

March 26, 2021

## Via Electronic Mail.

Antoanela Pavlova HRO, HRTD at OHCHR Office of the United Nations High Commissioner for Human Rights srdevelopment@ohchr.org

Re: Climate Change Related Policies and Projects from a Right to Development Perspective

Dear Ms. Pavlova,

We are writing regarding the Special Rapporteur's upcoming thematic report on climate change related policies and projects from a right to development perspective. Please review these important reflections based on our field experience and current trends as you prepare your report and practical guidance for the effective realization of the right to development at all levels.

Accountability Counsel amplifies the voices of communities around the world to protect their human rights and environment. We employ community driven and policy level strategies to access justice for communities negatively affected by international financial flows and pay particular attention to the rights of women, girls, and other marginalized groups. For over a decade we have assisted communities who are seeking remediation for harm caused by internationally financed projects to bring grievances to independent accountability mechanisms at development finance institutions and ensure remedies for them.

One of the major challenges to the full realization of the right to development is a lack of consultation and meaningful participation of local communities in the design and execution of development projects. This has been the case even with projects that aim to address the climate crisis. Our <u>cases and research</u> reveal that issues such as lack of access to project information, failure to consult with and include local people in the design and implementation of climate-friendly investments, and failure to conduct social and environmental due diligence holistically to capture negative environmental, climate, and social impacts of investment can have disastrous effects.

The importance of adequate due diligence and community feedback processes for projects with global impact goals, including crisis and remedial response, cannot be over-emphasized, as even the most well-intentioned projects can produce unanticipated harm. For instance, a biomass project in <u>Liberia</u>, with the stated project goal of advancing renewable energy in a country rebuilding after years of devastating conflict, sent farmers and other subsistence producers into poverty, contaminated water resources, and led to sexual abuse and labor rights violations.

In recent years, large amounts of funds have been disbursed for climate adaptation and mitigation efforts. The Business and Human Rights Research Centre's Renewable Energy and Human Rights Benchmark has confirmed the shortcomings of many of the world's largest renewables companies in protecting the human rights of affected communities and workers. This failure to uphold human rights not



only leads to devastating impacts but also jeopardizes the financial sustainability of renewables projects and undermines the 'livable future' that the transition to a low-carbon economy aims to achieve. Furthermore, <u>disclosing climate risks</u> and environmental impacts of development projects is essential to the management of carbon and mitigation and is in line with the urgent call of SDG13.

As we <u>recommended</u> to the *Finance in Common Summit* convening of several public development banks, human rights (including the right to development) and community voices must be at the center of the decisions to respond to the COVID-19 and global climate crises. There is no way to achieve just and equitable solutions to global challenges without <u>due consideration</u> of the human rights impacts of projects intended to provide aid and development.

In response to these issues, we are working to identify climate finance that unintentionally undermines public and private investors' climate goals and impedes the environmental and human rights of local people. Specifically, we are supporting communities to use accountability tools to raise issues of mismanagement or rights abuse related to climate finance where investments involve development finance institutions. These tools include independent accountability mechanisms (IAMs) that help identify where harm prevention and remedy is needed through the reception of complaints directly from communities closest to project impacts. IAMs typically resolve complaints through a compliance review investigation to see if the institution's' environmental and social policies were followed in the course of the project and/or a dispute resolution process to reach a mutually agreed upon solution to the grievances. They can also point to systems-level issues in climate finance that require attention, often through changed policy and practice.

For example, in 2017, hundreds of Haitian farmers and families who had lost their livelihoods when they were displaced by the <u>Caracol Industrial Park</u> in northeast Haiti filed a complaint to the Inter-American Development Bank's (IDB) accountability mechanism to demand accountability and remedy for the bank's role in their displacement and the severe harm it caused to their families. In 2018, after 18 months of dialogue, facilitated by the accountability mechanism, with the IDB and the Haitian government, the communities reached a historic, negotiated agreement that provides for remedial action.

In 2019, we supported community members in filing a complaint to the International Finance Corporation's (IFC) IAM to resist plans to construct a 1,050 megawatt coal-fired power plant on the Lamu coastline in Kenya. The project, supported by investors including the IFC, would have irreparably damaged the environment, which is a UNESCO World Heritage site and a source of sustenance for the people of Lamu. The project is alleged to violate the IFC's environmental and social standards, which requires avoidance of emission and pollution of air, water, land and adverse impacts on human health and the environment whenever possible, and the World Bank Group's commitment to fund new coal plant projects in only rare circumstances.

In August 2018, Karen Indigenous communities in the Tanintharyi region in Myanmar filed a complaint with the United Nations Development Programme's (UNDP) accountability mechanism to raise concerns about a conservation project that violates their right to Free Prior and Informed Consent and threatens to prevent refugees and internally displaced people from returning to their land. While the



accountability office is conducting its compliance investigation, the project has been suspended and the communities have advanced their own <u>vision</u> for conservation and development that respects Indigenous Peoples' knowledge and rights.

We engage both public and private sector decision-makers to strengthen accountability for projects that aim to address the climate crisis. Our <u>advocacy</u> has influenced the climate finance activities of <u>UNDP</u>, which created the <u>Social and Environmental Compliance Unit</u> and the <u>Stakeholder Response Mechanism</u>, which are accountability mechanisms to address concerns with UNDP projects.

We also influenced the Green Climate Fund (GCF), which finances climate adaptation and mitigation projects, to establish the Independent Redress Mechanism and require its accredited entities to establish effective project-level grievance redress mechanisms to resolve potential problems. The efficacy of the GCF redress mechanisms is yet to be fully tested in practice as most of the projects are at early stages of implementation. However, we continue to monitor, to encourage their implementation which will in turn minimize the occurrence of harm and ensure that climate projects achieve intended outcomes and objectives.

For private actors and emerging market public entities that are investing in renewable energy and other climate infrastructure without public co-financing, including <u>impact investors</u>, few avenues for independent community feedback currently exist. There is therefore an urgent need to develop strong <u>accountability mechanisms</u> for these entities to enable project-affected people to raise grievances and access solutions. This will ensure that climate goals are met without violating the rights of local communities and undermining the 'just transition' to a low-carbon future.

As noted in the Special Rapporteur's 2019 Thematic Report, meaningful participation is important in setting development priorities and enjoying development benefits. To combat climate change and promote the right to development, methods of mobilizing resources for development and actual execution of development projects must be transparent, inclusive, sustainable, and provide measures for accountability and remedy when rights are infringed.

Thank you for the opportunity to provide our insights for the Special Rapporteur's report. We look forward to further engagement with your team and to reading the final report.

Sincerely,

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