

To:

Office of the Compliance Advisor (CAO)
2121 Pennsylvania Avenue NW
Washington, DC 20433 U.S.A

Date: 4 October 2017

Subject: Request to withdraw the World Bank's joint-venture investment into the Myanmar Awba Group's Chemical Pharmaceutical Factory Project, construction of which was finished in the Wahnetchaung Village area, Hmawbi Township of Yangon Division, because it is violating Human Morale, code of business, laws and regulations, human rights and damaging the environment.

That Myanmar Awba Group's Chemical Pharmaceutical Factory is located in the Wahnetchaung Model Village and it is surrounded by 10 big wards, 6 big villages with more than 12 000 residents living there, at the distance of 4.97 miles Fugyi Reservoir, which supplies water for Yangon, is located, another Reservoir Klihtawsey is situated at a distance of 4.39 miles and Nyaungnitpin Agriculture Zone is just two miles away from that place.

If we shall go into the short history of that factory, around about 1988 [*maybe 1980, not clear – translator's note*] it was a state-owned factory and it was run by the government itself. That factory's operation was suspended in 2005, and from 2007 Pitypyitson Company was hired and ran it.

From the very beginning and up to now, that factory had neglected local people; the people who worked in that factory died earlier than normally with brain tumor inflammation and cancer. There are still persons who are unconscious, suffering from lung and stomach diseases.

Some responsible persons from that Project on 15 November, 2015 came to meet with about 50 local people and discussed and explained that the factory to be built by Myanmar Awba Group will produce chemical medicines, fungicides, insecticides and herbicides, but there was no response to that. Only two attendees informed them that they protest and cannot accept the factory.

Since that time, no responsible authority from the factory has met with the local people, the construction of the factory advanced and it was built quickly. They gathered only some of the township, village administrators, local people, and organizations and tried to persuade them that the factory would be a major one for the local development and a lot of employment opportunities would be created. And they invited Agriculture, Livestock and Irrigation Minister U Aung Thu to lay down the foundation of that factory. In addition, the Officer in Charge for that Project, U Nyan Linn Phyo, officially announced to the peasant magazine that the World Bank had invested \$10 million.

Since that time, the local people realized that the Factory Project is being constructed quickly and reported about it, addressing their complaint to the State President and sending copies of it to the State Counsellor and relevant ministries, administrators; such complaints were sent on 15 October 2016, 27 March 2017, and 24 May 2017.

Because of such complaints, some township and division level authorities came and questioned the local people as they were the accused ones and went back; nothing more was informed

after that. During the time of such complaints, one more similar Chemical Pharmaceutical Factory appeared there from Malamyang Company.

Because of such continued objections from the local people, on 23 April 2017, Myanma Awba Group met and discussed with the local people. After demands from the local people, ERM Group based in England was assigned to perform field inspections for previously done indoor assessments like SIA, EIA and ENP. In August 2017, the local people could get assessment results from ESIA.

We found from this assessment report that Myanma Awba Group was releasing false facts and information about the local people, had violated Human Rights, not all policy guidelines from the World Bank were followed, and there are events which are disgracing the World Bank's prestige.

From the facts in this assessment it can be concluded:

1. In this location, it is not a single factory Project, but they intend to build a Chemical Pharmaceutical Zone with many such factories;
2. Local people came to know that the proposal to build this factory is now only submitted and Project permission has not yet been issued;
3. The fact that Myanma Awba Group forced the construction and finished it quickly concerned the local people, who have now become frightened,
4. The ERM's assessment found that in surrounding areas artesian wells cannot be used because they are all contaminated;
5. Though the main principle of World Bank is to develop people-centered projects, here we see that the local people are completely ignored;
6. Another principle to give enough time for discussions with the local people and to engage the local people was not fulfilled;
7. According to that assessment, creeks and the artesian wells which were being used for many years in villages like Yedashay, Nyaunggone, etc. are now contaminated and cannot be used;
8. In accordance with that assessment, local people felt that they were fooled and the confidence in the state authorities was damaged by the fact that Minister U Aung Thu was invited for the opening ceremony though permission for that was not yet received,
9. The worst fact is that the World Bank invested capital without work permission; local people cannot understand it. It is because the World Bank is one of the most prestigious organizations in the World. It is organized by investors and international donors who have mutual interests; if geographical politics and political interests will be raised to the forefront, corruption, non-cooperation with local people, and non-transparency will be still seen on all levels, including the state level and local level authorities and people's representatives, related to project locations.
10. The local people do not know how the invested money from the World Bank is flowing into or they have no information about when Memorandum of Understanding, Contracts and Agreements were signed,
11. If the World Bank will invest capital without checking and verifying all damages to the development and locality and human rights violations on part of the State, relevant ministries, responsible administrators and people's representatives, too may think it is good once

economy is going to develop and may approve such investments without due assessment, our people and our citizens who are enjoying democracy only for less than 18 months, will have to face much bigger dangers.

In addition, the Word Bank:

- (a) Is loosely practicing its monitoring role,
- (b) Is not prohibiting advanced implementation of operations,
- (c) Did not take any action to inform about the false responses of Myanmar Awba Group when the local people were not getting any response to their complaints from the relevant departments.

Taking such factors into account, we sincerely and seriously request CAO and CEO to withdraw all dollars invested into the Myanmar Awba Group Project and to terminate that Project.

[REDACTED]

Copy to:

- Myanmar Green Network
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