

FOR IMMEDIATE RELEASE

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Indian Communities Suffering from Destructive Coal Plant Sue the IFC in U.S. Courts

Today, Indian fishing communities and farmers represented by EarthRights International (ERI) are suing the International Finance Corporation (IFC), the private lending arm of the World Bank Group, in United States federal court in Washington, D.C. The plaintiffs allege that the IFC, which provided a critical loan for the Tata Mundra coal-fired power plant in Gujarat, India, caused negative impacts on health, property and livelihoods. This lawsuit marks the first time a community harmed by a World Bank Group project has filed a lawsuit in United States court.

The World Bank Group's lending is meant to provide benefits and opportunities for communities. When the Bank funds destructive projects, its accountability mechanisms, established to receive community complaints, are not always able to provide redress. In this case, the IFC has failed to remedy harm documented by its own accountability mechanism. This is part of a trend we have witnessed, where the World Bank Group refutes and denies findings of its accountability mechanisms, rather than acting to remedy harm, calling into question the Bank's ultimate goal to end poverty and promote shared prosperity throughout the world.

Carla García Zendejas, Director of the People, Land & Resources Program at the Center for International Environmental Law, issued the following statement:

It is disturbing that even with the protections and systems in place at the IFC to provide remedy for communities they are forced to reach higher and higher to seek justice. Yet again those most vulnerable bear the effects to their health, environment and livelihoods while burdened with ever changing obstacles to seek compensation. This lawsuit highlights not only the issues of accountability at the World Bank Group but also the Bank's misguided decisions to continue financing coal-fired power plants which are causing devastating human health and climate related harms in already vulnerable and poor communities throughout the world.

Natalie Bridgeman Fields, Founder and Executive Director of Accountability Counsel, issued the following statement:

Despite its claims to alleviate poverty and "do no harm," the IFC has a terrible track record of causing serious human rights and environmental abuses. The IFC claims to enjoy broad immunity from suit and has traditionally not been held accountable for its abuses. While the IFC's accountability mechanism often helps shed light on abuses, as it did in this case, the office cannot force the IFC to provide remedy. A lawsuit like this is an important step in strengthening the IFC's system of accountability and will hopefully encourage the IFC to respond appropriately to findings of its accountability mechanism in the future.

Kristen Genovese, Senior Researcher, Centre for Research on Multinational Corporations (SOMO), issued the following statement:

Remedy should not depend on the willingness of the party who caused or contributed to the abuse. At the IFC, the people who are responsible for responding to allegations of harm are the same ones who designed and approved the project that caused the harm. In this case, as in many before and since, the IFC has demonstrated that it is unwilling or incapable of responding adequately. It is time for IFC to stop playing by its own rules and start respecting national and international law.

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Contact: Amanda Kistler, Communications Manager, CIEL, 202-742-5832, akistler@ciel.org

Natalie Bridgeman Fields, Executive Director, Accountability Counsel, 415-412-6704, natalie@accountabilitycounsel.org

Kris Genovese, Senior Researcher, SOMO, +31 65 2773272, k.genovese@somo.nl

The Center for International Environmental Law (CIEL) uses the power of law to protect the environment, promote human health, and ensure a just and sustainable society. CIEL is a non-profit organization dedicated to advocacy in the global public interest, including through legal counsel, policy research, analysis, education, training and capacity building.

Accountability Counsel is a non-profit organization that defends the environmental and human rights of marginalized communities around the world. As lawyers for people harmed by internationally-financed projects, it focuses on innovative ways to provide access to justice.

SOMO strives toward global economic development that is sustainable and fair and toward the elimination of the structural causes of poverty, environmental problems, exploitation and inequality. Through research targeted at achieving sustainable change and strengthening cooperation, SOMO seeks to offer social organisations worldwide, especially those in developing countries, the opportunity to promote sustainable alternatives and to provide a counterweight to unsustainable strategies and practices of multinational corporations.