



02 May 2018

Mr. Takehiko Nakao

President

Asian Development Bank

Manila, Philippines

Dear President Nakao,

We wish to draw your attention to the very serious concerns our organizations, Karen Environmental and Social Action Network (KESAN), International Financial Institutions Watch Myanmar (IFI Watch Myanmar) and Thwee Community Development Network (TCDN) have about the [Greater Mekong Subregion East–West Economic Corridor Eindu to Kawkareik Road Improvement Project](#). Board-approved in November 2015 and expected for completion in 2020, ADB's \$120 million financing and co-financing for the project has engendered adverse impacts on communities especially the ethnic population within the project vicinity. We have also witnessed major inconsistencies between the ADB safeguard policies and project implementation.

In summary, key community concerns with this cross-border infrastructure project are:

1. The compensation to economically and physically displaced households is patently inadequate to purchase agricultural and residential land.
2. The resettlement plan did not go through an adequate consultation and review by impacted communities, leading to unclear relocation site and lack of access to basic services, which adds to the complication as the project is cutting across conflict-affected areas.
3. The project grievance mechanism does not work. A respondent in the help hotline (09770006380) offers no practical advice to complaining people on the right project staff to discuss their concerns.
4. There is no official or public information that guarantees other households whose lands being traversed by the project will be protected by road construction. Case in point: [ADB's August 2017 updated resettlement and ethnic group development plan](#) maintains that only 14 villages in two townships in Karen/Kayin state are directly impacted by construction. In the field investigation of KESAN, Thwe Community Development Network and IFI Watch Myanmar, approximately 24 villages are directly affected by land acquisition and resettlement.
5. The project is directly benefiting the notorious Border Guard Force (BGF). BGF is a paramilitary group with known history of armed violence and human rights violations. It used to run a casino. It also runs a company called Chit Lin Myaing (CLM), which got a license from the Karen State government to do quarrying in Long Nya village to supply stones for this project. The China Road and Bridge Corporation ([contracted in October 2016 as project constructor and quarry miner](#)) is sourcing quarry materials from Chit Lin Myaing, which in turn brings BGF forces to safeguard the quarry mine. BGF acts in defense of CLM and, by extension, CRBC, against people by firing into the air threatening villagers who visited the quarry site. They also threatened villagers of forced eviction and demolition if they refuse to leave the project site.

Below is a list of questions for the ADB President, along with contextual information.

Question 1: Will the ADB take immediate action to ensure that both the Chit Linn Myaing Toyota Company and the Lun Nya quarry are no longer involved in this project?

- Our research found that rock and gravel are still being sourced from the *Lun Nya quarry* for the road building project more than four months after an ADB spokesperson indicated in a statement to the media that the quarry would no longer be used as a source of project building material pending further investigation (*please see [Frontier Myanmar article January 2, 2018 "ADB puts brakes on Kayin State quarry"](#)*). Frontier magazine reported that on November 15, 2017, thirteen villagers whose farm land is affected by the quarry's operations were shot at by Border Guard Force (BGF) troops from Brigade 1011, which is affiliated with the owners of Chit Linn Myaing Toyota, the firm operating the quarry. Our subsequent research verified the allegations raised in the Frontier article about the Chit Linn Myaing Toyota firm and its connections to the quarry. It is clear that Maung Chit Thu (head of BGF) and his subordinates from the BGF are using violent threats and other intimidation tactics to silence opposition to the quarry's operations.

Question 2: Why is the ADB playing complacent and allowing the quarrying to continue?

- ADB spokesperson U Tin Tun Zaw told Frontier magazine late last year in a statement that in relation to the Lunn Nya, *ADB will not allow any materials produced by the quarry to be used for project activities unless an environment assessment is conducted and can prove that the quarry meets ADB's safeguard requirements, and that people's livelihoods would not be adversely affected* (see Frontier January 2, 2018). However, our research found that quarrying never ceased and that it remains a source of stones for the project. It is also clear that the quarry's continued operations have serious impacts on farms within the vicinity of the quarry.
- Following Frontier's report, BGF withdrew their troop from the mine. However, quarrying operation persists. Villagers protesting and demanding that the quarry mine be closed for receiving no benefits have been threatened by the Karen government's general administration department (GAD) with a suit for obstructing the work.

Question 3: What steps will the ADB take to address the problems with the GRM?

- Our research also found that the project's grievance redress mechanism (GRM) has not been properly implemented and remains inaccessible for those seeking to use it. Few of the people affected by the project appear to be aware of its existence, which is further indication that GRM only appears on paper but the ADB staff and the implementing local government authorities do not attend to community complaints as elaborated here. Those who are aware of the GRM and have attempted to use it with the hope of resolving their project grievances ended up frustrated. The project GRM does not work.

Question 4: What is meant by a written "guarantee of security of tenure"? Also, have any such tenure security documents been issued so far?


- In our 2016 report, *[Beautiful Words, Ugly Actions: The Asian Highway in Karen State](#)*, we underlined a lack of clarity concerning the status of homes that are located in what the government deems its 35 meter wide Right of Way (ROW) along each side of roadway. A year later, the Updated Resettlement and Ethnic Group Development Plan states that: *Households who have remaining land that they occupy within the ROW and opt to move/rebuild their house/shop on to such land with permission of relevant authorities will be provided written guarantee ADB standards ADB standards e of security of tenure. Otherwise, such households will be entitled to relocation assistance as per those having no remaining land* [page 68].
- The way these guarantees have been described are still far too vague. We therefore maintain

that the Resettlement Plan must be revised further so that it actually details what this guarantee entails and what rights it grants, in order to ensure that displaced persons retain all of their land rights in regards to land within the expanded Right of Way.

Question 5: What steps did the ADB and or its local partners working on the project take to ensure the land that will be given over the road project was not the site of ongoing land dispute between land holders and the military? Was there any due diligence or investigation conducted to determine when and how the military took control of these plots of land? Will the military and or military units that control this land along road project, receive compensation for the road being built on it? And as a follow, up will the ADB funds be given over to the military as compensation for the road being built on land occupied and controlled by the military?

- It has come to our attention that the some land that the road project will be built on is a farmland operated by military units which was seized during the SLORC/SPDC era of military rule. More than a dozen different pieces of land, held by the various military units, are set to be taken for the project. This raises a number of questions given the military long track record of land grabbing.

We posed these questions with the intention that the ADB management and the Board respond not only in writing but also in ground truthing with the impacted communities. Further actions on our side is contingent upon the acceptability of response and long-term outcomes of ADB's succeeding actions.

 Very truly yours,

Saw Alex Htoo

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