International Financial Institutions (IFIs) and State Donors:
Stop loans and fully reassess Myanmar policy in light of coup d'état
Do not fund the military junta or its cronies

To the international community, and in particular, IFIs and States,

We urge you, in the strongest terms, to immediately freeze and comprehensively reassess your lending relationship with Myanmar, in light of the 1 February 2021 coup d'état by the Myanmar military (Tatmadaw). The coup was illegal, even under the Tatmadaw-designed 2008 Constitution of Myanmar, and IFIs would be acting against the rule of law by acknowledging the junta. The Tatmadaw has long carried out atrocity crimes and rights abuses, documented by the Independent International Fact-Finding Mission on Myanmar.

We demand that you immediately halt lending obligations, suspend disbursements, pending grants and loans across all sovereign and non-sovereign operations, until conclusive confirmation that these do not legitimize military rule. Further, that you recall loans linked to the military junta, its businesses (including Myanmar Economic Corporation, MEC, and the Myanma Economic Holdings Limited, MEHL), military-linked crony companies, or companies linked to individuals who have been internationally sanctioned. Thirdly, reassess efficacy of loans to ensure they safeguard the rights of communities and their environment, and protect civil space.

Finance, whether direct or indirect, should absolutely not benefit the above-listed actors, and thorough due diligence should be conducted on private sector loans to identify any pre-existing or new linkages between clients and military companies. Humanitarian aid that directly assists struggling and vulnerable people should be distinguished from finance that could enable the junta to hang onto illegitimate power.

We urge you to:

● Stand in solidarity with Myanmar people in: (1) asserting their democratic rights, including through civil disobedience; (2) upholding the rule of law; (3) protecting democratic process and results, including the 2020 elections; and (4) ensuring the preservation of civic space and freedom of journalists and activists (including more than 300 detained following the coup) and workers, especially those on loan projects.

● Respect calls to the international community to condemn the coup and military violence, and align yourselves with strong targeted sanctions against the military and its cronies—not against the people.

● Work together to issue a joint IFI statement, to avoid conflicting messages. State clearly, unequivocally, and boldly that you will not compromise your development support in Myanmar by working with the junta, including on COVID-19 response—rather than undermining democracy with weak statements (such as the World Bank’s “serious situation” language). Action otherwise would normalize the coup, facilitate military abuses, and renege on commitments to peace and inclusion.

● Closely monitor private clients and public projects to ensure respect for labor standards, and make clear that retaliation or discrimination for freedom of assembly, association, or political views will not be tolerated. Press for immediate release of project workers deprived of their rights by the junta. Protect the rights of health workers, who were among the first to stand up against the coup, in the interest of democracy and effective COVID-19 response.

● Arrange a conference call between involved IFIs (International Monetary Fund, World Bank Group, Asian Development Bank, Asian Infrastructure Investment Bank), Myanmar Civil Society Organizations, the Committee Representing Pyidaungsu Hluttaw (CRPH), ethnic political parties, and ethnic leaders.

Sincerely,
The undersigned:
1. LGBT Group
2. Action Committee for Democracy Development
3. Ahlin Tagar Rural Development Organization
4. Airavati Organisation
5. Alliance of Masses and Basic Sectors for Unity and Harmony - Initiatives for Normalization and Advancement for Human Security (AMBUH-INAH)
6. Alternative ASEAN Network on Burma (ALTSEAN-Burma)
7. Area Peace and Development Forward
8. Arr Marn Thit Social Development Organization
9. ASEAN Parliamentarians for Human Rights
10. Asian Forum for Human Rights and Development (FORUM-ASIA)
11. Asia Pacific Transgender Network
12. Asian Peoples Movement on Debt and Development
13. AYY Famar Union
15. Bangladesh Working Group on External Debt (BWGED)
16. Bangmaw Youth Network
17. Bee House
18. Beyond Borders Malaysia
19. Blue Banner
20. Both ENDS
21. Building and Wood Workers Internation
22. Building and Woodworkers International
24. Burma Campaign UK
25. Burma Human Rights Network
44. Burma Task Force/Justice for All
45. Candle light youth group
46. Centre for Peace and Justice, Brac University
47. Child Prevention Network
48. Children on the Edge
49. Chin Agency
50. Chin MATA Working Group
51. Chin Resources Center
52. Chin Women Development Organization
53. Civil Health and Development Network (CHDN)
54. Community Association Development
55. Comreg
56. Crane Center for Mass Atrocity Prevention
57. Crude Accountability, USA
58. CSW
59. Dawei Development Association
60. Defenders in Development
61. Doe Myae Civil Social Development Organization
62. Education International
63. Enlightened Myanmar Research Foundation (EMReF)
64. Equipo Jurídico por los Derechos Humanos
65. Equitable Cambodia
66. Famar Agricultural Network
67. Farmers And Land Rights Action Group
68. Farmers Development and Environmental Watch Group
69. Finnish Foundation for Media and Development (Vikes)
70. FIDH - International Federation for Human Rights
71. Foundation for the Development of Agusanons, Inc.
72. Free Burma Campaign (South Africa) (FBC(SA))
73. Free Education Service Organization
74. Freedom and Labor Action Group
75. Freedom House
76. Fresh Eyes
77. Fund for Congolese Women
78. Future Light Center
79. Future Light Social Development Organization
80. Future Star Youth Organization
81. Future Women Association (FWA)
82. Gender and Development in Practice (GADIP)
83. Gender Action
84. Gender Alliance for Development Centre
85. Gender and Development Advocates (GANDA) Filipinas
86. Gender and Development for Cambodia (GADC)
87. Golden Future Social Development Organization
88. Golden Heart Organization
89. Green Advocates International
90. Heartland Initiative, Inc.
91. Helping Hands (ကူညီခသလက်မ်း (ခဒသဖွံဖဖ်းခ်းအဖွံဖဖ်း))
92. Hkumzup Development Committee
93. Hope For Children Development Organization
94. Htoi Gender and Development Foundation
95. Htum Thit Sa Rural Development Organization
96. Human Rights Foundation of Monland (HURFOM)
97. IFI Watch Myanmar
98. iLaw (Thailand)
99. Inclusive Development International
100. IndustriALL Global Union
101. Info Birmanie
102. Institute for Asian Democracy
103. International Accountability Project (IAP)
104. International Campaign for the Rohingya
105. International Centre for Ethnic Studies, Sri Lanka
106. International Rivers
107. International Service for Human Rights (ISHR)
108. International State Crime Initiative (ISCI), Queen Mary University of London
109. International Trade Union Confederation
110. International Women's Rights Action Watch Asia Pacific (IWRAW Asia Pacific)
111. Justice Movement for Community Inlay
112. Kachin State Women Network
113. Kachin Women Union
114. Kan Chay Arr Man Fishery Development Organization
115. Kanpetlet Land Development Organization
116. Karen Environmental and Social Action Network
117. Karen Youth Network
118. Karen Youth Rangoon
119. Karenni Evergreen (KEG)
120. Karenni Human Rights Group
121. Karenni Law and Human Right Committee (KnLHRC)
122. Karenni Mobile Health Committee (KnMHC)
123. Karenni National Women Organization (KNWO)
124. Karenni National Youth Organization (KNYO)
125. Karenni Refugee Committee (KnRC)
126. Karenni Social Welfare and Development Center (KSWDC)
127. Kaung Myat Hnalonethar Health Care Organization
128. Kayah Baptist Association- Christian Social Service and Development Department (KBA-CSSDD)
129. Kayah Earthrights Action Network- KEAN
130. Kazakhstan International Bureau for Human Rights and the Rule of Law
131. Khumi Affairs Coordination Council (KACC)
132. LAIN Technical Support Group
133. Lamyan Farmers Network
134. LatButta Famar Union
135. League for the Defence of Human Rights in Iran (LDHDI)
136. Legal Aid For Human rights
137. LICADHO
138. Light Social Development Organization
139. Lin lake Kyal Social Development Organization
140. Magway Region Development and Justice Organization (MRDJO)
141. Manushya Foundation
142. Matu Women Organization
143. Metta Development Foundation
144. Migrant CARE
145. Mindspeaks.co
146. Mine Free Myanmar
147. MiningWatch Canada
148. Missionary Oblates
149. Muditar Organization
150. Mung chying rawt jat အခြောက်လူထွေးခုံချံ
151. Myanmar Health Assistants Union
152. Myanmar Muslim Youth Association (Kachin State)
153. National Fisheries Solidarity
154. National Network for Education Reform
155. NGO Forum on ADB
156. No Business With Genocide
157. Nonviolence International Canada
158. Northern Spectrum Youth Association
159. Odhikar
160. Open Development Foundation
161. Oyu Tolgoi Watch
162. Pace on Peaceful Pluralism (PoPP)
163. Pakistan Kissan Rabita Committee
164. Pan Thi Kyo LGBT Organization
165. Paung ku
166. Paungsee Myittar Organization
167. Peace World Gender Orgnaization
168. Persatuan Sahabat Wanita Selangor
169. Phyu Sin Myittar Social Development Organization
170. Pone Yate Sit Regional Development Organization
171. Progressive Voice
172. Project HEARD
173. Project SEVANA South-East Asia
174. Public Services International (PSI)
175. Recourse
176. Rivers without Boundaries
177. Rivers without Boundaries Coalition- Mongolia
178. Rule of law watch group
179. Rural Social Development Organization
180. Sarnar Kyi Phyu Social Development Organization
181. SarPhyu Famar Network
182. Saytana Shae saung Youth Organization
183. SCVG
184. Shan Women Development Network
185. Shwe Min Thar Foundation
186. Shwe Nathar Famar Development Organization
187. Shwechinthee Social Service Group (ShweBo)
188. Siemenpuu Foundation
189. Sisters of Charity of Saint Elizabeth
190. Southern Youth Development Organization
191. Summer Shulter Library
192. Swam Su Ti Rural Development Organization
193. Tha Pyay Education Foundation
194. The Khumi Institute (TKI)
195. The Nyein Foundation
196. The Finnish Foundation for Media and Development (Vikes)
197. The PLAN: Public Legal Aid Network
198. The Seagull: Human Rights, Peace & Development
199. Thukhuma Khayeethe Team (TKT) သွားဟိုးတော်ဖိုးသွားဟိုး
200. Thwee Community Development Organization
201. U.S. Campaign for Burma
202. Union Aid Abroad- APHEDA
203. urgewald e.V.
204. VOICE
205. Vrede vzw
206. Waingmaw CSO Network
207. Waingmaw Women CBO
208. Watnet Chaung Alinkar
209. WIDE+ (Women In Development Europe+)
210. Witness Radio - Uganda
211. WomanHealth Philippines
212. Worker Development Organization
213. Yai Ywal Yar Youth Development Organization
214. Yatanar Youngyi Social Development Organization
215. YMCA Mandalay (Young Men’s Christian Association)
216. Young Ni Oo Women Social Development Organization
217. YOUNITY
218. Zinlum Committee (Tanphaye)
219. The Baroness Cox, The House of Lords, UK Parliament
Background

As of February 2021, the following project finance (combined amount of current and pipeline projects with IFI commitments via loans, grants, guarantees, financial intermediaries, other financing modalities), support to COVID-19 response, and other financial transactions have been noted:

- World Bank (IDA): 41 projects, roughly US$4 billion
- International Finance Corporation (IFC): 38 projects, roughly US$850 million
- Multilateral Investment Guarantee Agency (MIGA): 9 projects, roughly US$1.22 billion
- Asian Development Bank (ADB): 97 projects, roughly US$2.7 billion
- Asian Infrastructure Investment Bank (AIIB): 1 project, US$20 million
- International Monetary Fund (IMF): US$689.24 million for outstanding loans and purchases
- Consolidated COVID-19 response support from World Bank ($818.53M), ADB ($394M) and IMF ($356.5): roughly US$1.6 billion

Development finance and related country partnership strategies can only succeed if supported by: (1) the rule of law; (2) functioning democratic institutions; and (3) protected rights of people, rights defenders and free media. In contrast, the military coup d’état on 1 February conferred full legislative, executive, and judicial powers unto the Tatmadaw—and specifically its leader, General Min Aung Hlaing. He and the Tatmadaw have long carried out atrocity crimes and rights abuses, documented by the Independent International Fact-Finding Mission on Myanmar, and subject to scrutiny at the International Criminal Court and International Court of Justice. Min Aung Hlaing replaced the central bank governor and now has the power to spend the IMF’s recent $350 million loan, for example. He has already removed all Supreme Court judges appointed by the democratically elected National League for Democracy (NLD) government.

Lenders should comply with their own policies and prior commitments, such as the World Bank’s Environmental and Social Framework including due diligence, environmental risks, community safety, and labor requirements; or ADB’s safeguard policies on involuntary resettlement, indigenous peoples, and the environment. They should also comply with responsible business practices, such as the OECD’s Responsible business conduct for institutional investors and the UN’s Guiding Principles on Business and Human Rights, which require investors to identify potential adverse impacts and use leverage to influence recipients. At the very least, lenders should fulfil the objectives outlined at the 2020 Finance in Common Summit, which include promoting sustainable, inclusive and equitable development.

Oversight and risk assessment as contemplated in the above-referenced frameworks (and others) should raise the following critical issues, at a minimum:

- A military coup d’état on 1 February 2021 conferred full legislative, executive, and judicial powers unto the Tatmadaw, and specifically its leader, General Min Aung Hlaing. Within days, workers went on strike all over the country, including at the Tatmadaw-controlled Myanmar Oil and Gas Enterprise, Myanmar National Airlines, railways, mines, and government ministries, as well as construction sites, garment factories, and schools.
- There is ongoing domestic conflict, including at least 1,024 attacks in 2020 that either targeted or failed to protect civilians, in 13 of 14 States/Regions, which killed 242 civilians, injured another 706, and displaced more than 14,000.
- The Peace Process has failed, and the Nationwide Ceasefire Agreement (NCA) cannot be implemented. The NCA included the military, which has frequently violated the agreement, most recently in Karen State; ethnic armed organizations (EAOs), who are pulling out; and the democratically elected government, ousted by the military coup.
- COVID-19 pandemic response is highly militarized, including through the existence of a military-led pandemic response committee in parallel to one that includes a health expert. The Tatmadaw also destroyed or forced closure of nine ethnic health system checkpoints set up for Covid-19 monitoring, in Karen, Kachin, and Rakhine States.
• Current budgetary priorities leave the Ministry of Health with roughly one third the budget of the Ministry of Defense (~USD 883 million for 2019–2020), even though Myanmar has no external enemies. As of 2015 Myanmar’s spending on healthcare per capita ranked #161 globally (USD 59/person); as of June 2020 Myanmar had fewer than one hospital bed per 1,000 people; and Covid-19 testing is only possible in three cities. In January 2021 the government called for public donations to support COVID-19 vaccinations. Meanwhile, it purchased two military aircraft for USD 38.6 million from Jordan (Dec 2020), and purchased radar stations, self-propelled short-range air-defense systems, and unmanned aerial systems (likely totaling tens of millions of dollars) from Russia (Jan 2021).

• Myanmar’s Covid-19 Economic Relief Plan (with USD 2.5 billion budgeted) is unlikely to help the country’s most vulnerable, and is likely to harm communities by encouraging large-scale infrastructure projects with decreased safeguards, similar to ones that have displaced tens of thousands in the past. This, and the military at the helm, raise serious concerns about the use of billions of dollars in IFI loans and hundreds of millions in bilateral assistance (e.g. United Kingdom, United States, European Union, Japan, China and Korea).

For civil society engagement and further questions, please contact:

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