Mandates of the Working Group on the issue of human rights and transnational corporations and other business enterprises; the Special Rapporteur on the issue of human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment; the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context; the Special Rapporteur on the rights of indigenous peoples; the Special Rapporteur on the human rights of internally displaced persons; the Special Rapporteur on extreme poverty and human rights and the Special Rapporteur on the human rights to safe drinking water and sanitation

REFERENCE:
AI KOR 3/2020

17 April 2020

Excellency,

We have the honour to address you in our capacities as Working Group on the issue of human rights and transnational corporations and other business enterprises; Special Rapporteur on the issue of human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment; Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context; Special Rapporteur on the rights of indigenous peoples; Special Rapporteur on the human rights of internally displaced persons; Special Rapporteur on extreme poverty and human rights and Special Rapporteur on the human rights to safe drinking water and sanitation, pursuant to Human Rights Council resolutions 35/7, 37/8, 34/9, 42/20, 41/15, 35/19 and 42/5.

In this connection, we would like to bring to the attention of your Excellency’s Government information we have received concerning the alleged negative human rights impacts caused by the collapse of an auxiliary dam in Attapeu province, in the south-eastern state of Lao PDR. The dam construction was initiated in 2013 under a Public-Private Partnership (PPP) project funded by the Korean Export-Import Bank’s Economic Development Cooperation Fund and a syndicate of four Thai banks (Krung Thai Bank, Ayudhya Bank, Thanachart Bank and the Export-Import Bank of Thailand). The collapse has affected 19 villages, of which six villages were impacted by severe flood damages, including loss of productive land and property, and caused displacement. Displaced people who remain in temporary accommodations face various challenges to the enjoyment of their human rights including the right to health, the right to adequate and sufficient food, and the right to access to safe drinking water and sanitation, as well as inadequate housing conditions. Displaced indigenous peoples lost their traditional lands and are unable to pursue their own means of subsistence. The collapse had also negative impacts on the environment.

According to the information received:

On 23 July 2018, the auxiliary dam ‘Saddle D’ of the Xe Pian-Xe Namnoy Hydropower Dam in Attapeu province of Lao PDR collapsed causing five billion cubic meters of water to affect 19 villages (6 of these 19 villages were inundated). Many residents lost their lives or went missing. The official figures from the
government reported that 43 people had been killed and 28 people had gone missing. However, concerns were expressed regarding the count of total casualties, due to an alleged lack of transparent surveying. It was also reported that approximately 7,000 people were displaced in temporary accommodations, under the promise of resettlement and awaiting promised financial support.¹

The impacted villages are covered by sediment and thick mud. Affected displaced villagers have been moved to temporary shelters of small, prefabricated metal structures, which lack appropriate areas for cooking, eating and sleeping. It was alleged that the enjoyment of their human rights including the right to health, the right to adequate and sufficient food, and the right to access to safe drinking water and sanitation, as well as adequate housing conditions are not met. It was alleged that the villagers experience food shortages, insufficient and unhygienic temporary housing and inadequate medical care. According to information received, infection rate is high in the temporary housing areas, caused by dengue-carrying mosquitoes, pools of wastewater and uncollected garbage.

Many communities residing in the affected area, including indigenous peoples such as Oy, Nye Heun and Lap Lum, were previously able to farm, cultivate and live sustainably. As a result of the dam collapse, affected communities have allegedly neither been provided with adequate compensation for the losses nor sufficient alternative land to engage in subsistence cultivation or cash cropping. There seems to be no transparent process or grievance mechanism to evaluate losses and offer reparations. Additionally, it was reported that plots of land cleared by authorities for the affected communities to use have been granted to various international companies for specific crops, where some of the survivors have been hired to work as labourers.

The Xe-Pian Xe-Namnoy Hydropower Dam is a Public-Partnership Project funded by the Korean Export-Import Bank’s Economic Development Cooperation Fund and a syndicate of four Thai banks, under a build, operate and transfer (BOT) model². Xe-Pian Xe-Namnoy Power Company (PNPC) is a special-purpose corporation established to oversee the construction of the dam and operate it for 27 years. PNPC is a Lao-registered joint venture comprising the following business enterprises: SK Engineering Construction (SK E&C) with 26% equity, Korea Western Power Company with 25% equity, Ratchaburi Electricity Generating Holding of Thailand with 25% equity, and Lao Holding State Enterprise (a state-owned company of Lao PDR) with 24% equity. The project financing is shared among one Korean bank (Export-Import Bank of Korea) and four Thai banks (Krung Thai Bank, Bank of Ayuthaya, Thanachart Bank, and Export-Import Bank of Thailand). The construction of the dam was

expected to produce 1,879 gigawatts of electricity annually, with 90% of the electricity produced to be exported to Thailand. This project has been promoted as part of the Laos’ “battery of ASEAN” policy.

After the dam collapse, a National Investigation Committee was established in August 2018 to analyse the causes of the collapse and determine the degree of responsibility of the actors involved. We have received information that the Committee submitted the report to the Lao Government, however the findings were never released in full to the public. The National Investigation Committee presented some of their conclusions in a public statement, declaring that the collapse of the dam was due to the porous core of the earth foundation and not to raising water-level from rainfall. Other sources point to the potential substandard construction and design of the dam. A member of the National Assembly of the Republic of Korea, Mr. Kyunghyup Kim issued a public statement, in which he alleged that the dam’s design was changed and its construction period deliberately shortened in comparison to the original design, and that the process was altogether rushed to allow early soaking. An SK E&C document indicated that construction costs of US$19 million were cut through alterations of the dam’s construction design and of materials used during the construction period. Furthermore, Export-Import Bank of Korea included a conditional provision of USD 4,800,000 bonus for early soaking that could be seen to have encouraged the shortening of the construction period.

According to information received, other factors such as inappropriate foundation preparing, bad grouting and high-risk design for building the dam would have had great impacts on the structure of the dam. It is reported that the design of Xe-Pian Xe-Namnoy dam was not in compliance with international standards for geological survey, and that the height of Xe-Pian Xe-Namnoy dam was lowered by an average of 6.5m from its original basic design plan, whereas heights of dams should take into account various natural disasters as a safety measure, in order to avoid the chance of overflow.

It is also alleged that the response to the disaster from the Lao Government as well as by the relevant business enterprises was not immediate or organised, despite having information about the damages prior to the collapse. The project’s Environmental and Social Impact Assessment and mitigation plan, conducted by the Lao Consulting Group for PNPC, indicated that the project made areas downstream of the dam vulnerable to flooding and suggested that PNPC should be responsible for developing and implementing a warning system with response plans agreed upon by affected communities. Such a system does not appear to have been effectively developed or implemented. Although SK E&C expressed that it had immediately alerted the local authorities and began evacuation 24 hours before the disaster, there is no sufficient information on these actions, and reportedly, the damage was not notified to the provincial Government until noon on the day of the collapse. Furthermore, according to the analysis of scientist from the Joint Research Centre of European Commission (JRC), the most severely
affected areas were hit 7 hours after the collapse took place. In addition, it is reported that some people interviewed in the affected area had no knowledge of the dam’s existence, which might point to a lack of meaningful consultation from an early stage regarding all relevant aspects of the dam’s construction.

Information was received indicating lack of transparent processes or grievance mechanisms to evaluate the losses suffered and offer adequate, effective and prompt reparations. We received allegations that the Lao Government entered into negotiations with the involved business enterprises on payments of compensation for lost property, as well as cash payments after the incident. We were informed that in early 2019, families whose relatives were counted in the official death/missing toll (71 people) received a one-time cash payment of USD 10,000. Attapeu Province Governor, Mr. Leth Nayaphone, also confirmed that the Government will release compensation to the same families. Nonetheless, survivors and those who are related to the victims find the amount of compensation insufficient. In addition, donations and support are received from civil society organisations and the joint venture established to build the dam. However, it is reported that these donations of relief items are insufficient and the handling is disorganised in some areas, partly due to access difficulties. Much of the farmland in the flooded villages is still covered in silt and debris, with no known plans or action to rejuvenate the damaged fields for planting. The project is covered by a USD50 million liability insurance based on two policies (USD 10 million construction insurance policy and USD40 million excess of loss liability policy). However, we have received information regarding the lack of public disclosure and information to the affected communities on the existence of this insurance coverage. Although the Government has indicated that it intended to provide people with information about the response timeline and to meaningfully consult with them about potential plans, many interviewed interlocutors reported that they had had little or no information and had not been consulted.3

We wish to express our serious concern about the human rights situation of all those affected who have been severely impacted by the flooded water, including the condition of many displaced people in relation to their rights to health, safe water and sanitation and housing, and about the negative impacts on the environment. Further concern is expressed regarding communities and indigenous people who lost their traditional lands and whose right to live sustainably is affected, and the apparent lack of free prior informed consent regarding the potential impact of the dam on their lands. We also express concern at the aggravated situation of people living in poverty in the affected areas. Concern is further expressed as to the lack of support to immediate evacuation and monitoring mechanisms for dams in the country. In addition, we wish to express concern regarding measures of accountability of involved companies and access to remedy, both judicial and/or non-judicial, for the affected persons.

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In connection with the above alleged facts and concerns, please refer to the Annex on Reference to international human rights law attached to this letter which cites international human rights instruments and standards relevant to these allegations.

As it is our responsibility, under the mandates provided to us by the Human Rights Council, to seek to clarify all cases brought to our attention, we would be grateful for your observations on the following matters:

1. Please provide any additional information and/or comment(s) you may have on the above-mentioned allegations.

2. Please describe how the Government is investigating, independently and/or in collaboration with Government of Lao PDR, the role of Korean business enterprises (in particular Export-Import Bank of Korea, SK E&C, and Korea Western Power Company) in the dam collapse with a view to holding accountable those responsible for the collapse, resulting in loss of lives and livelihood of local villagers and indigenous communities.

3. Please highlight the steps that your Excellency’s Government has taken, or is considering to take, to protect against human rights abuse by Korean business enterprises, ensuring that business enterprises domiciled in its territory and/or jurisdiction conduct effective human rights due diligence to identify, prevent, mitigate and account for how they address their impacts on human rights throughout their operations (including abroad), as set forth by the UN Guiding Principles on Business and Human Rights.

4. Please describe the guidance, if any, that the Government has provided to Korean business enterprises on how to respect human rights throughout their operations in line with the UN Guiding Principles. This guidance may include measures, inter alia, conducting human rights due diligence, consulting meaningfully potentially affected stakeholders, and remediating any negative impacts. Please indicate whether any guidance was provided with regards to the duty to obtain free and informed consent of indigenous peoples prior to the approval of the project on their traditional lands, as per the UN Declaration on the rights of indigenous peoples’ rights.

5. Please provide information regarding the measures that your Excellency’s Government is taking, or considering to take, to ensure that those affected, by the overseas activities of private as well as state-owned Korean companies involved in the dam collapse, and have access to effective remedies as per the UN Guiding Principles.

6. Please provide information regarding measures that your Excellency’s Government has taken, in response to the recommendation provided in the Report of the Working Group on the issue of human rights and
transnational corporations and other business enterprises on its visit to the Republic of Korea in 2016,\(^4\) in particular on Korean enterprises’ operating overseas.

7. Please describe what additional steps your Excellency’s Government has taken to ensure that the Koran Export-import Bank engages in human rights due diligence, in line with Principle 4 of the UN Guiding Principles and the OECD Common Approaches to Export Credit.\(^5\)

We would appreciate receiving a response within 60 days. Passed this delay, this communication and any response received from your Excellency’s Government will be made public via the communications reporting website. They will also subsequently be made available in the usual report to be presented to the Human Rights Council.

While awaiting a reply, we urge that all necessary interim measures be taken to halt the alleged violations and prevent their re-occurrence and in the event that the investigations support or suggest the allegations to be correct, to ensure the accountability of any person(s) responsible for the alleged violations.

We may publicly express our concerns in the near future as, in our view, the information upon which the press release will be based is sufficiently reliable to indicate a matter warranting immediate attention. We also believe that the wider public should be alerted to the potential implications of the above-mentioned allegations. The press release will indicate that we have been in contact with your Excellency’s Government's to clarify the issue/s in question.

Please be informed that a letter on the same subject has also been sent to the Governments of Lao PDR and Thailand, as well as to other companies involved in the abovementioned allegations.

Please accept, Excellency, the assurances of our highest consideration.

Githu Muigai
Chair-Rapporteur of the Working Group on the issue of human rights and transnational corporations and other business enterprises

David R. Boyd
Special Rapporteur on the issue of human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment

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Leilani Farha
Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context

Victoria Tauli-Corpuz
Special Rapporteur on the rights of indigenous peoples

Cecilia Jimenez-Damary
Special Rapporteur on the human rights of internally displaced persons

Philip Alston
Special Rapporteur on extreme poverty and human rights

Léo Heller
Special Rapporteur on the human rights to safe drinking water and sanitation
Annex

Reference to international human rights law

Considering the transboundary nature of these allegations, we would like to particularly bring your Excellency’s attention to the human rights obligations pertaining to extraterritorial issues. First, we would like to recall that the Charter of the United Nations refers to international cooperation with regard to human rights as contained in its article 55, “[t]he United Nations shall promote higher standards of living, full employment, and conditions of economic and social progress and development; solutions of international economic, social, health, and related problems; and international cultural and educational cooperation”. It should also be noted that the Universal Declaration of Human Rights (UDHR) contains no explicit jurisdictional limitations, and the International Covenant on Economic, Social and Cultural Rights (ICESCR) may even provide an explicit basis for extraterritorial obligations. All rights recognized by the ICESCR should be understood in conjunction with its article 2, Para 1, which reads “[t]he States Parties will take appropriate steps to ensure the realisation of this right, recognizing to this effect the essential importance of international co-operation based on free consent.”

We wish to draw your Excellency’s Government’s attention to article 25 of the UDHR recognizes the right of everyone “to a standard of living adequate for the health and well-being of himself and of his family, including food. Furthermore, article 11(1) ICESCR – ratified by the Republic of Korea on 10 April 1990 – which stipulates that States should “recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions”, and requires them to “take appropriate steps to ensure the realisation of this right.” Furthermore, article 12 of ICESCR provides that the steps, to be taken by States to achieve the full realisation of this right, shall include those necessary for the improvement of all aspects of environmental and industrial hygiene (article 12(2)(b)) and the prevention, treatment and control of epidemic, endemic, occupational and other disease (article 12(2)(c)). Interpreting this language, the Committee on Economic, Social and Cultural Rights stated that “the right to health embraces a wide range of socioeconomic factors that promote conditions in which people can lead a healthy life, and extends to the underlying determinants of health, such as […] a healthy environment” (General Comment No. 14, para. 4). The central obligation in relation to ICESCR is for States Parties to give effect to the rights recognized therein (General Comment No. 9, para. 1).

Moreover, the Committee on Economic, Social and Cultural Rights stated that “corporate activities can adversely affect the enjoyment of Covenant rights”, including through harmful impacts on the right to health, standard of living, the natural environment, and reiterated the “obligation of States Parties to ensure that all economic, social and cultural rights laid down in the Covenant are fully respected and rights holders adequately protected in the context of corporate activities” (E/C.12/2011/1, para. 1).
Recalling article 6(1) of the International Covenant on Civil and Political Rights (ICCPR) on the right to life in conjunction with article 2 on the right of victims of human rights violations to an effective remedy. ICCPR was ratified by the Republic of Korea on 10 April 1990.

We would like to note that several special rapporteurs have adopted similar interpretations on transboundary human rights obligations. In 2011, a number of Special Rapporteurs joined with scholars and representatives of civil society organisations, and adopted the Maastricht Principles on Extraterritorial Obligations of States in the area of Economic, Social and Cultural Rights. This suggests that all States have obligations to respect, protect and fulfil human rights, including civil, cultural, economic, political and social rights, both within their territories and extraterritorially. Principle 20 states that “all States have the obligation to refrain from conduct which nullifies or impairs the enjoyment and exercise of economic, social and cultural rights of persons outside their territories.”

We would like to highlight the UN Guiding Principles on Business and Human Rights (A/HRC/17/31), which were unanimously endorsed by the Human Rights Council in June 2011, are relevant to the impact of business activities on human rights. These Guiding Principles are grounded in recognition of:

a. “States’ existing obligations to respect, protect and fulfil human rights and fundamental freedoms;

b. The role of business enterprises as specialized organs or society performing specialized functions, required to comply with all applicable laws and to respect human rights;

c. The need for rights and obligations to be matched to appropriate and effective remedies when breached.”

According to the Guiding Principles, States have a duty to protect against human rights abuses within their territory and/or jurisdiction by third parties, including business enterprises.

It is a recognized principle that States must protect against human rights abuse by business enterprises within their territory. As part of their duty to protect against business-related human rights abuse, States are required to take appropriate steps to “prevent, investigate, punish and redress such abuse through effective policies, legislation, regulations and adjudication” (Guiding Principle 1). This requires States to “state clearly that all companies domiciled within their territory and/or jurisdiction are expected to respect human rights in all their activities” (Guiding Principle 2). In addition, States should “enforce laws that are aimed at, or have the effect of, requiring business enterprises to respect human rights…” (Guiding Principle 3). The Guiding Principles also require States to ensure that victims have access to effective remedy in instances where adverse human rights impacts linked to business activities occur.
We would like to refer to the thematic report of the Working Group on the issue of human rights and transnational corporations and other business enterprises (ref. A/HRC/32/45) and recommendations contained therein elaborating on the duty of States to protect against human rights abuses involving those business enterprises that they own or control. This includes the following considerations:

88. All business enterprises, whether they are State-owned or fully private, have the responsibility to respect human rights. This responsibility is distinct but complementary to the State duty to protect against human rights abuses by business enterprises. This duty requires States to take additional steps to protect against abuses by the enterprises they own or control. This goes to the core of how the State should behave as an owner and the ways in which its ownership model is consistent with its international human rights obligations.

94. States, as primary duty bearers under international human rights law, should lead by example. To show leadership on business and human rights requires action and dedicated commitment on many fronts. It also includes using all the means at the disposal of States to ensure that the enterprises under their ownership or control fully respect human rights throughout their operations. There is untapped potential for State-owned enterprises to be champions of responsible business conduct, including respect of human rights. The Working Group calls on States and State-owned enterprises to demonstrate leadership in this field.

States may be considered to have breached their international human law obligations where they fail to take appropriate steps to prevent, investigate and redress human rights violations committed by private actors. While States generally have discretion in deciding upon these steps, they should consider the full range of permissible preventative and remedial measures.

We wish to also draw the attention of your Excellency’s Government to the General Comment No. 15 of the Committee on Economic, Social and Cultural Rights (CESCR) on the right to water. In that General Comment, the Committee interpreted that the obligations contained in Article 1 (2) of the Covenant include the obligation of State Parties to "ensure that there is adequate access to water for subsistence farming and for securing the livelihoods of indigenous peoples" (E / C.12 / 2002/11, paragraph 7).

The CESC R has described the core content of the right to food in its General Comment No. 12, along with the corresponding obligations of States to respect, protect and fulfil the right to food. The Committee considers that the core content of the right to adequate food implies, inter alia, the availability of food, acceptable within a given culture, in a sufficient quantity and quality, and accessibility of such food in ways that are sustainable and that do not interfere with the enjoyment of other human rights (para. 8). The right to adequate food refers to the possibilities either for feeding oneself directly from productive land or other natural resources, or for well-functioning distribution, processing and market systems (para. 12). It entails both economic and physical
accessibility of food, as well as the sustainability of food access for both present and future generations (para. 7).

Moreover, the CESC R stated that "corporate activities can adversely affect the enjoyment of Covenant rights", including through harmful impacts on the right to health, standard of living, the natural environment, and reiterated the "obligation of States Parties to ensure that all economic, social and cultural rights laid down in the Covenant are fully respected and rights holders adequately protected in the context of corporate activities" (E/C.12/2011/1, para. 1).

According to the Committee, the obligation to respect existing access to adequate food requires States parties to refrain from taking any measures that result in preventing such access. The obligation to protect requires measures by the State to ensure that enterprises or individuals do not deprive individuals of their access to adequate food. The obligation to fulfil (facilitate) means that the State must pro-actively engage in activities intended to strengthen people's access to and utilisation of resources and means to ensure their livelihood, including their access to land in order to ensure their food security (CESCR General Comment No. 12, para. 15). Paragraph 26 of the General Comment also emphasizes the need to adopt a national strategy to ensure food and nutrition security for all, including through "guarantees of full and equal access to economic resources [...] measures to respect and protect self-employment and work which provides a remuneration ensuring a decent living for wage earners and their families (as stipulated in article 7 (a) (ii) of the Covenant); maintaining registries on rights in land (including forests)".

The right to adequate housing is also a central component of the right to an adequate standard of living and is protected in article 25 of UDHR, article 11.1 of ICESCR and article 17 of the ICCPR establishes that no one “shall be subjected to arbitrary or unlawful interference with his privacy, family, home or correspondence”. Furthermore, according to the CESC R’s General Comment No. 7 (paras 15 and 16), procedural protections are essential in relation to forced evictions, including, among others, genuine consultation, adequate and reasonable notice, alternative accommodation made available in a reasonable time, and provision of legal remedies and legal aid. In paragraph 17, the Committee further emphasizes that where those affected are unable to provide for themselves, the State party must take all appropriate measures, to the maximum of its available resources, to ensure that adequate alternative housing, resettlement or access to productive land, as the case may be, is available.

With respect to the right to health, the ICESCR (art. 12, para. 2(b)) provides that the steps, to be taken by States to achieve the full realisation of this right, “shall include those necessary for... the improvement of all aspects of environmental and industrial hygiene”. Interpreting this language in its General Comment No. 14, the CESC R stated that “the right to health embraces a wide range of socioeconomic factors that promote conditions in which people can lead a healthy life, and extends to the underlying determinants of health, such as... a healthy environment” (para. 4). Finally, General Comment No. 14 holds that the right to health also extends to the underlying
determinants of health, such as food and nutrition, housing, access to safe and potable water and adequate sanitation, safe and healthy working conditions, and a healthy environment (para. 4).

In accordance with article 15 of ICESCR, everyone has the right to take part in cultural life. In its General Comment 21, the Committee on Economic, Social and Cultural Rights stressed that article 15 protects the right of all persons to express their cultural identity freely and to exercise their cultural practices and way of life (E/C.12/GC/21, para. 49 a). States must respect the rights of indigenous peoples to their culture and heritage and to maintain and strengthen their spiritual relationship with their ancestral lands and other natural resources traditionally owned, occupied or used by them, and indispensable to their cultural life. (E/C.12/GC/21, para. 49 d). Furthermore, States must respect and protect cultural heritage of all groups and communities, in particular the most disadvantaged and marginalized individuals and groups, in economic development and environmental policies and programmes (E/C.12/GC/21, para. 50 b).

In its General Comment 21, The Committee stressed in this regard the need to take into account, as far as possible, cultural values attached to, inter alia, food and food consumption, the use of water, the way health and education services are provided and the way housing is designed and constructed (E/C.12/GC/21, para. 16).

General Comment No. 14 (2000) of the Committee on Economic, Social and Cultural Rights describes the normative content of article 12 of ICESCR and the legal obligations undertaken by the States parties to the Covenant to respect, protect and fulfil the right to health. In General Comment No. 14, the Committee interprets the right to health as an inclusive right extending not only to timely and appropriate health care but also to the underlying determinants of health, such as access to safe drinking water and adequate sanitation, an adequate supply of safe food, nutrition and housing, healthy occupational and environmental conditions, and access to health-related education and information. (para. 11, GC 14 CESC).

We finally would like to draw the attention of your Excellency’s Government to the UN Declaration on the rights of indigenous peoples, in particular to article 7. 1 on the right to life, physical and mental integrity, liberty and security of indigenous peoples; article 32 on the obligation to obtain their free and informed consent prior to the approval of any project affecting their territories and other resources, particularly in connection with the development, use or exploitation of mineral, water or other resources; and article 28 on the right to redress by means that can include restitution or, where this is not possible, fair and equitable compensation for land that has been confiscated, taken, occupied, used or damaged without their free, prior and informed consent.