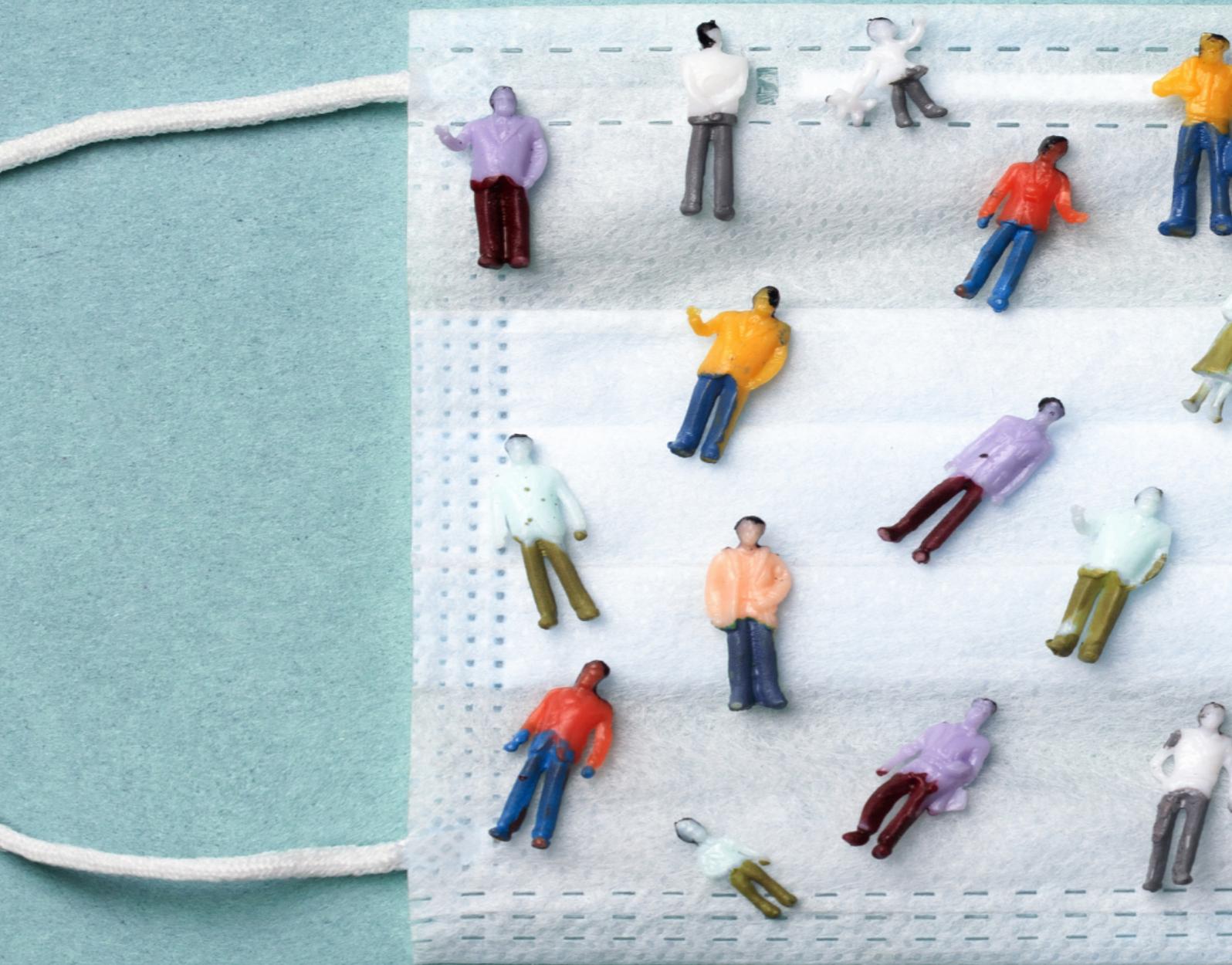


MARCH 2022

BANKWATCH

OFFICIAL PUBLICATION OF NGO FORUM ON ADB



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STOP BURNING STUFF FOR ENERGY IF YOU ARE SERIOUS ABOUT TACKLING CLIMATE CHANGE

*Peg Putt
Forests, Climate and Biomass Energy
Working Group*

Beyond Burning, the video from Stand.earth and Emma Thompson, is timely in calling out forest biomass burning as a false solution to climate change. A clamour of false solutions pushed by vested interests followed the Climate COP 26, held in Glasgow late last year. Confusion abounds. We want to stop burning coal, by burning something else?

Burning biomass is a false solution that has huge implications. The range of unacceptable impacts on people and the planet are real and deeply problematic. Earth's remaining forests are rich stores of carbon and crucial havens for wildlife. They are also the ancient homes of many millions of Indigenous people and of vital importance to the survival of local communities. It takes a special sort of genius to sell the large-scale logging and burning of forests as a climate solution, but governments and people are all too easily hoodwinked.

The science is clear: burning forest biomass actually emits more carbon than burning coal, per unit of energy produced. But a myth is perpetrated that because trees can be grown again it's all OK. It's described as carbon neutral or maybe even zero emissions. It certainly is not.

Think about how long it would take for an entire forest to regrow and absorb that carbon back from the atmosphere – we are talking of decades or even centuries, and that's if it is ever allowed to happen. But the release of carbon is instantaneous and immediately contributes to global warming. The IPCC tells us that we have only a very short period to dramatically reduce emissions – halve by 2030 and down to net zero by 2050 – definitely no time to incinerate forests in ever greater quantities and hope for some fanciful recovery to even take us back to square one, let alone improve the situation.

Biomass sourced at volume from natural forests and plantations, then burnt to generate energy, is disastrous for both climate and biodiversity as well as for local communities. The plunder is escalating and vast amounts of logged forest are being shipped into Europe, the UK, South Korea and Japan. Natural forests in southern USA, Canada, Estonia and Latvia are getting the chop and this is expanding to the forests of south-east Asia, Australia, Africa and Russia as well. That's not all – there is also the conversion of forests and agricultural land to monoculture tree plantations, with all the impacts of landgrabbing, loss of food security, and more.

How dreadful to come far enough to begin some sort of exit from coal and then to invest in a so-called solution that actually exacerbates climate change in the crucial period during which we must bring down emissions. This is more than



a wasted opportunity, it's entrenching and exacerbating the climate and biodiversity crises whilst hurting the most marginalised, structurally disadvantaged communities.

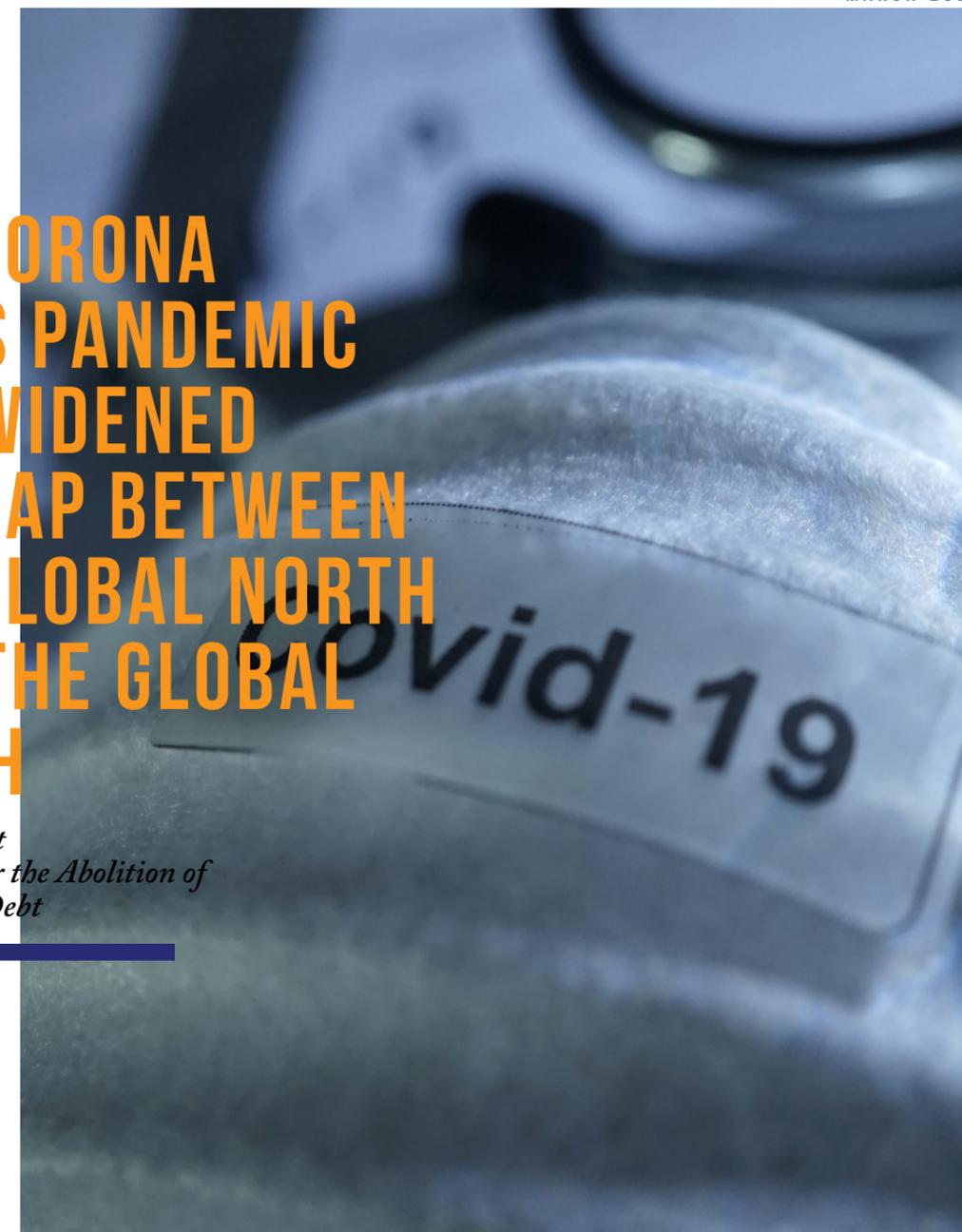
Large scale burning of forest biomass for energy is not acceptable as part of a renewable energy portfolio. Giving coal a lifeline by co-firing forest biomass with coal unites two evils.

It sure is time to go Beyond Burning. As our Biomass Delusion position statement says: we must move beyond burning forest biomass to effectively address climate change. We call on governments, financiers, companies and civil society to avoid expansion of the forest biomass based energy industry and move away from its use. Subsidies for forest biomass energy must be eliminated. Protecting and restoring the world's forests is a climate change solution, burning them is not.

“We call on governments, financiers, companies and civil society to avoid expansion of the forest biomass based energy industry and move away from its use.”

THE CORONA VIRUS PANDEMIC HAS WIDENED THE GAP BETWEEN THE GLOBAL NORTH AND THE GLOBAL SOUTH

*Eric Toussaint
Committee for the Abolition of
Illegitimate Debt*



Confronted with the coronavirus pandemic that started end of 2019-beginning of 2020, the governments of long-standing imperialist powers (Western Europe, North America, Japan, Australia-New Zealand) and private pharmaceutical corporations have widened the gap between the Global North and the Global South.

The pharmaceutical corporations find it far safer and more profitable to give priority to supplying the rich countries that not only can pay high prices for the vaccines but are willing to make advance payments covering the production costs to come. This is clearly illustrated in the analysis of the distribution figures of the vaccines. Moderna has allocated 84% of its production to the US and the EU; Pfizer/BioNTech has allocated 98% and for Johnson & Johnson the equivalent figure is 79%. Pfizer/BioNTech has delivered to Sweden alone nine times more doses than it has delivered to all the low income countries put together. [1]

Mapping the vaccine doses clearly shows that part of the world is being left out. In October 2021, of the 5.76 billion doses injected, only 0.3% have gone to the lowest

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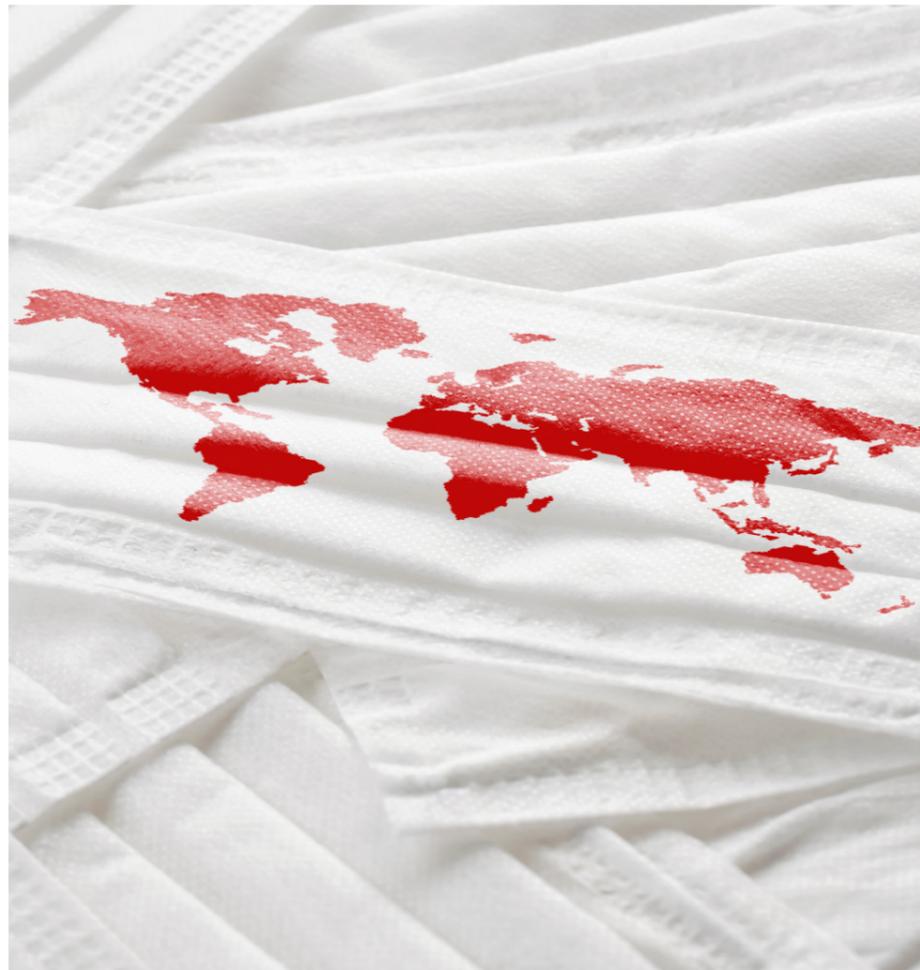
income countries that have a total population of 700 million people (see: <https://ourworldindata.org/covid-vaccinations>). Only 2.7% of the populations of the 27 lowest income countries have received a vaccine jab against over 60% in North America and Western Europe.

The leaders of a handful of rich countries are opposed to lifting patents as requested by the Global South, particularly the European Union, Switzerland and Japan. As for the USA, President Joe Biden has said he is favourable to lifting the patents but has not taken any action towards requiring governments who are blocking the question in the WTO to do so.

Thanks to the possession of patents and to governmental complicity, Big Pharma is garnering undue revenues

The prices asked by Big Pharma for Covid vaccines are exorbitant. Two examples: according to Public Citizen estimates, a Pfizer/BioNTech Covid vaccine dose costs about \$1.20 to mass produce; a Moderna vaccine dose costs \$2.85 to mass produce. [2] In some countries the Pfizer/BioNTech dose is sold at \$23.50 and the Moderna dose is priced as high as \$37. The usual excuse for such prices is the costs of R&D and clinical trials. These arguments are not valid in the case of Covid vaccines as these costs have been financed by public authorities.

The decision by Northern governments to proceed to a third injection delights Big Pharma which sees more fabulous profits in gestation. If the patents on vaccines, tests and drugs are not lifted or actually abolished, the big private companies that dominate the pharmaceutical sector will reap colossal revenues for the next 20 years at the expense of the global population, state budgets and public health systems. The stakes are enormous because booster



injections will be recommended and/or imposed. Imagine an annual injection for 20 years with a vaccine protected by a patent and therefore sold at a high price... Big Pharma shareholders may gleefully anticipate huge incomes.

In a well-documented report entitled "The Inside Story of the Pfizer vaccine: 'a once-in-an-epoch windfall,'" the Financial Times explains that thanks to its agreement with the German company BioNTech this US company took the lead over its competitors Moderna, Astra Zeneca, Johnson & Johnson in the production and selling of the vaccine. Like Moderna, it gave priority to the rich countries. By the end of 2021, it has covered 80% of the Covid vaccine sales in the EU and 74% in the US. It was very demanding towards the governments of countries in the

"Of the 5.76 billion doses injected only 0.3% have gone to the lowest income countries that have a total population of 700 million people."

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Global South as it made changing their national laws a condition to supplying vaccines. "Before deals could be agreed, Pfizer demanded that countries change national laws to protect vaccine makers from lawsuits (...). From Lebanon to the Philippines, national governments changed laws to guarantee their supply of vaccines." [3]

The paper quotes Jarbas Barbosa, the assistant director of the Pan American Health Organization, who said that Pfizer's conditions were "abusive, during a time when due to the emergency [governments] have no space to say no."

The Financial Times further explains that "negotiations with South Africa were particularly tense. The government complained that Pfizer made what its former health minister Zweli Mkhize called 'unreasonable demands,' which it said delayed the delivery of vaccines." The paper further reports that "at one stage, [Pfizer] had asked the government to put up sovereign assets to cover the costs of any potential compensation, something it refused to do. The Treasury rejected the health department's



request to sign the deal with Pfizer, according to people familiar with the matter, arguing it was equivalent to 'surrendering national sovereignty.' But Pfizer did insist on indemnity against civil claims and required the government to provide finance for an indemnity fund. The South Africans said to me: 'These guys are putting a gun to our head,' says a senior official familiar with African vaccine procurement efforts. 'People were screaming for a vaccine and they signed whatever was put in front of them.'"

The South Africa's Health Justice Initiative is about to file a lawsuit to enforce the publication of the contracts signed between Pfizer and the South African government.

"We want to know what else they played hardball on," says Fatima Hassan, founder of South Africa's Health Justice Initiative. "A private company can't have so much power. The contract should be open. They would tell the story of what Pfizer has managed to extract out of sovereign countries around the world."

The outrageous attitude of governments in the most industrialized capitalist countries who deliberately deepen the gap with people in low-income countries finds a telling illustration in the third jab. Up to November 2021, those governments had had a third vaccine jab administered to 120 million inhabitants in rich

countries while the total figure of vaccines administered in low-income countries only amounts to 60 million. [4] This is public health apartheid.

Moreover, Amnesty International is right to denounce AstraZeneca, BioNTech, Johnson & Johnson, Moderna, Novavax and Pfizer for those "six companies at the helm of the global Covid-19 vaccine roll-out are fuelling an unprecedented human rights crisis because of their refusal to waive intellectual property rights and share vaccine technology, with most of the companies failing to prioritise vaccine deliveries to poorer countries." [5]

COVAX is not a solution

Governments in countries of the South who wish to give their population the possibility of getting vaccinated will have to contract debts since COVAX-type initiatives are blatantly wanting and actually reinforce the hold of the private sector. COVAX is run jointly by three bodies: 1. The GAVI Alliance, which is a private structure that brings together companies and States, 2. The Coalition for Epidemic Preparedness Innovations (CEPI), which is another private structure that also includes capitalist companies and States, and 3. The WHO, which is a UN specialized agency.

Among the companies that finance and influence GAVI we find the Bill & Melinda Gates Foundation, the Rockefeller Foundation, Blackberry, Coca Cola, Google, the International Federation of Pharmaceutical Wholesalers, the Spanish bank Caixa, the Swiss bank UBS (the biggest asset management bank in the world), financial companies such as Mastercard and Visa, the aerospace manufacturer Pratt & Whitney, the American multinational consumer goods corporation Procter & Gamble, the British multinational consumer goods company Unilever, the oil company Shell International, the Swedish musical streaming company Spotify, the Chinese company TikTok and the car manufacturer Toyota. [6]

The entity which co-directs COVAX is the Coalition for Epidemic Preparedness Innovations (CEPI), which was founded in 2017 at Davos on the occasion of a meeting of the World Economic Forum. Among the private companies who finance and strongly influence the CEPI we find, once again, the Bill & Melinda Gates Foundation, which has invested \$ 460 million.

The membership of the COVAX initiative reveals much about the unwillingness of the various WHO

member States to take responsibility for the struggle against the pandemic, in particular as regards public health. Such an attitude is typical of the damage done by the neoliberal groundswell that has swept the planet since the 1980s. The Secretariat General of the United Nations and the leadership of the specialized agencies within the UN system (for example the WHO in the area of health and the FAO for agriculture and food) have been moving in the wrong direction for the past thirty to forty years by relying more and more on private initiatives directed by a limited number of big global companies. Heads of State and of government have moved in the same direction. In fact it can even be said that they made the first move. In so acting, they have allowed major private companies to be associated in decisions and derive advantages from the choices that are made. [7]

Remember that over 20 years ago researchers and social movements specialized in care proposed that the public authorities should invest sufficient amounts to create effective remedies and vaccines against the “new generation” viruses stemming from the increase in zoonoses. The overwhelming majority of States have chosen to rely on the private sector and have given them access to the results of research conducted by public entities, when they should have invested directly in the production of vaccines and treatments within the framework of a public health service.

As we have seen, the COVAX initiative is not the solution that is needed.

COVAX had promised to supply, by the end of 2021, 2 billion doses to the countries of the South who request them and who are associated with the initiative. In reality, figures show that at the beginning of September 2021 only 243 million doses had been shipped. [8] As a result the

“In August 2021, less than 2% of the 1.3 billion of Africans had been entirely vaccinated, compared to over 60% in Western Europe and North America.”

goal of 2 billion doses has been pushed back to the first semester of 2022.

All the major powers of the North have fallen short of the promises they made.

For example, on 21 October, the European Union along with Iceland and Norway had only delivered 52 million doses (10%) out of the 500 million they had promised. [9]

According to an official assessment in December 2021, COVAX has so far only delivered about 600 million doses in 144 countries or territories, a long cry from the initial objective of two billion in 2021. To date, 9 doses have been administered for 100 inhabitants in low-income countries (as defined by the World Bank). In comparison, the world average is 104 per 100 people. This figure rises to 149 for high-income countries. Africa is the continent with the lowest rate of vaccination (18 doses for 100 inhabitants). [10]

C-TAP (Covid-19 Technology Access Pool) is another disappointing WHO initiative. C-TAP includes the same protagonists as COVAX. It was created to pool intellectual property, data and



fabrication processes by encouraging pharmaceutical companies who hold patents to cede to other companies the right to produce the vaccine, medicines or treatments by facilitating technology transfer.

So far not a single vaccine producer has shared patents or know-how via C-TAP

Faced with the failure of COVAX and C-TAP, the signatories of the Manifesto End the system of private patents! launched by the CADTM in May 2021 are right in saying that:

“Initiatives such as COVAX or C-TAP have failed miserably, not only because of their inadequacy, but above all because they reflect the failure of the current system of global governance in which rich countries and multinationals, often in the form of foundations, seek to reshape the world order to their liking. Philanthropy and burgeoning public-private initiatives are not the answer. They are even less so in the face of today’s global challenges in a world dominated by States and industries driven solely by market forces and seeking maximum profits.” [12]

The signatories of the Manifesto advance eight principal demands:

1. The suspension of private patents on all technologies, knowledge, treatments and vaccines related to Covid-19.
2. The elimination of trade secrets and the publication of information on the production costs and public investments used, in a clear and publicly accessible manner.
3. Transparency and public scrutiny at all stages of vaccine development.



4. Universal, free and open access to vaccination and treatment.
5. The expropriation and socialization under popular control of the private pharmaceutical industry as a basis for a universal public health system that promotes the production of generic treatments and medicines.
6. Increased public investment and budgets for public health and community care policies, including more staff, higher salaries and improved working conditions in these sectors.
7. The introduction of taxes on wealth (wealth and income of the richest 1%) to finance the effort against the pandemic and to ensure a socially just and ecologically sustainable exit from the various crises of global capitalism.

8. The suspension of sovereign debt payments for the duration of the pandemic and the cancellation of illegitimate debts and those contracted to finance the fight against the virus.

Debt payments should be suspended for the duration of the pandemic while illegitimate debts and debts incurred to finance the response against the virus should be cancelled

Among the signatories are Noam Chomsky and Nancy Fraser from the United States, Naomi Klein from Canada, Arundhati Roy and Tithi Bhattacharya from India, Silvia Federici and Cinzia Arruza from Italy, trade union leaders, association leaders, more than eighty parliamentarians (from Bolivia, Brazil, Colombia, Czech

Republic, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Portugal, Spain,...) including the President of the Senate of Bolivia and 22 members of the European Parliament. [13] More than 250 organizations worldwide have also signed. [14]

** Translated by Christine Pagnouille in collaboration with Vicki Briault*

Original article appeared in <https://www.cadtm.org/The-coronavirus-pandemic-has-widened-the-gap-between-the-Globa-North-and-the>

THE MULTILATERAL DEVELOPMENT BANKS, COVID-19 AND HEALTH PRIVATISATION IN INDIA

*Dr. Susan Engel
University of Wollongong*



Public Service International, the global union federation of workers in public services recently published a report I wrote on the operations of the Multilateral Development Banks (MDB) in India in the health sector. This article outlines some of the paper's key findings.

Below I briefly outline how India's public health system was very under-funded prior to the crisis and the MDBs, in particular the World Bank, are one reason for that. During the COVID-19 pandemic, MDB lending contributed to a business-as-usual approach to the health sector, centred on privatisation, public-private partnerships (PPPs) and de-risking private investments through the bank's private sector lending arms. The paper covers the lending of four MDBs:

- Asian Development Bank (ADB)
- Asian Infrastructure Investment Bank (AIIB)
- New Development Bank (NDB); and
- World Bank.

India's health system pre-COVID-19 and the MDBs

The public healthcare system has long been neglected and under-funded in India, which led to the gradual growth of private services focused on the wealthy. Successive governments then encouraged the growth of these services. Up through to the end of the 1980s, this situation fitted World Bank views as they were predominately concerned with the

“Hospitals are largely unregulated or minimally regulated, with varying standards of quality of care.”

country's macroeconomic stabilisation and capacity to meet foreign exchange needs.

In the 1990s and 2000s though, the Bank developed a strong interest in the health sector – it was a 37% of World Bank new financial commitment from 1990 to the mid-2000s. They supported growth of the private health market and a government focus on combatting communicable diseases and other areas that get the most bang for the buck. The result was a vertical, disease-specific model of health care with a particular focus on HIV/AIDS, tuberculosis, and malaria and maternal and child mortality and little on other health concerns that impact people every day. The Bank's private sector arm, the International Finance Corporation (IFC) got involved in the sector too in the late 1990s, expanding the privatisation agenda.

By 2007, the government was only spending just over one per cent GDP on healthcare, though there is a lot of regional variation across the country. The private sector accounted for over 60 per cent of hospital beds and 80 per cent of doctors across the country. It is still the case today that India has one of the lowest levels of federal government expenditure on health and is one of the countries' most dependent on private health spending. Hospitals are largely unregulated or minimally regulated, with varying standards of quality of care. Private

hospitals are mostly situated in large urban centres leaving rural areas underserved. The public hospitals are, according to the Government's National Health Authority (2021) "understandably overburdened."

Less than 20 per cent of people have health insurance and even public care often requires out-of-pocket payments (OOPPs). World Bank data shows that people entering a hospital spend on average 58 per cent of their annual income on it. Moreover, 40 per cent of people in hospital borrow to cover their expenses and, at least 25 per cent of people borrowing end up in poverty as a result.

MDB COVID-19 Response Health Loans

The WBG, ADB, AIIB and NDB provided a set of very large loans to support the Indian government's health response. The WBG and AIIB co-financed the India COVID-19 Emergency Response and Health Systems Preparedness Project for \$1.5 bn using WBG environmental and social policies (or safeguards) and the ADB and AIIB have co-financed the COVID-19 Active Response and Expenditure Support Program for \$2.25 bn using ADB safeguards, while the NDB has funded a stand-alone project for \$1bn. All of these projects support the government's COVID-19 Response and Health Systems Preparedness Project announced on 24 March 2020.



Key activities under these loans included training, improving laboratory capacity, procure of personal protective equipment, oxygen and medicine, additional payments for health workers, health sector strengthening, pandemic response strengthening and risk communication. They are logical responses in many ways, though there was simply not enough urgency and an level of inappropriate attention to medium- to long-term activities like health system strengthening. Some activities like high containment laboratories, a One Health Centre of Excellence and surveillance in the dairy sector were removed from the project in March 2020.

I conclude that MDB staff relied on their standard heuristics or ways of thinking during the crisis. Thus, the loans sought to address the pandemic by expanding support for India's mostly private, complex and not terribly efficient health system. A system that was not providing cover for the majority of people, that was leaving many people with debilitating OOPPs and indeed driving many people into poverty. Further, the health system promoted systemic inequalities for women,

Schedule Castes and Scheduled Tribes and other vulnerable and disadvantaged people. The loans also offered very limited support for the vulnerable health workforce.

On face value, the loans seemed to prioritise state funding and systems, yet as I read deeper into the loans it became clearer that a lot of funds would flow through the state to the private sector. This is because the private sector dominates tertiary health, and those beds were necessary to treat COVID-19 patients. Indeed, the World Bank loan documents made this point but hidden well into the documentation. The transparency issues raised by a number of NGOs around COVID lending are pertinent too - implementation reports do not give any data on the relative funding going to the public versus private healthcare system. There's also going to be no reporting on the impact on women and marginalised and vulnerable groups!

There consistent references in these big loans (and some of the smaller loans made during the period not listed above) to privatisation efforts – cleaning and laboratory services are a particular focus. And the

ADB's Pradhan Mantri Atmanirbhar Swasth Bharat Yojana Loan and TA (53121-001, \$300m) linked "innovative approaches and best practices" directly to "private sector engagement." Let's be clear the best practice health systems are largely public.

The IFC was tasked with a large part of the World Bank's response to COVID-19. What was interesting in their support was that there were only a handful of direct investments to private health providers and pharmaceutical companies with the bulk of money flowing to private equity investment firms to on-invest in health and other sectors. There are two major issues here, first again there is almost no transparency about the end use of these funds and second, relatedly we do not know how long the firm will take to make investments and whether they will contribute to the recovery.

*** For more detail and our recommendations you can read the full paper at: <https://publicservices.international/resources/publications/the-multilateral-development-banks-covid-19-and-health-privatisation-in-india?id=12677&lang=en>



The Asian Development Bank (ADB) operates in Asia and the Pacific region, where the structure of civil society varies drastically due to the different political and economic contexts. Collaboration between the ADB and civil society organisations (CSOs) is still far from something to celebrate – it faces numerous problems both within the countries and internationally. The Bank still needs to acknowledge and recognise that it has human rights responsibilities independently of its member countries. Therefore, it should ensure the application of international human rights law to protect all rights – economic, social, cultural, civil and political. Considering that we are living in a time where protection for human rights is deteriorating and democratic space is shrinking, the ADB’s role in promoting and engaging CSOs, affected communities, and concerned individuals should be increasing.

The COVID-19 pandemic has further fueled the lack of access to information and public participation in decision-making at the international (e.g. the ADB energy strategy consultation) and national levels. Based on our experiences from Uzbekistan and Georgia (see below), we may say that the ADB still lacks a human rights-based approach to its operations and safeguards, meaning respect, protection and fulfilment of the entitlements of rights-holders. To achieve a 2030 goal, the ADB should shift from stakeholders to right-holders engagement to ensure all individuals and social groups acting as the agents in the realisation of human rights and development are considered. Thus, the Bank should set best practices for good governance in recipient countries.

Rightsholders act not only through organisations representing their interests, but also act directly, which means that the ADB’s collaboration with civil society cannot be limited to non-governmental organisations

only. Civil society is also a human rights defender speaking about retaliation and corruption in the Bank’s projects; a land and environmental defender protecting traditional land property and livelihoods; and activists working to help tangible and intangible cultural heritage survive. These people are present in various civil initiatives (local community organisations, cultural groups, formal and informal coalitions, etc.) However, it is essential for the ADB to integrate these voices into development projects to ensure transparency, public participation, and accountability.

Although the ADB-CSO collaboration should differ based on countries’ human rights records, it is essential that the Bank engages with and protects all rightsholders connected to its projects and programmes in order to achieve its 2030 goal of a prosperous, inclusive, resilient and sustainable Asia and the Pacific.

Uzbekistan

Uzbekistan remains among the world’s most authoritarian regimes. Freedom House’s Nations in Transit 2020 report gave Uzbekistan a democracy percentage of 2 out of 100. Civil society and the media continue to suffer from restrictions to freedom of speech and barriers to legal registration. The majority of non-governmental organisations

THE ADB CAN DO BETTER BY 2030 IF IT FOCUSES ON RIGHTS-HOLDERS

Manana Kochladze

Nina Lesikhina

CEE Bankwatch Network

are actually established by the government. Much of the media is still controlled by the government, and the websites of independent media and human rights groups are blocked. Moreover, human rights defenders and journalists continue to come under attack. In such an environment, the ADB should take a leading role in strengthening collaboration with civil society initiatives, with a particular focus on information disclosure to provide opportunities for public control, non-retaliation, and meaningful engagement.

Since the start of the pandemic, the ADB has invested over USD 603 million in Uzbekistan to strengthen the COVID-19 response and health system. The government of Uzbekistan established an Anti-Crisis Fund to manage and disburse funding from investments issued by international financial institutions – including the ADB, which has remained a leading contributor. Right after, Uzbek mass media disclosed multiple cases of the Fund’s misappropriation all over the country, including claims of alleged corruption in the distribution of tenders. In 2021, Bankwatch analysed publicly available data on the Fund’s spending, discovering some worrying procurement patterns indicating that there was a risk of corruption, and confirmed the journalists’ findings. However, despite the multi-



ple demands from bloggers, activists and civil society organisations to disclose information about the spending of the loan in Uzbekistan to ensure transparency and public control, the Bank remained reluctant to do so. The ADB referred to the quarterly reports from the Ministry of Finance, but none of these reports was available for public access. Moreover, a complaint filed with the ADB's Office of Anti-corruption and Integrity outlining the confirmed or possible embezzlement cases (discussed below) was closed due to the alleged lack of evidence, without any investigation on the ADB's part. Thus, for the lack of access to information and participation in decision-making about the COVID-19 response may be considered a violation of the human rights of the Uzbek activists and bloggers.

In 2020, Miraziz Bazarov, an Uzbek blogger, made a range of public posts about the misuse of international aid allocated to help Uzbekistan overcome the pandemic crisis. He also sent an official letter to the ADB Board of Directors. He expressed his concerns around the ADB's funding, which was meant to help the Uzbek people but was instead misused by the Uzbek government due to corruption and lack of transparency. Bazarov requested that the ADB investigate the use of this spending and strengthen its transparency requirements for public loans and grants in Uzbekistan, including establishing an effective system of public monitoring over the expenditure. Two days later, he received a call from the state security service. His phone number was hacked, and his personal information posted on a sex-service portal which labeled him gay, which is criminalised in Uzbekistan. After Bankwatch intervened with the ADB's Board of Directors, the retaliation was suspended. However, a few months later, Bazarov was publicly smeared and savagely beaten, apparently in retaliation for his activism. In the end, he was

sentenced to three years under house arrest with limited access to communication means and professional work opportunities.

Eight international human rights organisations, including Freedom House, have called on the Uzbek authorities to 'stop any attempts to prosecute him for exercising his rights' to freedom of expression. Representatives of the EU delegation in Uzbekistan also confirmed the linkage between the retaliation and Bazarov's critique of the government. However, the ADB office in Tashkent refused to recognise the activity as retaliation for Bazarov's critique of the government and to protect the whistleblower. In the end, the ADB Office of Anti-corruption and Integrity closed its inquiry into allegations of retaliation against Bazarov by the Uzbek government due to limited opportunity for direct communication with the affected person, simply because he was already under house arrest.



* Photo from Bilyonaryo.com

The ADB office in Tashkent was reluctant to engage meaningfully with Bankwatch and Bazazov. Bankwatch's reports on retaliation risks were ignored for a long time, and further communication was allegedly triggered largely by the ADB Board of Directors' intervention. The representatives of the ADB office in Tashkent refused to recognise and respond to the retaliation risks, despite multiple reports from CSOs. All the commitments to share information about the spending of the loan and to facilitate a dialogue with the client's representatives remain unfulfilled.

Georgia

In Georgia, the Bank has an extensive portfolio addressing different aspects of the country's development, including environmental, road and energy infrastructure. The support is supposed to be appreciated. However, an increasing number of complaints filed with the Bank's accountability mechanism raises concerns about how meaningfully the

ADB engages with affected communities and CSOs, both civic and professional.

For example, the recent ADB loan to the Kvesheti-Kobi road project ignored the concerns of local communities regarding the project's impact on their livelihood, economic welfare, environment, and country's cultural heritage. ICOMOS International, in its 2016-2019 report *Heritage at risk*, declared Khada valley as world heritage at risk due to the Kvesheti-Kobi Road project activities. ADB management ignored the concerns of the local communities and CSOs in the early stages of the project. Anecdotally, the baseline studies on cultural heritage managed to miss almost hundreds of objects of tangible cultural heritage that appear to be on the locations where the road will be constructed. Right now, the Bank's management is being forced to address numerous problems, including impacts on the valley's tangible and intangible cultural heritage. There is ongoing work on a historical-cultural framework for the valley, and a sustainable development plan should be drafted. Bulldozing nine kilometres of this valley of exceptional landscape and cultural beauty to construct tunnels and bridges is already underway, and the impacts would be irreversible. Meanwhile, the damage could have been easily avoided if the Bank's management would have listened to the locals

and CSOs during the project planning and not relied only on governmental agencies.

The Bank also has numerous problems with the Shuakhevi hydropower plant. After just two months of operation, the USD 420 million hydropower plant tunnels collapsed at eight different spots. For years, local CSOs and affected communities have been raising issues about the project, including the lack of geological studies, the appearance of sinks in yards, problems with groundwater, landslides, etc. The project sponsor explained the collapse of the tunnels as the 'unpredictable behaviour of rocks'. Local communities have been living with the constant fear of deadly landslides for decades because of the geological structure of mountains. They have been told that they should not be concerned. The poorly done baseline studies do not leave space for assessing the negative impact of the hydropower plant. But if the ADB had consulted with the locals, CSOs and experts while planning the project, the project would not have been commissioned in spring 2021.

The ADB recognisably has a problem planning and implementing highway infrastructure in Tbilisi. There were numerous complaints (2016-2017) made by residents to the ADB accountability office. The Compliance Review Panel

(CRP) found several instances of non-compliance, including improper environmental risk categorisation, lack of assessment of the environmental impacts on Mtkvari river, and underestimated noise impact on the population. It also found that disadvantaged groups – such as visually-impaired people living in the area – would be heavily impacted, but no mitigation measures were proposed. In 2019, the Georgian government requested that the ADB stop the construction of the road the section, where most of the complaints were coming from, thus leaving complainants in a position of "considerable uncertainty regarding any future revival of the road project outside the scope of the now-closed ADB loan."

The CRP's recent monitoring report regarding the road project highlighted several lessons learned which could easily apply to almost any ADB's project in Georgia, from Nenskra to water infrastructure projects. The lessons learned include the need for robust baseline data, comprehensive and detailed environmental impact assessment and meaningful consultations with impacted communities.

To achieve its goal and help create a prosperous, inclusive, and sustainable Asia, the ADB should base its policy and project operations on meaningful and regular engagement with rights-holders.



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