

Aid Observatorio Synthesis Report April 2020

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I. What is the Aid Observatorio?

The Reality of Aid Network's (RoA) Aid Observatorio is a CSO-initiated and maintained database of development projects funded through bilateral Official Development Assistance (ODA) or International Finance Institutions (IFIs).

IFIs, such as the International Monetary Fund-World Bank (IMF-WB), Asian Development Bank (ADB), and Asian Infrastructure Investment Bank (AIIB), have met strong criticisms and protests from civil society and grassroots communities because of aid conditionalities that impose market-driven, export-oriented, neoliberal policies on developing countries. These conditionalities and projects that IFIs finance continue to undermine human rights and domestic democratic processes, and have resulted into negative social outcomes which include (but are not limited to) persistent underdevelopment and poverty, violations of individual and collective rights, and environmental destruction.

IFIs also play a role by providing financing for partnerships that bolster the private sector's role in development, which contribute to the privatization of natural resources and public services, without clearly establishing safeguards, accountability standards and other human rights standards.

RoA's Aid Observatorio, thus, offers on ground narratives and evidence-based analysis of development projects in fragile nations and developing countries. The impacts of the projects are monitored and evaluated in terms of Development Effectiveness Principles and of the following areas: 1) human rights, 2) democracy, 3) peace and security, and 3) environment or climate. Relevance and linkage to achieving the Agenda 2030 Sustainable Development Goals (SDGs) are also assessed.

The objectives of RoA's Aid Observatorio are as follows:

- Promote awareness and transparency on the management of aid by recipient governments and other development providers,
- Aid research and analysis on the trends and impacts of development projects and public-private partnerships,
- Assist engagement of CSOs with recipient and donor governments and other development providers for the effective and efficient use of public funds and for the protection of human rights and democracy,
- Assist advocacy campaigns of communities or grassroots and peoples' organizations in asserting their democratic rights and seeking transparency and accountability from governments and development aid providers, and

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- Facilitate shared learning and discourse among CSOs, policymakers, academia, media, and activists in promoting a human rights-based, people-powered sustainable development and forwarding critical solutions or recommendations.

II. CSO Reports and Narratives

From April 2019 to April 2020, The Reality of Aid Network, with the support of one of its regional arms, Reality of Aid – Asia Pacific (RoA-AP), gathered 15 reports from different countries within Asia Pacific. These 15 reports highlight 15 development projects funded mostly by the Asian Development Bank, the leading development aid provider in Asia Pacific. See Table 1 for the summary of the reports.

[View the complete data.](#) | [Download the 2019 narrative reports.](#) | [View the web version.](#)

Table 1. Summary of the Observatorio Reports April 2019-April 2020

	Reporting Organization	Development Project	Location	Major Funder/s	Total Amount
1	Reality of Aid	Tangguh Liquefied Natural Gas Expansion Project	West Papua	ADB	USD 400 million
2	Reality of Aid	150-Megawatt Burgos Wind Farm Project	Philippines	ADB	USD 200 million
3	Konsil LSM Indonesia (Indonesia NGOs Council)	Business and Human Rights Advocacy in the Plantation Sector	Indonesia	ICCO Cooperation	EUR 136000
4	Reality of Aid	Nam Ngiep 1 Hydropower Project	Laos	ADB	USD 982 million
5	Reality of Aid	Myingyan Natural Gas Power Project	Myanmar	ADB, Multilateral Investment Guarantee Agency (MIGA)	USD 589 million
6	Reality of Aid	Upper Trishuli-1 Hydropower Project	Nepal	ADB	USD 60 million
7	Reality of Aid	Shah Deniz Stage II Gas Field Expansion Project	Azerbaijan	ADB, European Bank for Reconstruction and Development (EBRD)	USD 975 million
8	Centre for Human Rights and Development	Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 2	Mongolia	ADB	USD 37.11 million
9	Reality of Aid	Nenskra Hydropower Project	Georgia	ADB, AIIB, EBRD, European Investment Bank (EIB)	USD 314 million
10	Public Foundation "Development of Civil Society"	Amu-Bukhara Irrigation System Rehabilitation Project	Uzbekistan	Japan	USD 320 million
11	Institute of Policy Research and Advocacy	Merauke Integrated Food and Energy Estate	Indonesia	Norway, South Korea	USD 48.3 million
12	Centre for Research and Advocacy - Manipur	Teesta III Hydroelectric Project	India	International Finance Corporation (IFC)	USD 1.4 billion
13	Reality of Aid	Shwe Taung Cement Expansion Project	Myanmar	IFC, AIIB (through the IFC Emerging Asia Fund)	USD 110 million
14	Institute for National and Democracy Studies	Mandalika Special Economic Zone	Indonesia	AIIB	USD 316.5 million
15	Council for People's Democracy and Governance	New Centennial Water Source Project	Philippines	China	USD 211.2 million

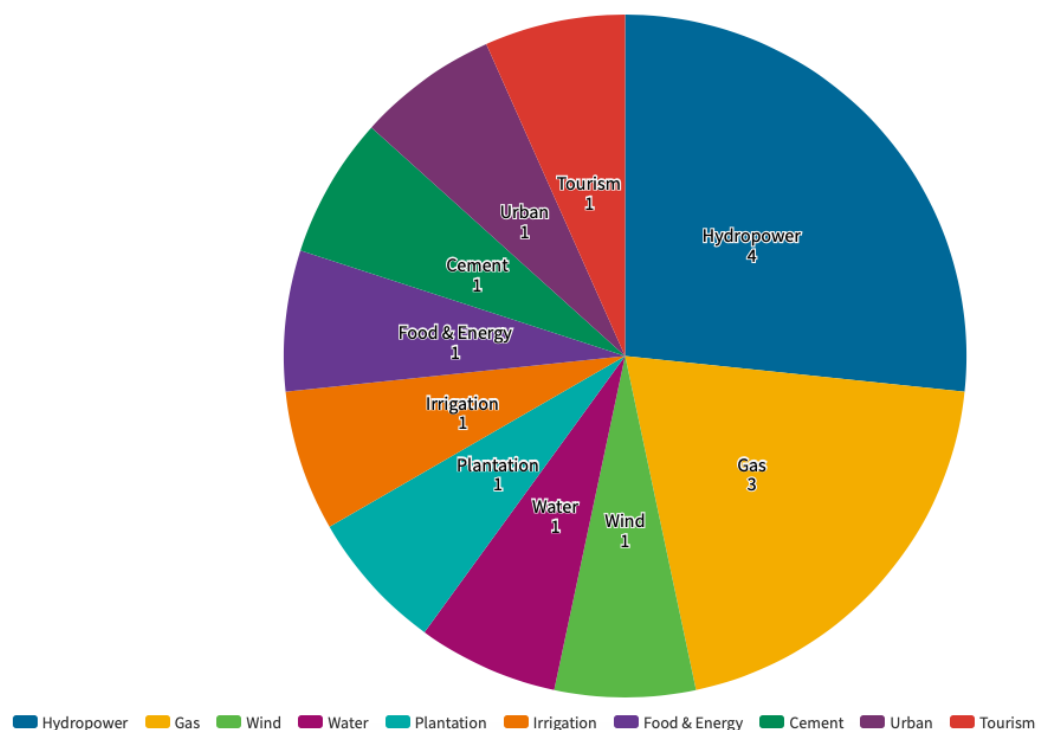
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A. Data

Out of the 15 projects reported, four (4) are hydropower and three (3) are gas-related projects. All industries are related to infrastructure, with only three projects focusing on agriculture. This proves how IFIs prioritize infrastructure projects, specifically those related to hydropower and energy, because these would ensure substantial return on investment.

Graph 1. Industries of Development Projects Reported



All projects were funded by IFIs, with ADB on the top followed by AIIB, IFC, and EBRD. Only four (4) of the 15 were co-funded by donor governments. Four (4) projects were co-funded by ADB together with other IFIs. One project, however, the Shwe Taung Cement Expansion Project, is an investment of its private sector partner with funds from AIIB and IFC and the backing of its host country, Myanmar. See Graphs 2 and 2.1 for the data on funders.

Twelve projects were loans while only two (2) were grants. Moreover, five out of the 15 projects were stand-alone while 10 were co-funded. Stand-alone projects in this report mean that no additional government or IFI funded the five projects while the 10 co-funded projects received budget from other governments, IFIs, or private sector partners. See Graph 3 for the data on funding mechanisms.

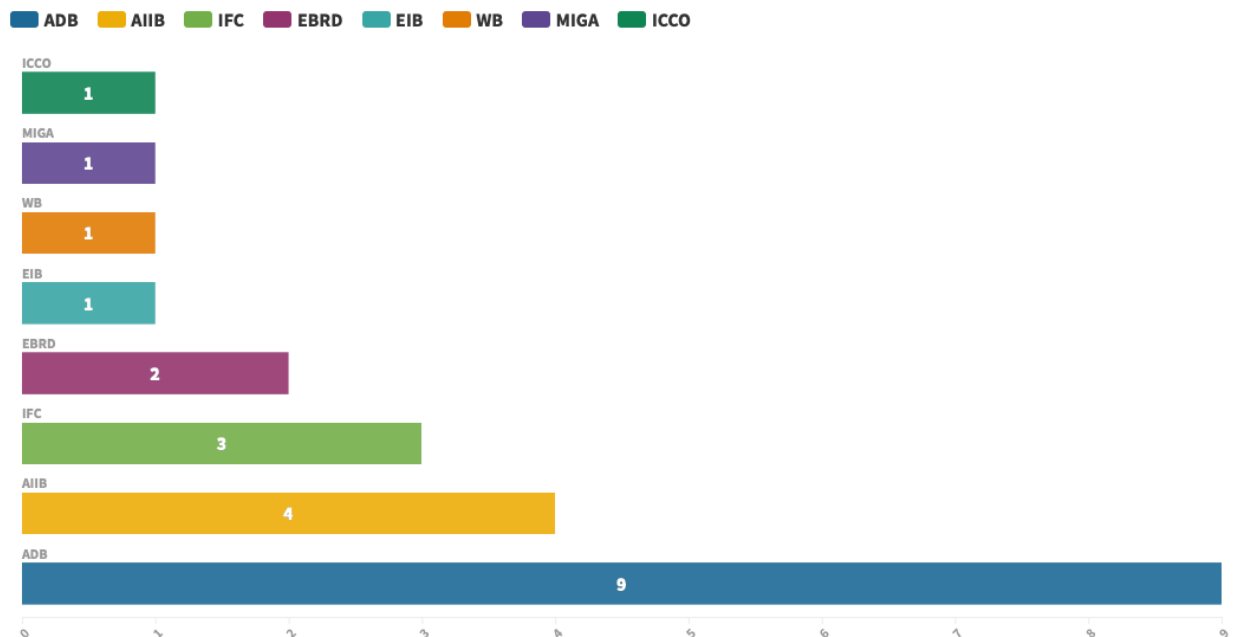
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Graph 2. List of Donor Governments and IFI Funders

	Development Project	Funder	
		Donor Government	International Finance Institution
1	Tangguh Liquefied Natural Gas Expansion Project		ADB
2	150-Megawatt Burgos Wind Farm Project		ADB
3	Business and Human Rights Advocacy in the Plantation Sector		ICCO
4	Nam Ngiep 1 Hydropower Project	Netherlands	ADB
5	Myingyan Natural Gas Power Project		ADB, AIIB, IFC, MIGA
6	Upper Trishuli-1 Hydropower Project		ADB
7	Shah Deniz Stage II Gas Field Expansion Project		ADB, EBRD
8	Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 2		ADB
9	Nenskra Hydropower Project		ADB, AIIB, EBRD, EIB
10	Amu-Bukhara Irrigation System Rehabilitation Project	Japan (through JICA)	ADB
11	Merauke Integrated Food and Energy Estate	Norway, South Korea	WB
12	Teesta III Hydroelectric Project		IFC
13	Shwe Taung Cement Expansion Project		IFC, AIIB
14	Mandalika Special Economic Zone	Indonesia	AIIB
15	New Centennial Water Source Project	China	

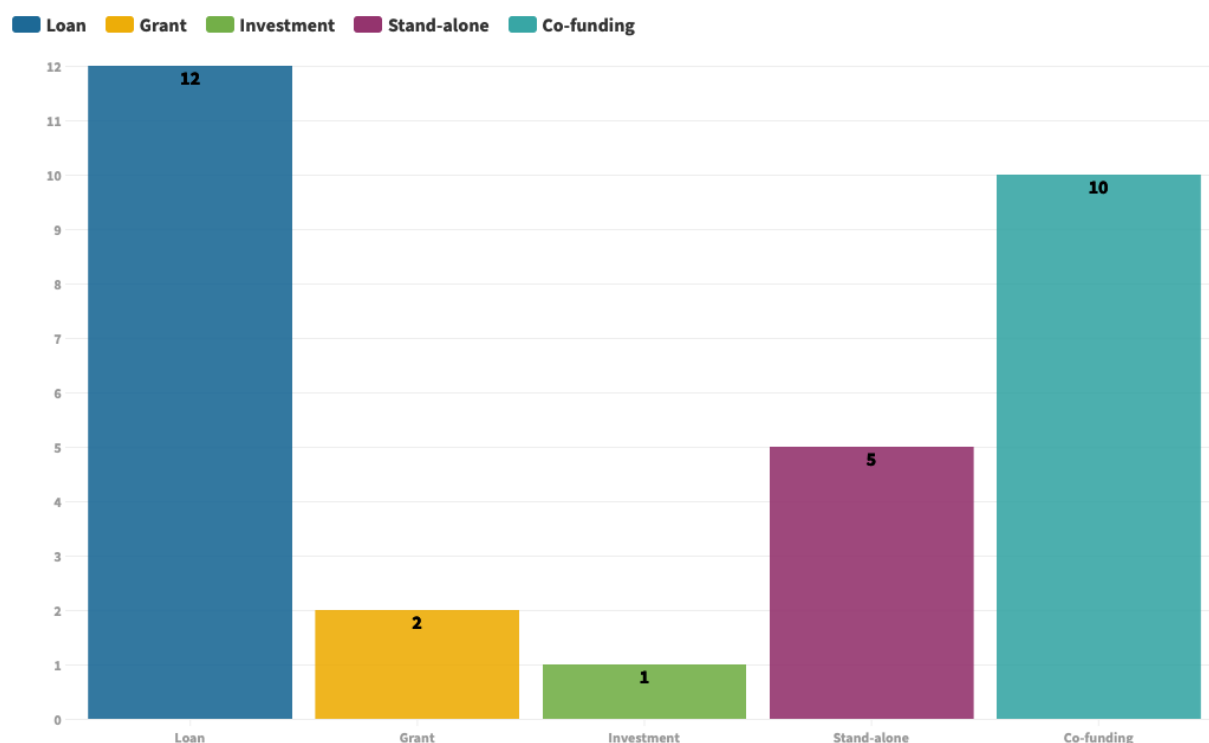
Graph 2.1. Total Number of Projects IFIs Funded



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Graph 3. Total Number of Projects under 4 Types of Funding Mechanisms



Two areas worth noting in this data are the Project Partners and Democratic Consultations. Only two (2) projects have partners from the Civil Society while 13 projects have Private Sector partners. Having partners from the Private Sector means that the main implementers or contractors of the development projects are private corporations and that they profited from the ODA and/or IFI budget used to finance the projects. Moreover, in some development projects, such as the Upper Trishuli-1 Hydropower and Teesta III Hydroelectric, private corporations provided funding to gain profits in the long run. Thus, this shows how development is becoming increasingly corporatized at the backdrop of a neoliberal economy.

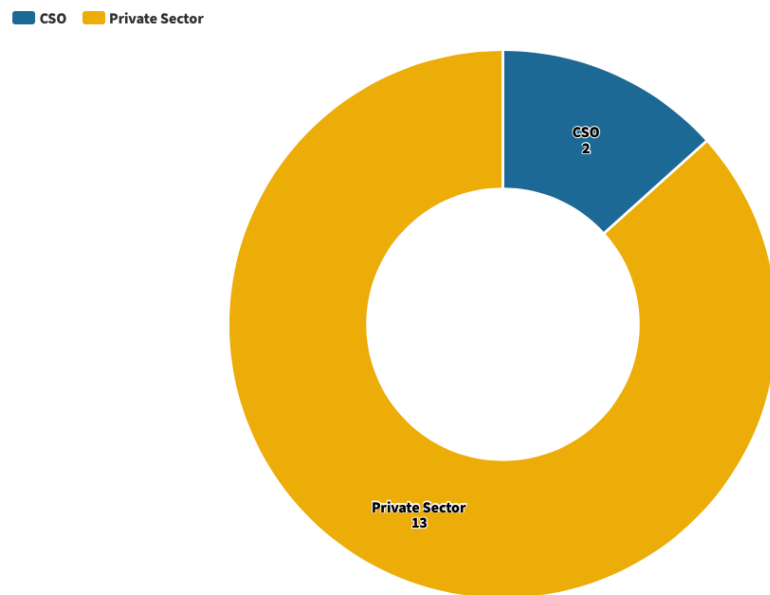
Although two projects have CSO partners that ensured checks and balances as well as supported the welfare of the communities affected, the interests of the IFIs and private sector involved still emerged as dominant. It is important to recognize that even if projects do not have written agreements with CSO partners, communities should be able to mobilize themselves and concerned CSOs should be welcome to engage without imminent threat from the government, IFIs, and private sector involved. Moreover, democratic, participatory, and meaningful consultations with CSOs and affected communities must be established as necessary process prior, during, and after project implementation. Often, consultations were only conducted as means to inform concerned CSOs and affected communities of the development projects and not as an avenue to solicit their thoughts, issues, or demands. Hence, most of the projects did not have democratic consultations. See Graphs 4 and 5 to compare.

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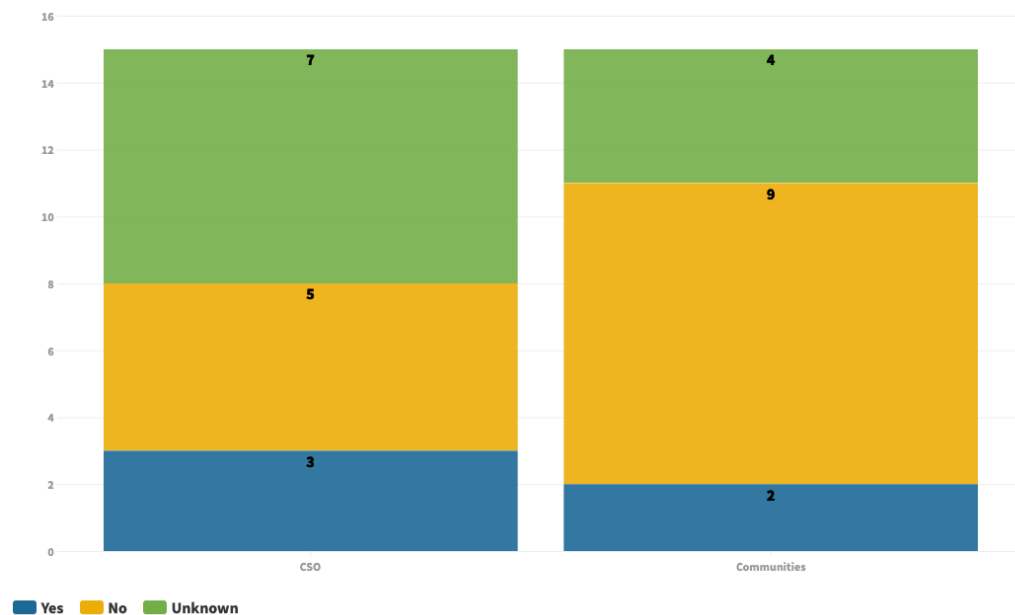
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**Note that not all reported projects include data on CSO and Community Consultations (Graph 5) as well as on Transparency and Accountability (Graph 6). Hence, this synthesis report categorizes those projects as Unknown.*

Graph 4. CSO and Private Sector Project Partners



Graph 5. CSO and Community Democratic Consultations

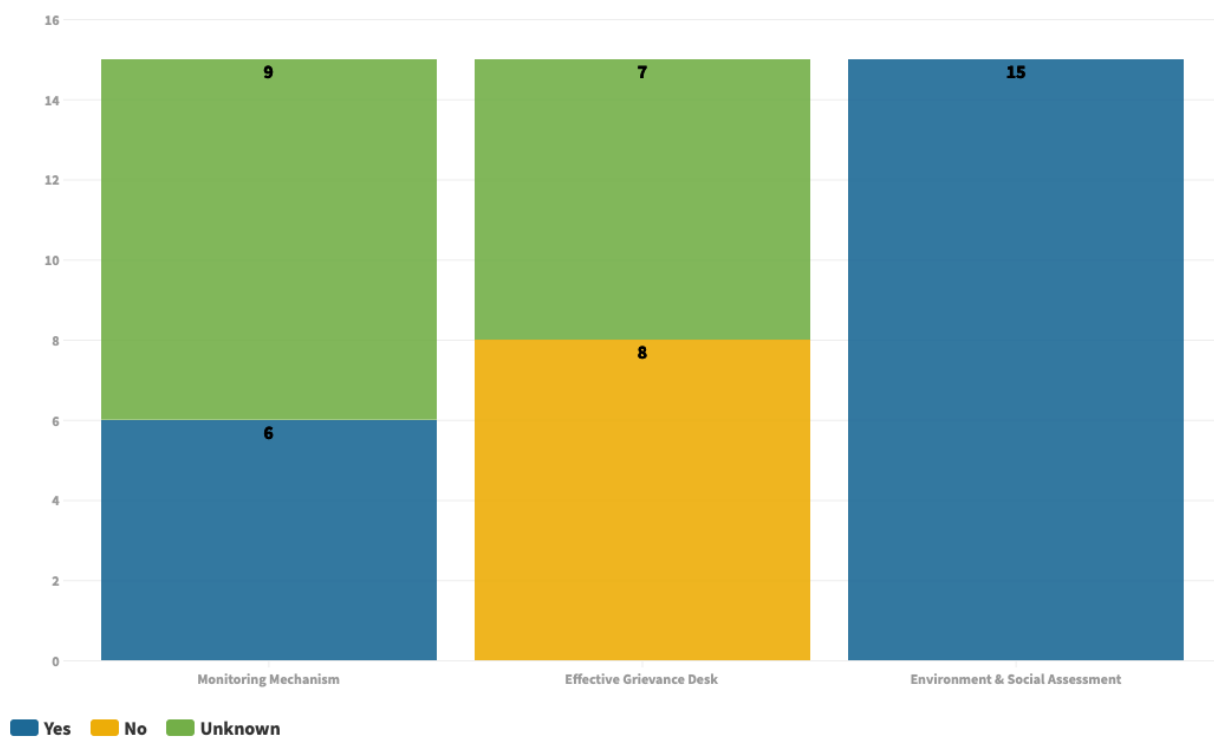


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In connection to this, most project implementers do not have sufficient monitoring mechanisms and effective grievance desks. And even if all 15 projects complied with the Environment and Social Assessment, positive outcomes from the implementers were not guaranteed. Thus, most of the affected communities responded by mobilizing themselves and carrying out campaigns and protests to defend their rights. However, recipient governments and Private Sector partners resorted to militarization and other human rights violations effectively shrinking civic space and criminalizing dissent. Governments, private corporations, and IFIs involved get away with accountability because necessary and just mechanisms are not in place.

Graph 6. Transparency and Accountability Mechanisms



B. Impacts

The CSO reports also provide narratives on how a corporatized development impedes peoples' rights. See Table 2 below for the list of impacts categorized under Human Rights, Peace & Security, Environment/Climate and Democracy/Governance.

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Table 2. List of Impactsto the Poor and Vulnerable

	Human Rights	Peace & Security	Environment/Climate	Democracy/Governance
1	Forced Displacement	Militarization	Air Pollution	Undermining Sovereignty
2	Forced Eviction/Demolition	Illegal Detention	Water Pollution	Corruption
3	Loss of Livelihood	Forced Disappearances	Hazardous Waste	No or lack of Consultations
4	Insufficient Compensation		Engine Oil and Fuel Spills	
5	Unsafe Working Conditions		Unsanitary Sewerage Systems	
6	Child Labor		Deforestation	
7	Landgrabbing		Soil Erosion	
8	No FPIC		High Landslide Risk	
9	Other Human Rights Violations		Irrigation Problems	
10			Damaged Subsistence Crops	
11			Low Fish Stocks	
12			Resource Extraction	
13			Loss of Biodiversity	
14			Ecological Flow at Risk	

To pave the way for infrastructure projects, areas need to be cleared. However, what usually happens is that the communities to be affected are not consulted prior the implementation or they are only informed of the implementation proper without seeking their insights and approval first. This scheme is rampant among indigenous communities where the private sector, along with the national government involved, failed to comply with the free, prior, and informed consent (FPIC) from the indigenous communities.

Communities then mobilized themselves to assert their right to land. They launched advocacy campaigns and protests to protect what is theirs, especially if the areas (to be) cleared are sacred, thus important to Indigenous Peoples (IP). When faced with the peoples' resistance, CSOs reported that corporations employed private armies while national governments deployed armed forces to quell dissent. Militarizing communities not only increased human rights violations (HRVs) in affected areas but also allowed both private and government entities to facilitate landgrabbing and forced eviction or demolition effectively displacing communities.

Affected families were relocated, thus losing their livelihood in the area. Others were offered to work for the corporation involved to build the infrastructure project. In the course of construction, however, laborers received insufficient compensation and faced unsafe working conditions. In worst cases, children are forced to do hazardous labor.

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On the Teesta III Hydroelectric Project in India: The implementation of the Teesta III project received flak from multiple organizations and human rights organizations. The construction of the hydropower plant led to the displacement of communities, loss of property and biodiversity, and permanent ecological damage. The residents were not consulted during the planning process of the power plant.

According to India Water Portal, the hydropower project has acquired a large forested and agricultural area, including several sacred, spiritual and culturally important spaces. The project, thus, has displaced a large number of local and indigenous peoples. Moreover, the unfulfilled promise of employment and fair land compensation caused outrage from the Sikkim people. Also, the Teesta river provides water for the peoples' agricultural needs. Due to the construction, the water stream was disrupted and became unpredictable. There were times of dangerous flooding and drought.

The affected communities have created an organization called "Affected Citizens of Teesta or ACT" to fight for their rights. ACT has filed cases in the Indian Supreme Court to protect themselves and their environment from the harmful effects of the construction of Teesta III.

All infrastructure projects contributed to what we now call the climate emergency. Landgrabbing and resource extraction have led to deforestation, soil erosion, and oil spills. Communities living near or around affected areas experience food insecurity due to irrigation problems and low fish stocks and crops. Their health, especially of children and newborns, are at risk too because of hazardous waste, unsanitary sewerage systems, and air pollution.

With all these plunders, transparent and accountable mechanisms are not put in place. For instance, there are no democratic consultations and effective grievance desks. When communities resort to protest actions, corporations and governments militarize the areas and illegally detain and imprison environment defenders.

On the Merauke Integrated Food and Energy Estate (MIFEE) in Indonesia: The damage done by the MIFEE is extensive. The heavy level of deforestation greatly contributes to comprehensive environmental damage. Climate preservation should be prioritized. However, the financial aid from Norway is ironic because although it aims to help fund the preservation of the forests, the Norwegian government's sovereign wealth fund owns shares in two of the companies involved in the MIFEE program.

The loss of biodiversity and ground cover may lead to bigger problems in the long term. The clans and tribes inhabiting the forests greatly rely on the biodiversity to provide them food, water, and shelter. Moreover, palm oil is one of the largest Indonesian exports. But palm oil production is seen to be harmful to biodiversity and ecological balance. Environmental organizations have started campaigns against companies to find sustainable, "green" alternatives because chemicals from private plantations could lead to groundwater poisoning. Health hazards could also develop from the degradation of forest areas.

Based on the CSO reports, none of the 15 development projects proved to be generally beneficial to Asia Pacific communities. Democratic processes were undermined, human rights were violated, and the environment was exploited. None of the projects, majority of which funded by IFIs, implemented by

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corporations, and facilitated by national governments, put the people first. Indeed, development in Asia Pacific has been captured by corporations, by the elite and peoples' resistance is silenced if not criminalized.

C. Adherence to Development Effectiveness Principles

Graph 7 shows how the 15 development projects adhered to the four (4) Development Effectiveness (DE) Principles as stated in the Busan Partnership for Effective Development Cooperation:

1. Democratic Ownership – Partnerships for development can only succeed if they are led by developing countries, implementing approaches that are tailored to country-specific situations and needs.
2. Focus on Results – Our investments and efforts must have a lasting impact on eradicating poverty and reducing inequality, on sustainable development, and on enhancing developing countries' capacities, aligned with the priorities and policies set out by developing countries themselves.
3. Inclusive Partnerships – Openness, trust, and mutual respect and learning lie at the core of effective partnerships in support of development goals, recognising the different and complementary roles of all actors.
4. Transparency and Accountability – Mutual accountability and accountability to the intended beneficiaries of our co-operation, as well as to our respective citizens, organisations, constituents and shareholders, is critical to delivering results. Transparent practices form the basis for enhanced accountability.

This synthesis report rated each development project (based on the CSO reports) from 0-3 using four levels of adherence according to the definition of the Development Effectiveness Principles above:

Democratic Ownership

0	Project did not adhere to the principle
1	Project is led by a developing country or the recipient
2	Project implements approaches that are tailored to country-specific situations and needs
3	Project adhered to the principle

Focus on Results

0	Project did not adhere to the principle
1	Project aims to eradicate poverty and reduce inequality for sustainable development
2	Project enhances developing or recipient country's capacities, aligned with the priorities and policies set out by the developing country
3	Project adhered to the principle

Inclusive Partnerships

0	Project did not adhere to the principle
1	Project promotes openness, trust, and mutual respect as the core of effective partnerships in support of development goals
2	Project recognizes the different and complementary roles of all development actors
3	Project adhered to the principle

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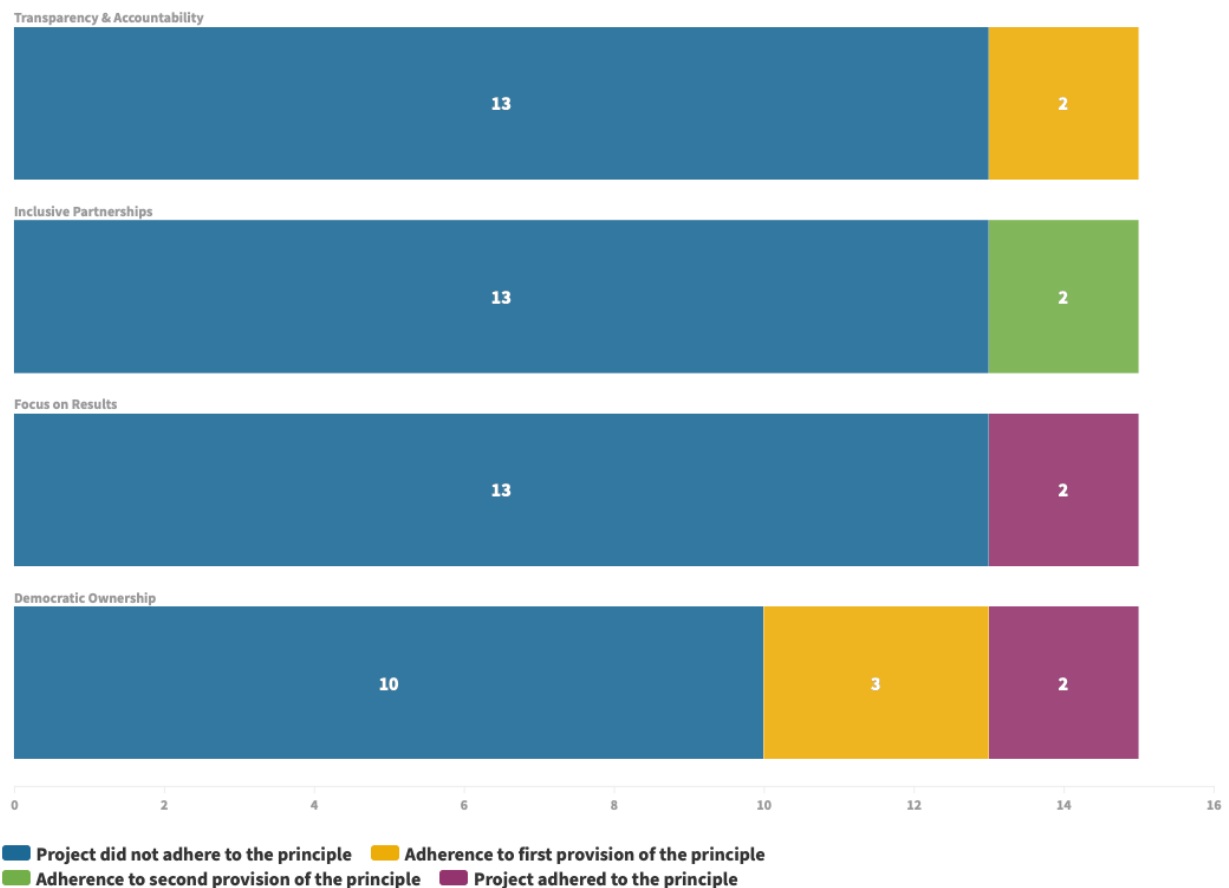
Transparency and Accountability

0	Project did not adhere to the principle
1	Project promotes mutual accountability and accountability to the intended beneficiaries as well as to our respective citizens, organisations, constituents and shareholders
2	Project complies with transparent practices that form the basis for enhanced accountability
3	Project adhered to the principle

Referencing Graph 7, 13 projects did not adhere to the principles of Focus on Results, Inclusive Partnerships, and Transparency and Accountability while 10 projects did not adhere to the Democratic Ownership principle. Of the 15 projects, 10 of which did not adhere to *all* the principles. See Table 3 for the breakdown.

This blatant disregard for DE Principles proves how development cooperation providers enable the corporate capture of development at the expense of peoples' rights. The status quo does not allow for a rights-based, people-powered development to flourish precisely because of its profit-seeking nature.

Graph 7. Summary of Adherence to Development Effectiveness Principles



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Table 3. Levels of Adherence to Development Effectiveness Principles

	Development Project	Democratic Ownership	Focus on Results	Inclusive Partnerships	Transparency & Accountability
1	Tangguh Liquefied Natural Gas Expansion Project	0	0	0	0
2	150-Megawatt Burgos Wind Farm Project	1	0	0	0
3	Business and Human Rights Advocacy in the Plantation Sector	3	3	2	1
4	Nam Ngiep 1 Hydropower Project	0	0	0	0
5	Myingyan Natural Gas Power Project	0	0	0	0
6	Upper Trishuli-1 Hydropower Project	0	0	0	0
7	Shah Deniz Stage II Gas Field Expansion Project	0	0	0	0
8	Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 2	3	3	2	1
9	Nenskra Hydropower Project	1	0	0	0
10	Amu-Bukhara Irrigation System Rehabilitation Project	0	0	0	0
11	Merauke Integrated Food and Energy Estate	0	0	0	0
12	Teesta III Hydroelectric Project	0	0	0	0
13	Shwe Taung Cement Expansion Project	0	0	0	0
14	Mandalika Special Economic Zone	1	0	0	0
15	New Centennial Water Source Project	0	0	0	0

On the Mandalika Special Economic Zone (SEZ) in Indonesia:

Democratic Ownership – The AIIB-funded project is aligned with the broader Indonesia Tourism Development Project for 2018-2023 that is being financed by the World Bank and the Swiss State Secretariat for Economic Affairs. The aim is to improve the quality of roads and access to basic services for tourism, strengthen the local economy related to the tourism sector, and encourage private investment in three tourist destination areas. The World Bank's total commitment amount for the project is USD 300 million.

Focus on Results – The results, however, are not aligned with sustainable development for the people. Key issues include: a) Land Grabbing and Conflict, b) Not Transparent and Undemocratic Information and Development Planning, c) Extensive and Systematic Eviction, and d) Intimidation and Repression by Security Forces.

Inclusive Partnerships – There were no CSO partners and no substantial consultations with the communities affected prior and during the project development and implementation.

Transparency & Accountability – The Indonesia Tourism Development Corporation (ITDC) and Lombok Tourism Development Corporation (LTDC) are not transparent with the communities affected as evidenced by the lack of inclusive and meaningful partnerships. Moreover, the responsibility of ITDC to implement AIIB standards was also not carried out in Mandalika SEZ Project.

III. Recommendations

Civil Society Organizations recommend the following action points in delivering development projects:

1. Establish a rights-based, people-powered framework for sustainable development.
2. Design and measure development programs against Development Effectiveness Principles and human rights standards.
3. Uphold transparency and accountability among development actors.
4. Uphold environment and social standards.
5. Mainstream gender equality, women's rights and empowerment.
6. Deploy ODA to fund rights-based, people-powered development programs.
7. Reject the militarization and securitization of aid.
8. Reverse the corporate capture of development.
9. Reverse the shrinking and closing civic space of CSOs.
10. Ensure that CSO and community consultations are democratic, participatory, and meaningful.
11. Ensure that effective grievance mechanisms are put in place.
12. Honor free, prior, and informed consent (FPIC) from Indigenous Peoples.