

Regional Workshop on  
“Enhancing Corporate Social Responsibility (CSR) in Asia”

# Collaboration with governments and corporations through safeguard policies— from NGO's perspectives

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# What is Mekong Watch?

Mission: To address and prevent the negative impacts of development so that people living in the Mekong Region can continue to enjoy lifestyles based on the sustainable use of their own rich local resources.



Prevent impoverishment and environmental destruction from development projects<sub>2</sub>



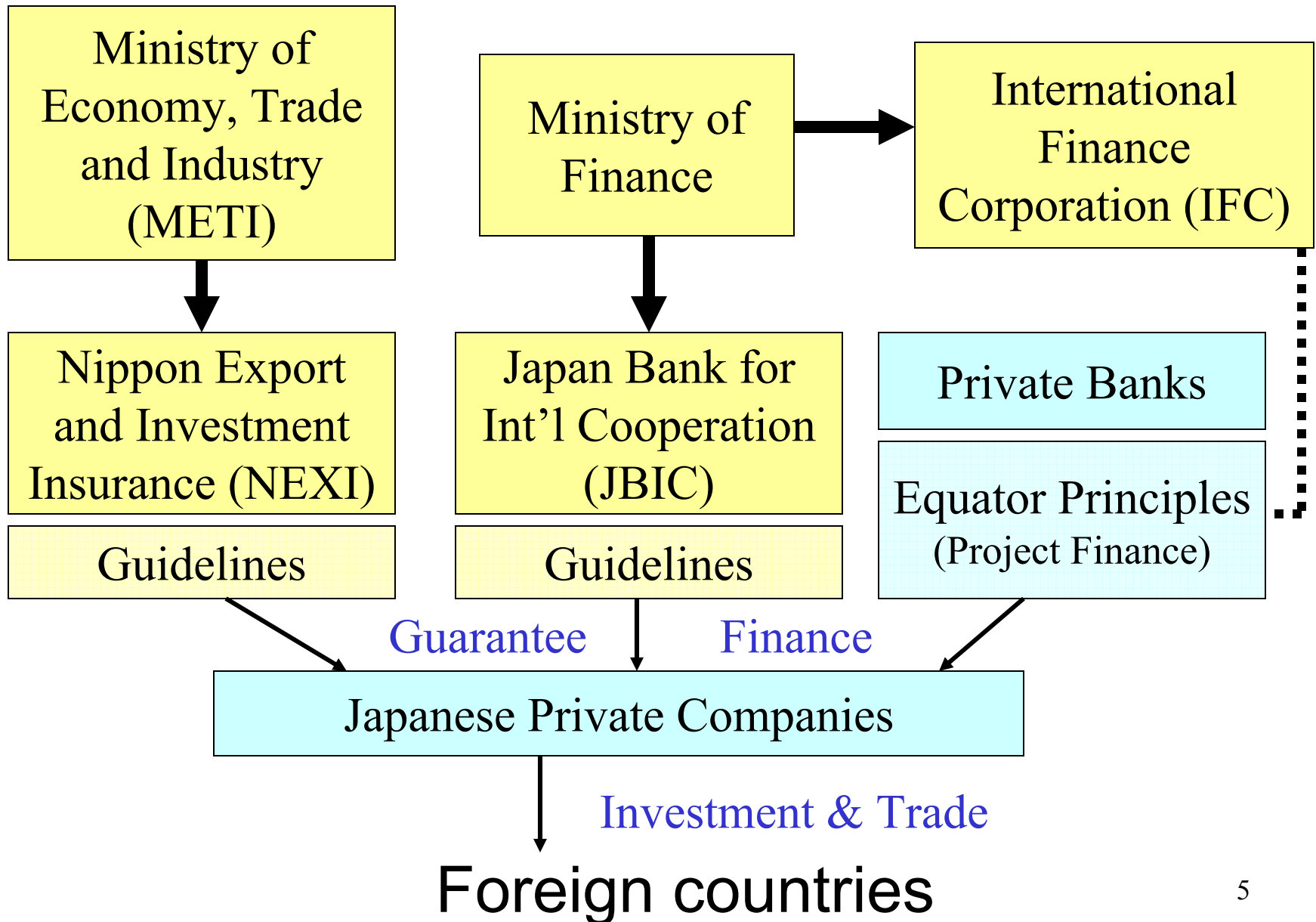
# Our concerns



# Our approaches

- While geographical focus is on Mekong region, we have worked with development agencies to improve their policies
- Via financiers for overseas investments & trades  
→ not direct contact with private investors or traders
- Establishing safeguard policies of financiers (environmental social guidelines)
- Mainly working with public financiers, some with private banks
- Monitoring to comply with policies

# Conjunction between financiers and private companies




# JBIC's "Environmental and Social Guidelines" and Compliance (Objection) Mechanism

- Established the “open” study group in 2000 to discuss an “ideal” policy to prevent negative impacts
- JBIC, relevant Ministries, MPs, academics and NGOs - no participation from private companies
- Industry groups joined the public forum to discuss the objection mechanism

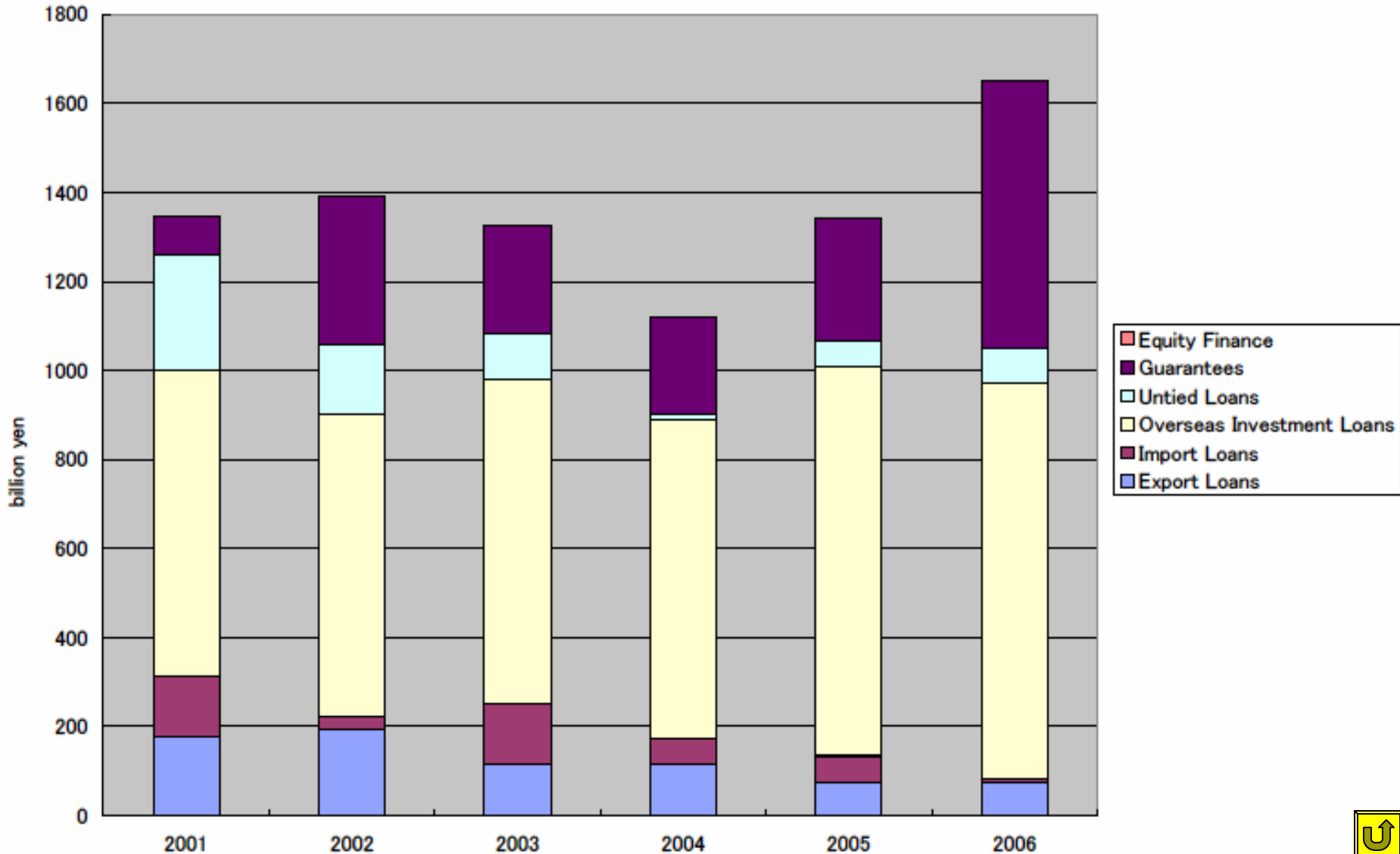
# JBIC's "Environmental and Social Guidelines" and Compliance (Objection) Mechanism

- “Product” of collaboration among the government, private companies and civil society (academics and NGOs)
- Advanced safeguard policy as private sector finance (information disclosure, public participation, livelihoods restoration, unique objection mechanism)

# What happened after the new safeguard policy introduced?

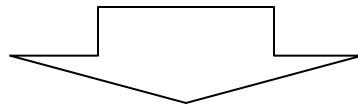
- The guidelines applied for the projects requested after October 2003
- The amount of JBIC's commitments for private sector is increasing. 
- No objection filed by affected people so far
- There are a few cases, as far as I know, in which JBIC did not finance as a result of complying with the guidelines.

# JBIC's commitments for private companies (2001-2006)



# Challenges

- Diversified financial resources: bond market (domestic, international), emerging donors / lenders (China, Thailand, etc.)
- Increasing foreign direct investment among developing countries (e.g. from Viet Nam to Laos in hydropower development) “public companies”



Race to the bottom?

→ Need to establish safeguard policies for public finance of Non-OECD countries in Asia

# Workshop on Chinese Finance, Environment & Harmonious Society

- First-ever workshop on finance and environment for civil society in Beijing (Dec.2006)
- Organized by Chinese NGOs and Mekong Watch
- 20 NGOs and journalists attended.
- JBIC & Mizuho Corporate Bank invited from Japan shared their policies



# Conclusion

- Public finance sector would be an arena where governments, companies and NGOs can collaborate.
- More case studies are necessary to analyze the outcomes/impacts of governmental intervention into private business in terms of promoting CSR.
- Hope that Public Financial Institutions in Asia would introduce policies to promote socially and environmentally sound finance.
- CSR of “public companies” should be legislated?