March 4, 2021

H.E. Taro Aso, Minister of Finance
H.E. Toshimitsu Motegi, Minister of Foreign Affairs
H.E. Kazuyoshi Akaba, Minister of Land, Infrastructure, Transport and Tourism
Mr. Tadashi Maeda, Governor, Japan Bank for International Cooperation
Mr. Shinichi Kitaoka, President, Japan International Cooperation Agency
Mr. Tatsuhiko Takesada, President and CEO, Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development

【Petition】

Urgent call for an investigation into the connection between Japan’s public funds and businesses linked to the Myanmar military

Japanese civil society organizations demand that funding sources to the military be severed

It has been one month since the Myanmar military’s coup d’etat on February 1. The Myanmar military claims that the results of the general elections held last November were fraudulent and therefore unacceptable. After the coup, however, civil disobedience movements and general strikes broke out throughout the country and continue to this day, clearly demonstrating the popular will of the people of Myanmar. In response, the Myanmar military has opened fire on unarmed civilians, resulting in many deaths. Since the day of the coup on February 1st, the Japanese government has expressed "grave concern"[1] and "strongly condemns"[2] the civilian casualties in statements from the Minister of Foreign Affairs and the Press Secretary. It has also joined the international community through the G7 foreign ministers’ statements condemning the military coup[3] and the intimidation and repression of those who oppose it.[4]

We, civil society organizations in Japan who have a strong interest in the future of Myanmar's democratization, believe that stronger measures by the Japanese government are necessary and make the following demands.

Demands:

1. Do not provide any new aid to Myanmar using public funds, except for humanitarian purposes.
2. Suspend all Official Development Assistance (ODA) projects to Myanmar currently being implemented by the Japan International Cooperation Agency (JICA), except aid for humanitarian purposes, and urgently investigate whether companies with alleged links to the Myanmar military are involved in the projects, and whether the implementation of the projects has economically benefitted the Myanmar military.
3. Suspend all Myanmar-related projects in which the Japan Bank for International Cooperation (JBIC) and the Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN) are currently financing or investing, and urgently investigate whether any companies with alleged links to the Myanmar military are involved in the projects, and whether the implementation of the projects has economically benefitted the Myanmar military.
4. Make the findings from the above investigations in points 2 and 3 public, and immediately stop or withdraw support from projects benefiting the Myanmar military.
5. Instruct Japanese private companies conducting business in Myanmar to sever connections with the Myanmar military and provide support to enable this. In regard to companies that refuse to sever ties, immediately withdraw official assistance in light of the Japanese

Background:

With the Myanmar military regime’s promise in 2011 to democratize the country, the Japanese government has been using national taxes to provide significant financial assistance to Myanmar, as listed below, and it has also been promoting investment by Japanese companies, using public funds from the Fiscal Investment and Loan Program as a springboard. The promise of democratization was broken, however, with the Myanmar military’s coup d’etat just before the inauguration of a government led by the National League for Democracy (NLD), which won the majority of votes in the 2020 elections following its win in 2015.

As for the Myanmar military, UN investigations have shown that the Myanmar armed forces benefit financially from the companies they own and through the various business transactions.[7] Even with an NLD-led government, the Ministry of Defense was not subject to national audit.[8] Public projects and business in which the Myanmar military is involved in some way have escaped scrutiny, despite their potential to benefit the military. There is an undeniable possibility that profits brought to the military have been used to fund inhumane acts by the military and security forces in Rakhine State and ethnic minority areas, as well as the recent coup d’etat. It is necessary to stop any further benefits to the military. Stopping all new projects is a matter of course, and immediate action is required on existing projects.

Overview of Japanese Official Assistance to Myanmar

The Japanese government has provided a large amount of financial assistance to Myanmar in the form of ODA. As of FY2018, ODA to Myanmar totaled 1.1368 trillion yen in loans, 322.962 billion yen in grant aid, and 98.416 billion yen in technical assistance.[9] In particular, since the so-called “transition to civilian government” in 2011, large-scale infrastructure projects have been implemented as ODA through JICA, including investment in and financing the development of the Thilawa Special Economic Zone (SEZ) and its surrounding infrastructure, renovation of hydropower plants, development of the Yangon-Mandalay railway, development of power transmission and communications systems, and development of the East-West Economic Corridor.[10]

Debt relief to Myanmar by the Japanese government has also played a major role. In addition to the 127.4 billion yen in debt forgiveness for heavily indebted countries that was decided in 2002,[11] debt relief totaling 188.6 billion yen was also provided in 2013.[12] These have been carried out at the expense of Japanese citizens on the assumption that Myanmar would proceed with democratization. In addition, Japan also supported refinancing 198.9 billion yen in outstanding debt.[13]

Regarding Myanmar’s debt to international financial institutions, in 2013, JBIC provided bridge loans (short-term bridging loans) of approximately US$512 million to clear the arrears of past loans from the Asian Development Bank (ADB), and US$430 million to clear the arrears of past loans from the International Development Association (IDA), one of the World Bank Group, enabling the Myanmar government to receive new loans from the World Bank and ADB.[14]

In addition, the Japanese government, through JBIC, supports Japanese companies develop businesses in Myanmar. Since 2013, JBIC has provided assistance to more than 10 projects, including urban development in the former capital of Yangon and investment in the Dawei Special
Economic Zone Development Company Limited.[15] These include the acquisition of Myanmar Brewery Limited by Kirin Holdings Company, Limited, which was criticized for its business partnership with Myanmar Economic Holdings Limited (MEHL), a company affiliated with the Myanmar military.[16] and the development of a mixed-use urban development project in central Yangon (known as the Y Complex Development Project), which has been linked to the Quartermaster General’s Office of the Myanmar military.[17] Kirin Holdings announced the dissolution of its partnership with MEHL soon after the coup. As for the Y Complex development project,[18] although it is not mentioned in the report from the UN investigation mentioned above, the project site is subleased from the military and it is strongly suspected that the rent paid is revenue for the military.[19]

JOIN, a public-sector infrastructure fund supervised by the Ministry of Land, Infrastructure, Transport and Tourism, has also invested (at most) a total of 17.7 billion yen in five projects in Myanmar, including the Y Complex development project,[20] and guaranteed (at most) a total of 18.4 billion yen in debt.[21]

Notes:
I. Philosophy
   (2) Basic policies
      A. Contributing to peace and prosperity through cooperation for non-military purpose
      B. Promoting human security
III. Implementation
   (1) Implementation principles
      B. Principles for securing the appropriateness of development cooperation (under this principle)
         (a) Situation regarding consolidation of democratization, the rule of law and the protection of basic human rights
         (b) Avoidance of any use of development cooperation for military purposes or for aggravation of international conflicts
         (c) Situation regarding military expenditures, development and production of weapon of mass destruction and missiles, export and import of arms, etc.
[6] In Principle 4, it says, “States should take additional steps to protect against human rights abuses by business enterprises that are owned or controlled by the State, or that receive substantial support and services from State agencies such as export credit agencies and official investment insurance or guarantee agencies, including, where appropriate, by requiring human rights due diligence.” https://undocs.org/en/A/HRC/17/31
[7] Independent International Fact-Finding Mission on Myanmar, “The economic interests of the Myanmar military” 5 August 2019 (updated with corrections 12 September 2019) The report points out that the military’s income from domestic and international commerce enhances its ability to commit human rights abuses, and it recommends cutting ties with the Myanmar military and the vast network of companies that the military controls and uses. The page below contains links to the relevant reports: https://www.ohchr.org/EN/HRBodies/HRC/MyanmarFFM/Pages/EconomicInterestsMyanmarMilitary.aspx


East-West Economic Corridor Improvement Project https://www.jica.go.jp/oda/project/MY-P15/index.html


For inquiries regarding this petition:
Mekong Watch
Aoki Bldg 3F, 1-12-11 Taito, Taito-ku, Tokyo 110-0016
Tel. 03-3832-5034
Email: info@mekongwatch.org
Petition initiated by:
ayus: Network of Buddhists Volunteers on International Cooperation
Mekong Watch

Endorsing Organizations:
Africa Japan Forum
Alternative People's Linkage in Asia
AM-net (Advocacy and Monitoring Network on Sustainable Development)
Asian Community Center 21
Asian Health Institute (AHI)
Asia-Pacific Human Rights Information Center
Burmese Relief Center-Japan
Earth Company
Earth Tree
Friends of the Earth Japan
Fukuoka NGO Forum on ADB
Health and Development Service (HANDS)
Human Rights Now
Japan Campaign to Ban Landmines
Japan Center for a Sustainable Environment and Society (JACSES)
Japan International Volunteer Center
Nagoya NGO Center
Network Against Japan Arms Trade
NPO JDRAC
Pacific Asia Resource Center
PARCIC
People to People Aid
Services for the Health in Asian and African Regions (SHARE)
Terra People Act Kanagawa
WE21 Japan
Women's Active Museum on War and Peace (WAM)
Yokohama NGO Network

and 3 other organizations