

Charges brought against development banks over half a billion euros for Ukraine's largest agribusiness firm

Press release

For immediate release

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Prague, Kyiv, San Francisco – Three communities in the central Ukraine region of Vinnytsia have filed formal grievances at the World Bank and the European Bank for Reconstruction and Development, alleging that the industrial poultry giant Myronivsky Hliboproduct (MHP) has failed to ensure basic transparency regarding the environmental and health impacts at its 'largest poultry farm in Europe'. [1]

With the support of Kyiv-based Ecoaction, Bankwatch and the Accountability Counsel, the parties are seeking a resolution [2] from the Compliance Advisor Ombudsman (CAO) of the International Financial Corporation, the World Bank's private sector lending arm, and the Project Complaints Mechanism (PCM) of the European Bank for Reconstruction and Development.

Since 2003, MHP has received nine loans totalling more than half a billion euros from both the International Finance Corporation and the European Bank for Reconstruction and Development for its operations in the fertile agricultural region, making it the country's largest exporter of poultry products [3].

The complaint alleges that since the start of MHP operations in Vinnytsia in 2010, continuous odor and dust from a significant and growing number of facilities and the application of manure on nearby fields has made local life untenable. MHP activities have also led to a drastic increase in heavy vehicle traffic through villages, resulting in damage to roads and nearby residences, and risks from pollution to air, water and soil have not been studied properly, the complaint says.

The CAO and the PCM are responsible for reviewing complaints from parties affected by bank investments and can initiate mediation between bank clients and impacted communities.

Vladlena Martsynkevych of Bankwatch and Kyiv-based Ecoaction, said "MHP wants to be the biggest poultry exporter to Europe, but it does not want to respect European and international standards. We hope that the banks will bring the company to the negotiating table, so that those who have been impacted receive the solutions they seek and the information they need to make sound decisions about how their lands are used."

Caitlin Daniel, Global Communities Attorney with Accountability Counsel, said, "The complaint describes longstanding and significant concerns, but community members are still hopeful that a solution is possible. MHP has touted its commitment to social and environmental sustainability, publicly and with its international lenders. This complaint provides a clear

opportunity for it to demonstrate that commitment through genuine engagement in a dialogue process.”

For more information contact

Vladlena Martsynkevych, Ukraine campaigner
Bankwatch/Centre for Environmental Initiatives "Ecoaction"
Email: vladlena@bankwatch.org
Mobile: +380667312657

Caitlin Daniel, Global Communities Attorney
Accountability Counsel
Email: caitlin@accountabilitycounsel.org
Office: +1 415 500 8214

Notes

[1] “Vinnytsia Poultry Farm LLC”, MHP website
<https://www.mhp.com.ua/en/operations/op-vinnitskaja-ptitsefabrika-oao-mkhp>

[2] The complaint to the CAO is available at <http://bit.ly/MHPCAO> and the complaint to the PCM is available at <http://bit.ly/MHPPCM>

[3] For more information about the operations of MHP in Ukraine, see here <https://bankwatch.org/project/myronivsky-hliboproduct-mhp-ukraine> and here <https://www.accountabilitycounsel.org/client-case/ukraine-agro-industrial-poultry-farm/>