



Testimony Before the Tom Lantos Human Rights Commission House Committee on Foreign Affairs.

Hearing on International Financial Institutions and Human Rights

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I would like to thank the Chairman of the Commission for inviting me to testify at this important issue International Financial Institutions and Human Rights. I want to especially thank the Chairman and Co-Chair, of the TLHRC for their extraordinary leadership in bringing the case of International Financial Institutions and Human Rights to the attention of this Commission; particularly in light of the many pressing global issues.

Mr. Chairman, I am not here as an expert, a scholar or researcher; but instead, I am here as a defender of human rights for human beings. I am the Executive Director of the Solidarity Movement for a New Ethiopia, (SMNE) a social justice organization of diverse Ethiopians, which is based on the principles of “*putting humanity before ethnicity or any other differences*” and caring about the well being of others as we do about ourselves not only because it is right, but also because “*none of us will be free until all are free.*”

I am here today on behalf of the people of Ethiopia; in particular, the Anuak people living in the Gambella region of southeastern Ethiopia regarding their appeal to the World Bank. In that appeal, they requested an inspection of the World Bank's project in Ethiopia, known as **Promoting Basic Services (PBS), Phase III**, in regards *to the harm it was causing to the Anuak people in the Gambella region of the country. Their appeal was based on claims of harm caused as a result of the WB's non-compliance with its own policies; in particular, regarding a resettlement program that had led to the mass eviction of Anuak from their ancestral homes. That appeal ultimately led to a full-scale investigation by the World Bank's Inspection Panel; the outcome of which was a determination that the World Bank had violated its own rules, safeguards and protocols; and in doing so, had harmed the Anuak, the same people they had intended to help.*

While the results are encouraging, *my concern today is the failure of the WB to take meaningful action in response to this determination, which had been submitted in a formal report to WB Management on November 21, 2014. Even though these Anuak, and many others living in the region, have suffered significant damage to life, livelihood and property; no reparations have been made, no corrective actions have been taken and no one has been held accountable, including the Government of Ethiopia (GoE). In fact, even though the GoE was found responsible for the misuse of funds, the lack of the required financial accounting records for where the money went, and for much of the harm suffered by the Anuak; the WB recently provided \$350 million in new funds to the GoE, without requiring any satisfactory resolution of these serious issues. Where are the WB mechanisms meant to deal with such egregious violations? Where is the assurance to the victims that WB funds will not again be used to harm them?*

In 2015, the Anuak people are at greater risk of extreme poverty and human rights abuses than ever. Since 2008, according to a study by Oakland Institute, some 60% of Anuak have been forced from their indigenous land. Many have been victims of human rights abuses and more are in extreme poverty. Many of these many have fled to refugee camps; not only for safety, but because they no longer had a means to feed themselves. Health care does not exist and education is extremely lacking. Older boys from the rural areas often leave their homes to seek an education in Gambella Town; however, they often are targeted by the GoE. Numbers of them have been arrested and jailed for no reason; others have disappeared. *Anuak who speak out are silenced, including one Anuak man, Omot Agwa, a well-respected pastor who provided translation to the World Bank's appeal team and inspection panel.*

The close link between his arrest and his translation work is similar to the outcome of others who speak out. In a one-party, ethnic-based government, which recently claimed 100% of the votes in the May 2015 election, it is not surprising. They have no appetite for truth, especially when it jeopardizes the receipt of hundreds of millions of dollars of WB money. Pastor Omot is now in prison, charges with trumped up crimes. In nearly every aspect of well being, the Anuak are worse off today than they were in 2008.

The basis for my representation today is also personal. The people affected by the actions of the WB are people I know. They are family members, friends, former classmates, community members and people I have known from a young age as I am also of Anuak ethnicity. These are people I know by name. The areas affected are villages, towns and places where I have been. This region, Gambella, is where I was born and raised.

Ethiopia is my motherland; yet, the current ruling government has failed to view the Anuak, other indigenous people of Gambella, as well as many of the other people of Ethiopia—like those in the Omo Valley, Benishangul-Gumuz, the Somali region, the Afar region and in other places, as equal members of society even while desiring their resources.

As an example in regards to the Anuak, in December 2003, the federal government brutally targeted Anuak leaders, killing 424 persons within 3 days. The leaders were seen as a threat to the GoE's plan to exploit the oil reserves discovered on Anuak land. Human rights violations continued for over three years while the drilling of wells proceeded until found dry. Government-led forces destroyed property, schools, health clinics, wells and other limited infrastructure in the region. Countless numbers of Anuak were arrested and jailed. Others fled to refugee camps where they remain.

Anuak indigenous land is located in the rivers of the upper Nile and is seen as highly desirable. It is rich in resources, including extremely fertile land, water, minerals, virgin forests and abundant wildlife. However, *the people are seen as obstacles to those in power who want access to such resources. In countries like Ethiopia, the WB's burden to protect the people from harm is intrinsically linked to ensuring government compliance with WB policies. This did not happen.*

Despite this, I want to give appreciation to members of the initial appeal team who worked diligently so as to discover whether or not there was justification to launch a full-scale inspection. They persevered through numerous obstacles, including government roadblocks put in their way to stop the process. However, the conclusion of their efforts provided the factual basis necessary to proceed with a full-scale inspection. *I also want to recognize the efforts of the WB Inspection Panel for their arduous work in finding the facts of the case that led to their determination of fault on the part of the bank as well as on the part of the Government of Ethiopia (GoE). So often, a small minority group like the Anuak finds no way for their voice to be heard so I want to give much credit to those who served in this capacity.*

There is no debate in regards to the Panel's findings. *After the report was leaked to the public, WB President Dr. Jim Yong Kim, himself, publically acknowledged the findings of the Inspection Panel. He admitted to WB's error in not following their own protocols and that they failed to implement WB safeguards which could have intervened to protect the Anuak from harm. However, since this time, the Management has stopped short of taking corrective action—actions that are required as part of WB protocols. Such a finding should have had an effect on future disbursements to Ethiopia. Leverage should have been used to require reparations and other appropriate corrective actions, but it did not happen. Therefore, if the WB Management is not enforcing their protocols, someone else should do so. That is why a hearing like this before US Congressional members is so important. If the WB fails to take action, the Congress is in a position to do so in order that the law is upheld in this regard.*

Specific requirements: The goals of the Protective Basic Services, Phase III were to expand access and quality of basic services through block grants (mostly salaries) and by strengthening capacity, accountability, transparency, and financial management of the government at the regional and local levels. *It was to include increased citizen engagement as a mechanism of accountability and the results would be evaluated in terms of such things as improved access and quality of services, inclusiveness, sustainability, fairness, equity and regular checks on financial accountability and transparency.* Funding of salaries accounted for 80% of the block grants, leaving 5% for recurring expenses and 15% for other expenditures.

What happened: The GoE used the PBSIII block grants to implement their own villagization program, the Commune Development Programme (CDP), with the goal of resettling Anuak from the rural areas to villages they chose under the pretext that they were moving them to more central locations where more services would be available, such as schools and health clinics. Instead, *this program was used as a means to force Anuak from their highly fertile ancestral land in an involuntary resettlement program. Vacated Anuak land was then leased to foreign and domestic investors. These mass evictions resulted in the loss of livelihoods, food and stability.*

Human rights abuses, rape, arrests, and even death accompanied these massive land grabs as the government forces and regional authorities punished any who resisted, often in conjunction with those carrying out this WB program through officials receiving their salaries from WB funds.

The Anuak left food sources, crops ready for harvest, homes and village communities behind; however, when they arrived in these new settlements, supposedly meant to provide more services; they ended up under trees, with little access to clean water. They had to build their own shelters and clear their own land without the tools to do so. *The land itself was not as fertile or well-watered as what they left. The services promised were lacking. Food was scarce and some died of starvation. Many had to depend on food aid if and when it was available. In desperation, many Anuak left for refugee camps in Kenya and South Sudan due to the hardship they faced and the human rights abuses perpetrated by the government.* Although the GoE insisted the program was voluntary and that the Anuak would benefit; none of it was true. Funds from the PBS block grants were utilized to implement this program that instead, harmed the Anuak.

Concerns: At the time, Human Rights Watch, Oakland Institute and others conducted investigations on the land grabs and their effects on the Anuak people of Gambella. In the results, they found ample evidence that strongly substantiated the grievances of the Anuak. Human Rights Watch shared this information with the 70 members of the Development Assistance Group (DAG) and the WB Management; however, when WB Management received the reports, they gave responsibility to other donors from DAG to conduct a mission on these allegations. In those missions, DAG found no evidence existed of the forced relocations or of systematic human rights abuses of the Anuak. However, *when the WB Inspection Panel later investigated the appeal, it was determined there was evidence of harm, which is the basis of the current acknowledgement of failing to follow WB safeguard protocols.*

Obstacles: The task of determining whether or not violations occurred has not been easy due to the government's obstructions put in place in order to manipulate the results. The initial WB appeal team, whose duty it was to determine whether or not there were grounds for a full-scale investigation, found that those Anuak they interviewed in Gambella were fearful of consequences if they revealed the truth. However, *in a leaked recording of a regional government meeting in preparation for Anuak to be interviewed by the appeal team, one can hear regional authorities intimidating those in attendance to give the government's spin on the villagization program, stating that \$650 million dollars of WB money was at stake.*

When this WB appeal team later interviewed these Anuak in Gambella, people were hesitant to talk or to say anything negative about the program; however, *when the team traveled to the refugee camps in Kenya and South Sudan to interview others, the evidence was found in abundance. This is a government that has gone to great lengths to silence the people; not only in Gambella, but throughout the country. It is why Ethiopia has been found to be the second greatest jailer of journalists and political prisoners in Africa, only following Eritrea.*

Now, they have punished Omot Agwa, the WB interpreter for making the truth known. He was on his way to a conference on food security when he was arrested under false charges in May of this year. Failure of the WB and others to demand his release will send an alarming message to others that will ensure that future investigators will find it difficult to find someone willing to take such risks.

Comment on the exclusion of human rights violations as a mandated component of the report: There existed a close link between the GoE's resettlement program, which was heavily funded by WB funds, and the widespread commission of human rights violations in association with it. *Despite this, the Inspection Panel was limited in its mandate from including the violation of human rights in association with the project.*

Neither were they able to consider the underlying purposes of the GoE's resettlement program as it also exceeded their mandate. However, the underlying goal of the resettlement program—to take over Anuak land—has been largely accomplished with the use of WB funds to carry out its implementation. Both are major negative and harmful outcomes to the Anuak that resulted from the PBS Phase III program. It is believed that the exclusion of these two very important components should not be overlooked.

Conclusions: *Despite the clarity of the report regarding the WB's failure to follow their own protocols and as a result, the harm done to the Anuak people; and despite the lack of any corrective measures, why has the WB still provided \$350 million in new funds to Ethiopia? You in the US Congress have a responsibility now. If the bank's role was to help the people and instead it harmed them, does it not reinforce wrongdoing on the part of Ethiopia if there are no consequences? If our world's leading institutions choose to live this way; our world is in danger. If the intention of the WB is to help and it does not, it is no different than the rhetoric coming out of countries with autocratic governments who say one thing but do another.*

Like in Ethiopia, they claim to be democratic, but yet they violently and illegally close off all political space. They hold an election, but regardless of the votes or will of the people, they declare an absurd 100% victory for themselves in the last election. They claim to follow the rule of law, but instead use it to target the innocent and to support their own wrongdoing. They claim to fight terrorism; but instead, they have criminalized dissent, labeling those who speak the truth as terrorists. They claim to have civic institutions, but instead have closed down those that are independent and then propped up their own. They produce mountains of propaganda while denying others freedom of expression. They claim double-digit economic statistics to the world although no one is allowed to authenticate it. Crony capitalism thrives while those of the wrong ethnicity or politics are blocked from participation. The only place people can reasonably expect to find the accountability and transparency that is outlawed in Ethiopia, is from outside institutions like the WB; but if the WB fails to do their job, what is left? The world is in trouble.

The gap between extreme poverty and the rich has been exacerbated by the failure of institutions like the WB when they turn a blind eye to their own internal reports. Will members of the Congress who have set up this hearing and those others who care about doing what is right, take the higher moral ground? We need truth, action and accountability; not rhetoric or image preservation. What is the reason for laws, constitutions, international goals and challenges if they do not protect the well being of the most vulnerable from those who are misusing their power? We should not take the higher road only when it is expedient or because someone is watching, but because it is the right thing to do. If such laws and guidelines are open to be ignored, it is better to discard them rather than use them as a pretense.

In Gambella, despair is everywhere as the Anuak and other indigenous people are actively blocked from opportunities. Many have left and have found life in refugee camps to be difficult, but still they are not going back. The ancestral land of the Anuak no longer welcomes them. Forests of Shea trees have been cut down. Hundreds of thousands of hectares of land are now in the hands of new investors, both foreign and domestic.

A recent report from the Ministry of Investment and Trade that was leaked several months ago tells more about what happened to the ancestral land of the Anuak since 60% of them were forced to leave. Who is there now? According to the report, 22% of that land is now being leased to foreign investors from places like Saudi Arabia, India and China. The other 78% is reportedly leased to domestic investors. Who are those domestic investors? In the report, 155 individual investors are listed by name. Also included is their property location, the amounts on the loans they have received from the government and their ethnicity. First off, where else in the world is ethnicity included as part of such a report other than in Ethiopia?

Here are the conclusions. All but three of those out of 155 domestic investors are listed as “Tigrayan,” the same ethnicity as the ethnic group in control of the GoE. The Tigray region is in the northeastern part of Ethiopia. Tigrayans make up approximately 6% of the population. Not one Anuak is on that list; nor are any others from the local indigenous people. These domestic investors have had easy access to loans in the millions from the government-controlled banks of Ethiopia. This is the conclusion of the outcome of the Protection of Basic Services Plan Phase III. This should tell it all. The program has failed the people, forced them into more serious poverty, driven them from their homes and now those in power have taken over. Is there any outrage from anywhere? Let me explain who is in power.

The Tigrayan Peoples Democratic Front (TPLF) is one of the four ethnic-based parties that makes up the ruling coalition party of the Ethiopian People’s Revolutionary Democratic Front (EPRDF). The EPRDF has been in power since 1991, but it is the central committee of the TPLF that controls all aspects of the government as well as every sector of society. The TPLF was classified as a Marxist-Leninist terrorist group by the US State Department prior to taking over the government. *Their robbery, corruption, repression, human rights crimes and favoritism towards one ethnic group and political party has led to simmering tensions in the country. Many fear these are ingredients that could explode into ethnic-based violence and greater instability. Donor funding of such programs where the TPLF/EPRDF controls and misuses the funds to the great harm of the people, such as in this case, is widespread and may result in contributing to this frightening outcome. It is time do what is right.*

WB Management has not yet come out with any statement condemning the arrest of their translator, Pastor Omot Agwa. This is a man who took positive action when there was local violence between different ethnic groups in the past. He established an organization to prevent further violence and to advance peace and reconciliation among the people. *He is known as a family man who was not involved in politics in the past, but was willing to speak the truth. The reason why he is now locked up is because the Ethiopian government sought to punish him; believing he was the one that helped to get the information out. They are angry and embarrassed by the report; however, because they cannot go after the WB, they go after the little guy, the translator. It is shocking to the people to see Omot Agwa as an innocent man locked up in jail for no other reason than for his translation work for the WB. The government will never admit to this and will give assurance of other crimes; but this is false and not to be trusted.*

Meetings between the GoE and the WB Management may have taken place behind the scenes, but there is no transparency, no accountability and no results. In the name of trying to help the people, they have abandoned those they intended to help. This man was never arrested before and it is dismaying to his family and those who know him to be a man of great faith, peace and integrity. If he had not translated for them, he would not be in jail today. He probably never thought the WB would be absolutely silent on his arrest. This is unconscionable and a sign of the moral failing of the international donor community. I call on them to use their leverage to gain the release of this man and all other prisoners of conscience because the credibility and image of the bank and others in the international community who involved in Ethiopia are at stake.

In closing, we have learned that discussions have taken place regarding possible reparations to the Anuak for harms done; however, we have also learned that discussions are at an impasse because the TPLF/EPRDF insists that any funds received must be channeled through the GoE government, not through a neutral second party or non-governmental organization.

Why is the GoE calling all the shots, but still receiving WB monies? Is there any reason why the WB and now the US Congress should support such a dictate when the GoE has already abused the specified conditions to receive WB funds? It is time to be accountable to the people by either finding a mutually agreed upon alternative or to stop WB disbursements to Ethiopia altogether. Do the Anuak or other Ethiopians really want more WB funding if it is used by a corrupt and opportunist government to rob the people of our land, our livelihoods, our lives and our futures? I think not.

Every incentive in Ethiopia: financing, budgetary or military support, market access must be contingent on independent committee monitoring the expenditure and the disclosure of the background of all party owned and affiliate businesses and nongovernmental org involved. Private Foundation must be required to do the same. For example USAID supports Alameda Textile and Guna Trading place (both the largest exporters) that receives help as exporter of textile and coffee and other commodities with AGOA incentive.

SMNE will continue to reach out to Congress and the justice department to help in the criminal probe of these ruling party's affiliated corrupt businesses operating in US and at home taking advantage of the incentive provided for real businesses to face charges and to lift the shielded by the state department. The bottom-line is, the ruling party TPLF/EPRDF is systematically robbing the country and the international community in daylight while the World Bank and State Department and Foundation pour in money to finance its corruption and failed to demand basic transparency and disclosure. The Obama administration is shooting itself allowing such blunt corruption to go on. Only congress can intervene and congressional budget office can investigate to identify where they money goes and who is involved

In World Bank's President Dr. Kim's recent speech before the United Nations General Assembly last week he spoke of setting "clear goals that would enable our wills, our minds and our actions to actually help those in need;" showing "greater boldness to help the poor lift themselves out of misery and extreme poverty." These are all lofty goals and principles. Will they apply to the Anuak, other Ethiopians and others similarly suffering throughout the world? This is an opportunity for the WB to demonstrate they mean what they say. We hope so! Many of us are watching! May God help us! Thank you!

Recommendations:

I call on the U.S. Congress to take concrete action on the following points:

1. The World Bank Board must not accept the Bank Management's denial of responsibility and its Action Plan that refuses to address the harms experienced by the Anuak or the systemic flaws in the PBS modality.
2. The World Bank Board should require the Bank Management to fundamentally reform PBS to ensure that its resources are not used to abuse people and that its benefits accrue to Ethiopia's marginalized populations, including the Indigenous Peoples of Gambella. Results must be measured by development outcomes realized for intended beneficiaries and not merely by outputs that ignore the context in which they are delivered.
3. For the World Bank other International Financial Institutions system to meet its goals, it will require increased scrutiny, modifications, ongoing evaluation—both internal and from partners and shareholders, and their own transparency and accountability, especially in upcoming decisions that may lead to loosening rather than tightening regulations that will affect many of the most voiceless people in our world.
4. To best ensure improved food and livelihood security on the continent, borrowers should show successful progress towards increased land ownership, basic freedoms, respect for human rights, good governance, entrenching the rule of law, political space, independent institutions and increased transparency and accountability. These components should become more, not less, integral to those countries seeking participation in the WB's projects.

5. What the World Bank and other International Financial Institutions needs are more safeguards, not fewer. The bank and other International Financial Institutions don't have to accept the statistics given by a government, like in the case of Ethiopia, where evidence of the manipulation of data and statistics exists. Instead, the WB should require greater transparency and accountability.
6. The regime in Ethiopia has become the darling of the foreign aid community, but its own people, especially the most vulnerable, views it as a robber baron. If no one from the World Bank challenges Ethiopia's self-proclaimed statistics, the people will suffer and are already experiencing that. The people themselves will tell you that Ethiopia is exploiting WB loopholes. The privileged elite are in fact doing much better, but food and livelihood security are not improving for the majority. This was not the intention of these funds.
7. Where freedom is denied to the majority, we cannot hope to attain genuine economic growth or sustainable development by underwriting the means for the elite to stay in power. Indicators must be accurate, based on verifiable facts in order to enable the most vulnerable peoples' participation in a free market where opportunity is available not only to the families, cronies, and tribe of one exclusive group. If the government does not want to comply, there should be real consequences. If the World Bank and other International Financial Institutions do not demand it, then it is not just undermining the goals of their own organization, it is increasing insecurity, the exploitation of their target beneficiaries by the powerful, and decreasing the freedom and wellbeing of the people.
8. Currently, there is a move to ease restrictions on money, trade and aid as various international players vie for a piece of Africa. Increased willingness to cater to African strongmen at the expense of democratic ideals, human rights and inclusive development is putting the African people at risk. Some are gravitating toward the Chinese model of aid, development and trade where such values as human rights, basic freedoms and protecting the environment are "non-issues."
9. The World Bank and other International Financial Institutions should not take the short-cut, forgetting about these issues that are so important to Africans. It is a moral question that requires standing firm to the original goals of the bank. Are these goals just rhetoric or meaningful policy guides? Reportedly, 15 million people around the world are displaced every year in the name of development. The majority of them are among the most vulnerable people in our world—those who should benefit the most from these development projects. This must change.
10. If the World Bank and other International Financial Institutions don't require transparency and accountability, the indicators will be flawed and used as propaganda against the people like as in Ethiopia. World Bank indicators, if incorrect, still gain further legitimization when they are repeated and utilized by the international community and others who believe in their authenticity. It traps the neediest in a cycle of poverty.
11. The opportunity for Africans to rise is coming, but African people want partners who support inclusive development not crony capitalism development. It is a challenge for the International Financial Institutions and international community members who want to "do business" and partner with Africans in the coming years to choose between the people of Africa and the authoritarian governments that exploit them. I hope the World Bank and other International Financial Institutions will stand up for the people and remain true to its calling!

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Please do not hesitate to contact Mr. Obang Metho, at Obang@solidaritymovement.org if you have any further questions or concerns