



**Tom Lantos Human Rights Commission Hearing**  
**International Financial Institutions and Human Rights**

**Wednesday, September 30<sup>th</sup>, 2015**  
**1:30 PM – 3:30 PM**  
**HVC-215**

**Opening Remarks**

Good afternoon. Thank you all for coming today to this very important hearing on International Financial Institutions and Human Rights, and thanks to the Commission staff for their work in putting together this event.

I am pleased to welcome all our witnesses and recognize your hard work on these important issues. Some of you have traveled long distances to be here, and you are bringing deep expertise and on-the-ground experience from three regions -- Europe, Africa, and Latin America -- to share with us today. I am grateful for your efforts.

I would also like to extend a very special welcome to the United Nations Special Rapporteur for Extreme Poverty and Human Rights, Professor Philip Alston. Prof. Alston is an internationally-known expert on human rights and international law who has served the U.N. in various capacities since the 1980s. I know him as a strong advocate for economic and social rights, including the right to food that is so important for ending hunger, and we are honored by his presence here today.

Every morning I get up and listen to the news, and often it's bad. Lately, it seems that we are constantly confronted with new or worsening human rights crises. Some -- like Syria, Iraq, Egypt, Burma -- are due to armed conflict or internal unrest or a combination of the two. But others are due to on-going, long-standing situations in which large numbers of people are relegated to the margins of national life and living in conditions that are wholly inconsistent with human dignity.

I'm talking about poverty, which in spite of some progress in recent decades, still affects nearly half (44%) of the world's 7.3 billion people. In 2011, more than a billion people were living on less than \$1.25 per day, the threshold for extreme poverty. Another 2.2 billion lived on less than \$2.00 a day, the average poverty line in developing countries. These are mind-boggling numbers.

But poverty is not merely about a lack of income; it is also about not being able to access even minimum levels of food, water, education, health care and housing. Poverty is about not having work or an adequate standard of living, conditions that are indispensable for the full development of one's being, as is recognized in the Universal Declaration of Human Rights. Or let me put this another way – not having work that helps provide an adequate standard of living because we all know that the poor work very, very hard every day but still remain mired in desperate circumstances.

The figures I just cited are from the World Bank, an international financial institution whose goals include ending extreme poverty. The World Bank Group works to achieve those goals through development programs and projects – it is a development agency, not the only one, but certainly one of the most important in terms of the amount of resources it expends each year and the scale of funded projects.

If you take a look at the Bank's annual *World Development Report*, you will find information on the state of poverty worldwide, defined by income level. You will also find information on a range of other issues that the Bank has identified as key for achieving development: gender equality, child labor, rule of law, ending corruption, fostering good governance, and ending discrimination against indigenous peoples, among others.

When the Bank talks about these issues, it links them to human rights, which is appropriate. As early as 1998, the World Bank acknowledged that “creating the conditions for attainment of human rights is a central and irreducible goal of development” and that “the world now accepts that sustainable development is impossible without human rights.” Yet for a variety of historical reasons, the Bank has long resisted explicitly incorporating human rights into its policies and practices at the operational level. And this is the topic we are here today to explore.

On the one hand, the failure to incorporate human rights standards in the design, implementation and evaluation of Bank projects has generated a number of adverse effects at the local level, such as land grabs, mass evictions and forced displacement, that could have been prevented. We will hear testimony today about three such cases, in Kosovo, Ethiopia and Peru, in which the people who are supposed to be helped by a development initiative end up being harmed. A country's own formal commitment to protect its people's rights, even when it exists, is not enough in the face of the temptation of millions of dollars in international investment. But

if the Bank's own operating standards incorporated rights protections, these outcomes could be avoided.

On the other hand, by not incorporating human rights, the Bank is forgoing guidance that could help ensure that its projects and programs contribute as effectively as possible to improving the conditions of human dignity, because that is the real goal of development. Increasing income is a means to that end, not the end itself.

The World Bank is not the only international financial institution, nor the only development agency. But it is arguably among the most influential -- it is a major source of funding and technical assistance for developing countries, and it has contributed to alleviating many crises around the world. Its policies and practices exert considerable influence. The U.S. Congress has played and continues to play an important role vis-s-vis the World Bank and other international financial institutions: U.S. contributions to the Bank require legislation; Congress oversees U.S. participation in the Bank; and U.S. commercial interests engage with the Bank. So I believe the Congress is well-positioned to encourage the Bank to incorporate human rights into its operational policies and practices, which in turn would have a positive effect on the entire development field.

I mentioned at the beginning of my remarks the bad news that confronts us on a daily basis. I will close by repeating something I've been saying all year: as a Member of Congress, I'm looking not just to criticize, but to identify new and creative ways to contribute to improving the human rights situation around the world. We need to understand what's gone wrong in the past and what is still going wrong today. But we especially need to focus on what to do to change things for a better future. So I very much look forward to hearing the testimonies today, and especially the recommendations for what needs to change and how the U.S. Congress can support that change.

I am very pleased to welcome the members of our first panel, who will present case studies of the negative consequences of development projects funded by the World Bank, in partnership with other international financial institutions:

- Mr. Obang Metho, Executive Director, Solidarity Movement for a New Ethiopia
- Mr. Milton Sanchez, General Secretary, The Inter-Institutional Platform of Celendin
- Mr. Nezir Sinani, Safeguards Coordinator and Climate Change Coordinator, Bank Information Center

I again thank all of you for your presence today.

I would like to formally submit the written testimonies of all of the witnesses into the hearing record.

Mr. Metho, please begin.

We now turn to our second panel.

Once again, I welcome Prof. Philip Alston, who was appointed United Nations Special Rapporteur on extreme poverty and human rights in June 2014 by the Human Rights Council. Previously, he chaired the U.N. Committee on Economic, Social, and Cultural Rights, and served as Special Adviser to the UN High Commissioner for Human Rights on the Millennium Development Goals. Prof. Alston teaches at New York University School of Law and co-chairs the NYU Center for Human Rights and Global Justice.

I would like to formally submit Prof. Alston's testimony into the hearing record.

Prof. Alston, please begin.