

Burma Environmental Working Group

A Quick Guide to International Financial Institutions for Communities and Activists

What Is An International Financial Institution?

International Financial Institutions (IFIs) are banks that are created and owned by national governments, like the World Bank and Asian Development Bank.

What Do International Financial Institutions Do?

IFIs are the world's largest source of development funding. They give loans, grants (money that does not have to be paid back), and advice to poorer countries.

IFIs like the World Bank and Asian Development Bank have rules that are supposed to make sure that the development projects they fund do not harm local communities or the environment. However, these rules are not always followed. Some development projects funded by IFIs end up hurting local people, for example, by displacing them from their homes, damaging the local environment through pollution or deforestation, or taking away resources that local people need.

What Happens If An IFI Project Hurts My Community?

Step 1: Gathering Information about the Problems

It is important to have evidence that the project is causing harm. Talk to the people affected by the project and find out what has happened so far – have there been any consultations with the local community? Has construction started? – and what the problems are. If possible, take photos or gather other evidence, like local people's stories, petitions, or newspaper articles. Also, look at the IFI's rules and figure out whether the project is breaking any of those rules.

Step 2: Talking to the IFI

Contact the people at the IFI who are responsible for this project (this information can be found on the IFI's website) and ask to meet with them. Be ready to tell these people:

- what has happened with the project already,
- what problems the project is causing,
- which of the IFI's rules the project is breaking, and
- what you would like the IFI to do.

It helps if you have these points written down in a briefing paper to show the representatives of the IFI. Also, make sure to bring any other evidence you collected.

Step 3: What If Talking Doesn't Work?

- Use the IFI's *accountability mechanism*. This is a special process that most IFIs have to allow people affected by their projects to make formal complaints. There are links below to the accountability mechanisms for the World Bank and Asian Development Bank.

- Start a public campaign. Work with local people and the media to raise awareness about the problems with the project, and about the fact that the IFI has not solved these problems.

Contacts and Information

Key IFI Policies

These will help you figure out what rules the project may be breaking.

Asian Development Bank:

- Environment Policy (<http://www.adb.org/documents/environment-policy-asian-development-bank>)
- Safeguard Policy Statement (including policies on the environment, resettlement, and indigenous people) (<http://www.adb.org/documents/safeguard-policy-statement>)
- Water Policy (<http://www.adb.org/documents/water-all-water-policy-asian-development-bank>)

World Bank:

- Environmental Assessment Policy (<http://go.worldbank.org/OSARUT0MP0>)
- Natural Habitats Policy (<http://go.worldbank.org/GIFQKJA130>)
- Forest Policy (<http://go.worldbank.org/T22VSH6ZE0>)
- Physical Cultural Resources Policy (covers both buildings and natural places that are important to the local culture) (<http://go.worldbank.org/UBUBZD7NA0>)
- Involuntary Resettlement Policy (<http://go.worldbank.org/ZDIJXP7TQ0>)
- Indigenous Peoples Policy (<http://go.worldbank.org/IBZABS9UU0>)

Accountability Mechanisms

World Bank: <http://go.worldbank.org/SWMCVT8FE0>

Asian Development Bank: <http://www.adb.org/sites/default/files/pub/2010/crp-guide.pdf>

Corruption

If the local representatives of an IFI are corrupt, you can report them to the IFI directly. These links have more information.

Asian Development Bank: <http://www.adb.org/site/integrity/how-to-report-fraud>

World Bank: <http://go.worldbank.org/OBUOB60810>