variety of animals in the area, including several species of fish at a nearby body of water, the Meghna Estuary, fanning out towards the Bay of Bengal. He also added that apart from environmental problems “there are serious human rights violations particularly with religious minorities who are now victims of land grabbing”.

The WBG on the other hand announced that it will “ban new direct funding to coal plants except in rare circumstances”. The policy however does not cover the Bank’s indirect lending, Rayyan Hassan, executive director of NGO Forum on ADB stated that “this could be a loophole for the WBG to support fossil fuel projects, just like how the AIIB used the International Financing Corporation (IFC) Emerging Asia Fund to indirectly finance the coal-mine expansion of Shwe Taung Cement plant in Myanmar”.

Hassan stated that the two Banks explicitly express their support towards the Paris Climate Agreement and the United Nations’ Sustainable Development Goals but its lending portfolios tells a different story, “MDBs should take concrete steps to address the climate crisis, by shifting investments from harmful fossil fuels towards sustainable renewable energy and to support energy access for poor communities” he added.
“There should be a platform for people, governments and multilateral development banks (MDBs) to realize that the target of 1.50 is feasible. However we need various approaches much sooner than we thought of before,” according to Hemantha Withanage of Centre for Environmental Justice based in Sri Lanka. The latest 2018 Intergovernmental Panel on Climate Change report have sparked stronger renewed calls calling for a rapid decarbonization to limit the warming temperature of the planet.

Accordingly climate – related risks to health, livelihoods, food security, water supply, human security are projected to increase with the global warming. The economic loss from global disasters will cost more than the usual in 2017. Consequently the loss and damage caused by severe droughts, floods, landslide and the coastal sea level rise will have irreparable impacts.

It is part of this context that multilateral development banks particularly the Asian Development Bank (ADB) and the Asian Infrastructure Investment Bank (AIIB) have made several pronouncements on their commitments to Paris Agreement. AIIB being “born” after the landmark Paris Agreement have proudly publicly stated that, “there are no coal projects in our pipeline.” Whereas ADB’s Chief Energy Sector Group have recently released an opinion piece stating that while the 51 – year old bank will meet its own climate finance targets, “ADB’s lending portfolio has no place for dirty energy.” However despite these declarations are ADB and AIIB remiss in translating these commitments into the fiber of their respective institutional policies and actual lending portfolio?

DEBUNKING THESE BANKS’ NARRATIVES

In the strategy meeting convened by NGO Forum on ADB, an independent coalition of CSOs holding the ADB and AIIB accountable, the myths purported by these banks were demystified. ADB’s outdated 2009 Energy Policy provides that the bank “will selectively support coal – based power plants if cleaner technologies are adopted.” The ADB have a history of financing coal – fired power plants using clean coal technology (CCT) and complaints have been filed to ADB’s Accountability Mechanism in this regard.

These include the ADB – backed 4,000 MW Mundra Ultra Mega Power Project in Gujarat, India, which claims to use
supercritical technology under its Private Sector Operations Department. World Bank’s private sector arm, International Finance Corporation (IFC) also co-financed the same project and a US Supreme Court case has been filed challenging the absolute immunity of IFC. The ADB also financed the 200 MW Visayas Base – load Power Development Project in Cebu, Philippines that also used circulating fluidized bed (CFB) boiler technology, which is also a type of CCT. Despite being the dominant buzzword for MDBs, using CCT will not be able to prevent significantly greenhouse gas emissions that have detrimental impacts both to the environment and on affected communities’ health.

In the case of the supposed green bank, AIIB has approved 6 natural gas projects or roughly 19% of its portfolio in its first 3 years of operation. This is also consistent with the trend across MDBs of shifting their respective energy lending portfolios from financing the construction or rehabilitation of coal – fired power plants to natural gas, which is perceived as “more environment – friendly” as compared to coal. “There have been claims that consultations have taken place but voices from the people have not been adequately heard,” according to Hasan Mehedi of Coastal Livelihoods and Environmental Action Network (CLEAN) based in Bangladesh that is monitoring the AIIB – backed Bhola Integrated Power Plant Project.

The MDBs are also using the same language as CSOs, peoples’ movements and communities fighting against harmful projects. The strategy meeting called for stronger energy policy language reflected in MDBs actual lending portfolio without any room for exceptions. Clear and unambiguous phase out plan of fossil fuel to just transition to renewables by 2030 and beyond has been the rallying cry of NGO Forum on ADB and its partner members. MDBs are also using this narrative particularly on the supposedly advances made on renewables. These broadly include solar farms, wind parks, waste – to – energy, geothermal, carbon capture and storage to attain the vision for Asia’s low – carbon growth.

STRENGTHENING THE CASE FOR RENEWABLES

There is no question that the viability of renewables in the long – term to meet the Paris Agreement. However civil society has also strongly denounced renewables with damning impacts both to the environment, cause land grabbing or any human rights violations. According to the Nationally Determined Contributions of Indonesia, the projected energy mix by 2027 shows an increase on renewables
particularly for geothermal which is approximately estimated to be at USD 25 billion investment. Nonetheless as pointed out by veteran activist Titi Soentoro of Aksi, “The country already has a fragile ecosystem and the number of geothermal power plants in the pipeline in a highly sensitive environment might be a disaster in the making.”

The other myth espoused by MDBs and the fossil fuel industry is the intermittency issues of renewables. However, “Krabi Province in Thailand is an example wherein it is projected that by 2026, the province is 100% self-dependent on renewables. There are alternatives such as solar rooftops but definitely not solar farms as well as maintain the strong opposition to coal is feasible to attain the just transition,” according to Suphakit Nuntavorokan of Healthy Public Policy Foundation based in Thailand.

The potential for renewables according to Philippine government data shows 250 GW of capacity. Recent developments have shown that renewables are not only getting to be cross-competitive but it is also cheaper. “Coal is no longer the king in the Philippines. Community-based renewable energy systems used to be difficult to argue because it is expensive but now the narrative is different,” according to Gerry Arances of Center for Energy, Ecology and Development (CEED) based in the Philippines.

**LEAD UP TO 2030**

The multilateral development banks, the private sector, fossil fuel industry and governments are intensifying their own version of narratives with respect to achieve the Sustainable Development Goals and the Paris Agreement. Nevertheless for CSOs, peoples’ movements and communities at the forefront of this battle, it is about stopping coal-fired power plants and other fossil fuel including natural gas as well as fight for the space for acceptable renewable investments to thrive in. The conversation on energy is all about social justice, protecting our rights and the story of mankind’s survival.