

December 1, 2023

H.E. Fumio Kishida, Prime Minister
H.E. Yoko Kamikawa, Minister for Foreign Affairs
H.E. Shunichi Suzuki, Minister of Finance
H.E. Tetsuo Saito, Minister of Land, Infrastructure, Transport and Tourism

Statement calling on the Japanese government to stop ODA and publicly-funded projects benefiting the Myanmar military

ayus:Network of Buddhists Volunteers on International Cooperation
Friends of the Earth Japan
Japan International Volunteer Center (JVC)
Network Against Japan Arms Trade (NAJAT)
Mekong Watch
Progressive Voice

More than two years and ten months have passed since the failed coup by the Myanmar military. The military continues to commit serious human rights abuses amounting to war crimes and crimes against humanity. At least 4,192 people including pro-democracy activists and civilians have been confirmed killed by the military as of November 21, 2023.¹ Among those protesting the attempted seizure of power by force by the military, a total of 25,425 people have been arrested. Across Myanmar, 2 million people are estimated to be internally displaced as of November 10, including 1.7 million currently displaced by clashes and insecurity since the coup.²

By 2020, the Japanese government provided JPY 356.518 billion in total in grant aid as well as JPY 109.94 billion in total in technical assistance to Myanmar, and promised JPY 1,378.47 billion in loan aid (figure based on loan agreements).³ After the failed coup, then Foreign Minister Motegi made the following statement regarding these Official Development Assistance (ODA) to Myanmar on May 21, 2021: "If the situation continues in this way, it is possible that we will be compelled to review ODA and that companies may become unable to provide investment even if they want to." However, since then, despite the worsening human rights crisis in Myanmar, the Ministry of Foreign Affairs and the Minister of Foreign Affairs have simply repeated that it would "comprehensively consider what measures may be effective while viewing the situation of the efforts made by Japan and the international community".⁴ No

¹ Assistance Association for Political Prisoners, "Daily Briefing in Relation to the Military Coup," November 20, 2023. <https://aappb.org/?p=26765>

² Myanmar Humanitarian Update No.34 (November 10, 2023) : <https://reliefweb.int/report/myanmar/myanmar-humanitarian-update-no-34-10-november-2023>

³ Ministry of Foreign Affairs webpage on ODA data by country (2021) : <https://www.mofa.go.jp/mofaj/gaiko/oda/files/100384974.pdf#page=30>

⁴ Answer by HARA Keiichi, Deputy Assistant Minister of the Ministry of Foreign Affairs, to a question from SUZUKI Takako of the Liberal Democratic Party at a meeting of the Foreign Affairs Committee of the House of Representatives (April 14, 2021); Answer by the Ministry of Foreign Affairs at a meeting of the Parliamentary Group Supporting Democratization in Myanmar and the Parliamentary Group Promoting "Human Rights Diplomacy" on

contract has been signed on new ODA, but no official announcement has been made as to whether any review or assessment has been conducted regarding the existing ODA.

A large part of ODA to Myanmar is loan aid (yen loans) for development of a special economic zone and surrounding infrastructure, construction of roads, and repairing railroads. The Ministry of Foreign Affairs has stated in the Diet that 34 loan aid projects totaling JPY 739.6 billion based on figures in loan agreements are being implemented currently,⁵ making it clear that these projects have continued even after the failed coup.

Besides ODA, the Japanese government provides public funds for private projects in Myanmar. Redevelopment of the Defense Services Museum Project (commonly known as the “Y Complex Project”) involves building and operating a large-scale real estate complex at the army-owned site of the former military museum in Yangon, the largest city in Myanmar. Japan Overseas Infrastructure Investment Corporation for Transport and Urban Development (JOIN), a government-funded infrastructure investment corporation under the Ministry of Land, Infrastructure, Transport and Tourism, and Japan Bank for International Cooperation (JBIC) which is Japan’s public export credit agency, invests or lends to the Y Complex Project. Tokyo Tatemono, Fujita Corporation (a subsidiary of Daiwa House Industry), and JOIN set up a Joint Special Purpose Company (J-SPC) in Singapore. JBIC along with Sumitomo Mitsui Banking Corporation and Mizuho Bank co-financed a loan to this J-SPC, and the J-SPC in turn is co-investing in Y Complex Company Ltd., a Myanmar corporation set up jointly by the J-SPC and Yangon Technical and Trading Company Limited (YTT), a Myanmar crony company. The land lease agreement is between YTT and “Colonel Aung Min Thein (Officer No. Army 17642), Vice Quarter Master General, Office of the Quarter Master General, Commander-in-Chief (Army).” Land lease payments are to be made to “Defence Account no. MD 010424,” an account likely to be under control of the Office of the Quartermaster General.⁶

The US, UK and Canada imposed sanctions on the Office of the Quartermaster General on December 10, 2021.⁷ Further, on June 21, 2023, the US designated Myanmar's Ministry of

Japan's ODA and OOF programs and economic activities in Myanmar (February 1, 2022); Answer by HAYASHI Yoshimasa, Minister for Foreign Affairs, to a question from INOUE Satoshi of the Japanese Communist Party at a meeting of the Committee on Foreign Affairs and Defense of the House of Councillors (March 16, 2022); Answer by MIBAE Taisuke, Deputy Assistant Minister of the Ministry of Foreign Affairs, to a question from TOKUNAGA Hisashi of the Constitutional Democratic Party of Japan at a meeting of the Committee on National Security of the House of Representatives (April 26, 2022); Answer by Mr. Kurimoto, Director of the Country Assistance Planning Division I, International Cooperation Bureau, Ministry of Foreign Affairs, to a question from Mekong Watch at the ODA Policy Council meeting held on July 20, 2022 as part of the NGO-Ministry of Foreign Affairs Regular Consultation Meetings.

⁵ Answer by UENO Atsushi, Director-General for International Cooperation of the Ministry of Foreign Affairs, to a question from INOUE Satoshi of the Japanese Communist Party at a meeting of the Committee on Foreign Affairs and Defense of the House of Councillors (April 15, 2021).

⁶ Mekong Watch, et al., “Call for Engagement with Companies Involved in the Y Complex Project in Myanmar,” May 24, 2022 :

http://www.mekongwatch.org/report/burma/mbusiness/20220524Letter_Eng.pdf

⁷ US Department of the Treasury, “Treasury Sanctions Perpetrators of Serious Human Rights Abuse on International Human Rights Day,” December 10, 2021: <https://home.treasury.gov/news/press-releases/jv0526>;
Foreign, Commonwealth & Development Office, “New UK sanctions target human rights violations and abuses in Myanmar and Pakistan,” December 10, 2021:

<https://www.gov.uk/government/news/new-uk-sanctions-target-human-rights-violations-and-abuses-in-myanmar-and-pakistan>;

Global Affairs Canada, “Backgrounder: Additional Myanmar sanctions,” December 10, 2021:

<https://www.canada.ca/en/global-affairs/news/2021/12/backgrounder-additional-myanmar-sanctions.html>

Defence as a “Specially Designated National” subject to financial sanctions, noting that the Ministry was “responsible for the command and control of the armed forces, which has conducted decades of repressive military rule that was violently resumed following the coup in 2021.”⁸

Following are some of the issues that the continuation of the provision of public funds and ODA could entail:

First, by continuing ODA which requires bilateral agreements even though one of the parties to those agreements has ceased to exist due to the coup in February 2021, and by providing public funds to the Y Complex Project, a venture that allows funds to flow to the Office of the Quartermaster General, it appears that the Japanese government is giving implicit support to the military junta. We share the concern of Myanmar citizens regarding this point.⁹

Second, ODA projects and projects receiving public funds in fact benefit the Myanmar military. It has been made clear by the UN Independent International Fact-Finding Mission on Myanmar that in Myanmar, revenues from business operations conducted by companies owned or controlled by the military are a source of funds for the military, supporting their atrocities.¹⁰ The UK government has pointed out that the Office of the Quartermaster General which is involved in the Y Complex Project “plays a crucial role in procuring equipment for the Myanmar Armed Forces, including ammunition, bombs and jet fuel.”¹¹ It has been revealed that the Myanmar Economic Corporation (MEC), one of the military enterprises that the Fact-Finding Mission recommended to the international community not to “enter into or remain in a business relationship” with, is involved in the construction of Bago Bridge, a yen loan project.¹² It has been pointed out that Yokogawa Bridge Corporation made payments to MEC from July to November 2022.¹³ Further, in the Thilawa Special Economic Zone (SEZ) Development Project, the Japanese government along with major trade companies and banks is investing in the Myanmar Japan Thilawa Development Ltd. (MJTD) which operates the industrial area using “Private Sector Investment Finance,” a type of ODA. Myanmar established the Thilawa SEZ Management Committee and holds 10% of MJTD. Soon after the coup, the military detained the chairperson of the Management Committee and appointed a new chairperson. Dividend payments are to be made if MJTD makes a profit, but under these circumstances, the possibility cannot be denied that such dividend payments will benefit the military.

⁸ US Department of the Treasury, “Treasury Sanctions Burma’s Ministry of Defense and Regime-Controlled Financial Institutions,” June 21, 2023: <https://home.treasury.gov/news/press-releases/jy1555>

⁹ Progressive Voice, “Japan and Junta Make Dangerous Bedfellows” (Weekly Highlights July 11-17, 2022): <https://progressivevoicemyanmar.org/2022/07/26/japan-and-junta-make-dangerous-bedfellows/>

¹⁰ UN Independent International Fact-finding Mission on Myanmar, *Economic interests of the Myanmar military* (September 16, 2019)

<https://www.ohchr.org/EN/HRBodies/HRC/MyanmarFFM/Pages/EconomicInterestsMyanmarMilitary.aspx>

¹¹ Foreign, Commonwealth & Development Office, “New UK sanctions target human rights violations and abuses in Myanmar and Pakistan,” December 10, 2021:

<https://www.gov.uk/government/news/new-uk-sanctions-target-human-rights-violations-and-abuses-in-myanmar-and-pakistan>

¹² Myanmar Now, “Japan must abandon project with military-owned company to build bridge in Yangon, say engineers” (March 26, 2021):

<https://www.myanmar-now.org/en/news/japan-must-abandon-project-with-military-owned-company-to-build-bridge-in-yangon-say-engineers>

¹³ Human Rights Watch, “Myanmar: Japan’s Construction Aid Benefits Junta,” January 23, 2023:

<https://www.hrw.org/news/2023/01/23/myanmar-japans-construction-aid-benefits-junta>

Third, in the type of ODA called “Two-Step Loans” under which ODA funds lent by the Japanese government are held and managed by financial institutions in Myanmar, there is concern that the funds may come to be managed by the military through its control over the financial institutions. Projects in question include the Housing Finance Development Project, Project for the Development of Finance for Small and Medium-sized Enterprises, and the Agriculture and Rural Development Two Step Loan Project.

Fourth, funds provided through yen loans are money lent at interest that Myanmar needs to repay, which will increase the debt owed by the people of Myanmar. Japan had already lent a cumulative total of USD 2761.8 million to Myanmar by 2020,¹⁴ but Myanmar will owe an additional JPY 739.6 billion (USD 4.93 billion as of November 10, 2023). This means that the people of Myanmar who are suffering from serious human rights abuses and atrocities by the Myanmar military will be made to bear the burden of repaying ODA for the next decades that is or may well be a source of funds for the military.

As we expressed in our statement in December 2022, we believe that the Japanese government should respect the National Unity Government (NUG), Ethnic Revolutionary Organizations (EROs) and civil society organizations in Myanmar and effectively support the will of the people of Myanmar.¹⁵ We express deep concern that Japan may be complicit in the atrocity crimes by the military by providing ODA and public funds to the benefit of the military. We strongly demand that the Japanese government suspend all yen loan projects currently being implemented. Regarding the Y Complex Project, we strongly demand that the Ministry of Land, Infrastructure, Transport and Tourism immediately withdraw the investment made by JOIN, and that the Ministry of Finance immediately cancel the loan made by JBIC.

Statement has been endorsed by the following organizations:

- 1 Action Committee for Democracy Development (Coalition of 14 Grassroots Networks)
- 2 Active Youths Kalaymyo
- 3 Africa Japan Forum
- 4 Ah Nah Podcast - Conversations with Myanmar
- 5 All Arakan Students' & Youths' Congress – AASYC
- 6 All Burma Indigenous People Alliance (ABIPA)
- 7 Alternative People's Linkage in Asia
- 8 ALTSEAN-Burma
- 9 ASEAN Parliamentarians for Human Rights
- 10 Asian Community Center 21
- 11 Asian Forum for Human Rights and Development (FORUM-ASIA)
- 12 Asian Health Institute, AHI
- 13 Assistance Association for Political Prisoners
- 14 Association of Human Rights Defenders and Promoters
- 15 Association Suisse-Birmanie (ASB)
- 16 Associazione per l'Amicizia Italia Birmania "Giuseppe Malpeli"
- 17 Athan – Freedom of Expression Activist Organization

¹⁴ Ministry of Foreign Affairs record of development assistance by country:
<https://www.mofa.go.jp/mofaj/gaiko/oda/shiryo/jisseki/kuni/asia.html>

¹⁵ Mekong Watch, et al., "Statement Calling for the Japanese Government to Stop ODA to Myanmar," December 5, 2022: http://www.mekongwatch.org/PDF/rq_20221205_Eng.pdf

- 18 Burma Action Ireland
- 19 Burma Campaign UK
- 20 Burma Human Rights Network
- 21 Burmese Relief Center Japan
- 22 Burmese Women's Union
- 23 CRPH & NUG Supporters Ireland
- 24 CRPH Funding Ireland
- 25 CRPH, NUG Support Team Germany-Deutschland
- 26 Democracy, Peace and Women's Organization
- 27 Earth Tree
- 28 Educational Initiatives Prague
- 29 Equality Myanmar
- 30 Federation of Workers' Union of the Burmese Citizen in Japan (FWUBC)
- 31 Freedom and Labor Action Group (FLAG)
- 32 Fukuoka NGO forum on ADB
- 33 Future Light Center
- 34 Future Thanlwin
- 35 General Incorporation Association WORKSPACE ASIA
- 36 Generation Wave
- 37 Grass-root People
- 38 HANDS (Health and Development Service)
- 39 Human Rights Educators Network
- 40 Human Rights Foundation of Monland (HURFOM)
- 41 Human Rights Now
- 42 Info Birmanie
- 43 Initiatives for International Dialogue (IID)
- 44 International Association, Myanmar-Switzerland (IAMS)
- 45 International Karen Organisation
- 46 Japan Campaign to Ban Landmines (JCBL)
- 47 Japan Catholic Council for Justice and Peace
- 48 Japan Center for a Sustainable Environment and Society (JACSES)
- 49 Japan Overseas Christian Medical Cooperative Service
- 50 Japan Tropical Forest Action Network (JATAN)
- 51 Justice For Myanmar
- 52 Karen Human Rights Group
- 53 Karen Peace Support Network
- 54 Karen Swedish Community (KSC)
- 55 Karenni Human Rights Group
- 56 Karenni National Women's Organization
- 57 Keng Tung Youth
- 58 Mandalay Regional Youth Association Revolution Core Group
- 59 Metta Campaign
- 60 Myanmar Campaign Network
- 61 Myanmar Diaspora Group Finland
- 62 Myanmar International Assistance Organization
- 63 Myanmar News Now
- 64 Myanmar People Alliance (Shan State)
- 65 Myanmar Refugee Policy Group
- 66 Network for Human Rights Documentation - Burma (ND-Burma)
- 67 Nway Oo Guru Lay Myar
- 68 Padauk Finland-Myanmar Association

- 69 Pakokku Youth Development Council
 - 70 Peace Boat
 - 71 Peace Village United
 - 72 Political Prisoners Network
 - 73 Progressive Voice
 - 74 Save and Care Organization for Women at Border Areas
 - 75 Services for the Health in Asian and African Regions
 - 76 Shan MATA
 - 77 Southern Youth Development Organization
 - 78 Ta'ang Legal Aid
 - 79 Ta'ang Women's Organization
 - 80 Tanintharyi MATA
 - 81 The Ladies
 - 82 U.S. Campaign for Burma
 - 83 Women's Democratic Club, Femin
 - 84 Yokohama NGO Network
- and one other organization.

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