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# Dredging destruction

Human rights violations and environmental destruction in international dredging projects insured by the Dutch state



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## COLOPHON

### This report is a collaborative publication by:

Both ENDS (Netherlands)  
EKOMARIN (Indonesia)  
Forum Suape (Brazil)  
Kalikasan People's Network for the Environment (Kalikasan PNE, Philippines)  
Save Maldives Campaign (Maldives)  
União Provincial de Camponês (UPC, Mozambique)  
WALHI/Friends of the Earth Indonesia-South Sulawesi (Indonesia)

### With contributions from:

Centre for Research on Multinational Corporations (SOMO, Netherlands)  
IUCN NL (Netherlands)  
Milieudefensie (Friends of the Earth Netherlands)



### Editor:

Paige Shipman

### Layout & illustration:

Margo Vlamings

### Translations:

Bahasa Indonesia - Mustaqim Haniru  
Portuguese - Leandro Moura and Carolina Mayda

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Both ENDS • Nobelstraat 4 • 3512 EN Utrecht, The Netherlands  
info@bothends.org • +31 85 060 5058.

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## SUMMARY

Recent years have witnessed an increase of large-scale marine and coastal infrastructure projects around the world. Such projects have wreaked havoc on coastal communities and marine ecosystems. Between 2012 and 2023, the Netherlands provided € 8.4 billion in insurance to Dutch dredging companies and their financiers to cover their involvement in such projects. This public financial support was given through the Dutch Export Credit Agency, Atradius Dutch State Business (Atradius DSB).

This report demonstrates how Atradius DSB, through its support of Dutch dredgers Boskalis and Van Oord, is linked to serious social, environmental and human rights impacts. Based on joint research with local civil society organisations, the report analyses seven Dutch dredging projects supported by the Dutch government through its export credit facility. This publication aims to show where practices differ from standards, starting from local findings of partners. In doing so, underlying flaws in the system are exposed, including involuntary displacement of communities, repression, loss of livelihoods and ecosystem destruction. It shows how project governance is routinely dominated by vested-interests and unresponsive, unaccountable and not transparent towards affected communities. Herewith the publication aims to show where policy and standards -including its implementation- requires improvement.

Although Atradius DSB has an international corporate social responsibility policy, and has made some improvements to it over the years, both its policies and practices continue to fall short. The report shows how the Export Credit Agency has repeatedly failed to prevent and mitigate the adverse impacts of the Dutch dredging sector.

In order to ensure policy coherence, the authors call on the Dutch government to reassess its policy and practice of promoting government support for destructive dredging projects abroad. The authors provide urgent recommendations to the Dutch government to ensure full alignment of Dutch export policy with its commitments to promote human rights and the environment in accordance with international frameworks for responsible business conduct, biodiversity and sustainable development.

### KEY MESSAGES FOR DUTCH POLICYMAKERS:

- Retract export credit insurance for the projects described in this report that are currently ongoing: the Mozambique LNG, New Manila International Airport and Gulhifalhu port projects.
- Ensure alignment with the OECD guidelines, UN Guiding Principles, Kunming-Montreal Global Biodiversity Framework and Sustainable Development Goals by taking the following policy measures:
  - Guarantee the timely public disclosure of all relevant social, environmental and human rights documentation of insured projects. Define business confidentiality in a restrictive manner, subject to well-defined exceptions only. Ensure responsive, inclusive and participatory decision-making throughout all phases of the project, particularly for vulnerable and marginalised groups.
  - Develop a gender policy to assess and manage gender-specific adverse impacts.
  - Take proactive measures to protect environmental human rights defenders against reprisals.
  - Ensure that projects do not adversely impact the tenure security of communities, whether terrestrial or marine.
  - Include clauses in export credit insurance policies that allow for easier revocation of insurance if social, environmental and human rights standards are not met.
  - Reject requests for export credit support for projects that are planned in areas of high biodiversity importance, including in ecosystems of high ecological integrity.
  - Reject requests for export credit support for projects that have already been associated with human rights abuses or illegal environmental destruction.





**NO TO  
DREDGING**

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## ABBREVIATIONS

- Atradius DSB** • Atradius Dutch State Business, the export credit agency for the Dutch state
- Atradius NV** • private insurance company Atradius NV
- Boskalis** • Royal Boskalis Westminster
- CIPS** • Industrial and Harbour Complex of Suape
- CPI** • Centre Point of Indonesia
- CSO** • Civil Society Organisation
- ECA** • Export Credit Agency
- ECI** • Export Credit Insurance
- EIA** • Environmental Impact Assessment
- ESIA** • Environmental and Social Impact Assessment
- ESAP** • environmental social action plan
- GBF** • Global Biodiversity Framework
- IEA** • International Energy Agency
- ICSR** • International Corporate Social Responsibility
- IUCN** • International Union for Conservation of Nature
- Kalikasan PNE** • Kalikasan People's Network for the Environment
- KBA** • Key Biodiversity Area
- LNG** • Liquefied Natural Gas
- MBSDMP** • Manila Bay Sustainable Development Master Plan
- MPA** • Marine Protected Area
- NCP** • National Contact Point
- NDA** • Non-Disclosure Agreement
- NGO** • Non-Governmental Organisation
- NMIA** • New Manila International Airport
- NNL** • No Net Loss
- OECD** • Organisation for Economic Co-operation and Development
- OECD Guidelines** • OECD Guidelines for Multinational Enterprises
- PAMALAKAYA-Pilipinas** • National Federation of Small Fisherfolk Organizations of the Philippines
- SDG** • Sustainable Development Goal
- UN** • United Nations
- UNGPs** • UN Guiding Principles for Business and Human Rights
- UPC** • União Provincial de Camponês

# CHAPTER 1

## INTRODUCTION

*‘We have no objection to foreign companies coming to do business and making money, but it has to be done fairly and equitably. We want to see a fundamental change, where companies are not only mindful of profits, but also the local people and the environment.’*

Muhammad al Amin, Director, WALHI South Sulawesi

Recent years have witnessed an increase of large-scale marine and coastal infrastructure projects around the world, including ports, upmarket real estate developments and offshore energy, often built on land that is artificially reclaimed from the sea with sand that has been mined from the ocean floor. Despite carrying the ubiquitous promise of ‘development’, these projects have routinely wreaked havoc on coastal communities and marine biodiversity and ecosystems.<sup>1</sup> Impacts include involuntary displacement of communities, repression, loss of livelihoods, ecosystem destruction and violence against women. As such, these large-scale projects have emerged as major threats to human rights and the resilience of communities that are already bearing the brunt of climate change.

These controversial projects have prompted closer scrutiny of the dredging sector that implements these large-scale projects, as well as the broader regulatory context in which they operate.<sup>2</sup> The international dredging market is a multi-billion dollar industry that is dominated by a handful of multinational corporations,

known as the ‘big four’, which are based in the Netherlands and Belgium. Previous research of selected cases has demonstrated how these firms contribute, directly and indirectly, to adverse social and environmental impacts through their business operations.<sup>3</sup>

### 1.1 THE ROLE OF THE DUTCH EXPORT CREDIT AGENCY (ATRADIUS DSB)

A key issue that has received less attention, however, is the link between these projects and the export strategies of countries where dredging companies are headquartered. In the case of the Netherlands, Dutch dredgers receive a range of financial, institutional and diplomatic support from the Dutch government aimed at expanding their global market share. The most significant, and arguably least-known, form of public support is via the Netherlands’ Export Credit Agency (ECA). Through its ECA, Atradius Dutch State Business (Atradius DSB), the Netherlands has provided billions of euros of insurance to Dutch dredging companies and their financiers. Dutch dredgers are in fact Atradius DSB’s largest customers (see Figure 1).

The Netherlands is signatory to a host of international frameworks aimed at promoting respect for human rights and responsible business conduct, biodiversity protection and sustainable development. Dutch dredgers seeking support from Atradius



DSB are required to adhere to the OECD Guidelines for Multinational Enterprises (OECD Guidelines) and the UN Guiding Principles for Business and Human Rights (UNGPs), as detailed in the Netherlands Action Plan for Business and Human Rights.<sup>4</sup> In fact, Dutch support to controversial dredging projects is often justified by the claim that such



support contributes to more stringent application of said standards, thus (supposedly) resulting in a win-win situation between the Dutch private sector, and local communities and ecosystems.

As demonstrated in this report however, this narrative of Dutch excellence has no basis in local realities and has primarily served to legitimise the involvement of Dutch multinationals in controversial projects. Moreover, this narrative has obscured the experiences of communities impacted by these projects. Far from being socially and environmentally 'acceptable', these projects have been systematically associated with the destruction of ecosystems, livelihood loss and human rights abuses.

## 1.2 RATIONALE AND OBJECTIVES

This report is a collaborative publication by: Both ENDS (Netherlands), EKOMARIN (Indonesia), Forum Suape (Brazil), Kalikasan People's Network for the Environment (Kalikasan PNE, Philippines), Save Maldives Campaign (Maldives), União Provincial de Camponês (UPC, Mozambique) and WALHI/Friends of the Earth Indonesia-South Sulawesi (Indonesia), with additional contributions from the Centre for Research on Multinational Corporations (SOMO, Netherlands) and IUCN-NL (Netherlands). It builds on more than a decade of research and advocacy with affected communities, spanning seven ECA-supported Dutch dredging projects throughout the world. All seven cases have been classified as category A projects by Atradius DSB due to their high social and environmental risk.

Years of civil society engagement on the adverse impacts of Dutch dredging have been met with lofty promises of policy improvements on the side of Atradius DSB and dredging

companies. However, changes in policy have amounted to little more than window dressing, which is illustrated by the fact that some of the most egregious cases of human rights violations and environmental destruction have actually occurred in recent years.

This report represents a departure from the case-by-case advocacy of the above-mentioned organisations in an effort to demonstrate the *recurring and systemic* nature of adverse impacts throughout all cases. The harmful impacts of Dutch dredging have been largely obscured from view by the broader public due to poor transparency and the biased accounts of Atradius DSB, the Netherlands Ministry of Finance, the Netherlands Ministry of Foreign Affairs and the involved companies.

### The objective of this report is twofold:

1. To lift the curtain on Dutch ECA-supported dredging projects by making visible the struggles and impacts that affected communities and ecosystems have faced, while demonstrating how these impacts are, in part, the result of negligence on the side of Atradius DSB, the Ministry of Finance, Ministry of Foreign Affairs and Dutch dredgers.
2. To provide urgent policy recommendations to align the Netherlands export credit insurances with its international obligations on responsible business conduct, protection and promotion of human rights, biodiversity and sustainable development.

The findings presented in this report are based on the accounts of the authors and locally affected communities. As such it offers a unique, collaborative and in-depth investigation of the subject matter. With the exception of the Suez case

- 1 UNEP 2022, Sand and Sustainability. <https://www.unep.org/resources/report/sand-and-sustainability-10-strategic-recommendations-avert-crisis>
- 2 Ocean sand: Putting sand on the ocean sustainability agenda. Ocean Risk and Resilience Action Alliance (ORRAA) Report. [https://www.researchgate.net/publication/371541012\\_Ocean\\_Sand\\_Putting\\_sand\\_on\\_the\\_ocean\\_sustainability\\_agenda](https://www.researchgate.net/publication/371541012_Ocean_Sand_Putting_sand_on_the_ocean_sustainability_agenda)
- 3 Dredging in the dark <https://www.bothends.org/en/Whats-new/Publicaties/Dredging-in-the-Dark/>; Report Suape Harbor <https://www.bothends.org/en/Whats-new/Publicaties/Report-Suape-Harbor/>
- 4 National Action Plan Business and Human Rights <https://www.government.nl/documents/publications/2022/11/8/national-action-plan-business-and-human-rights>
- 5 Putting sand on the ocean sustainability agenda. Ocean Risk and Resilience Action Alliance (ORRAA) Report. [https://www.researchgate.net/publication/371541012\\_Ocean\\_Sand\\_Putting\\_sand\\_on\\_the\\_ocean\\_sustainability\\_agenda](https://www.researchgate.net/publication/371541012_Ocean_Sand_Putting_sand_on_the_ocean_sustainability_agenda)
- 6 Ocean sand: Putting sand on the ocean sustainability agenda. Ocean Risk and Resilience Action Alliance (ORRAA) Report. [https://www.researchgate.net/publication/371541012\\_Ocean\\_Sand\\_Putting\\_sand\\_on\\_the\\_ocean\\_sustainability\\_agenda](https://www.researchgate.net/publication/371541012_Ocean_Sand_Putting_sand_on_the_ocean_sustainability_agenda)
- 7 Boskalis Annual Review <https://boskalis.com/media/dkthx3dz/boskalis-annual-review-2022.pdf>
- 8 Van Oord Annual Report 2022. <https://annualreport.vanoord.com/annual-report/introduction/key-figures>
- 9 Press release Boskalis on the Manila Bay project <https://boskalis.com/nl/pers/persberichten-en-bedrijfsnieuws/boskalis-verkrijgt-eur-1-5-miljard-landontwikkelingsproject-voor-de-internationale-luchthaven-van-manilla-in-de-filipijnen>

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in Egypt, the authors continue to be in direct contact with those affected. Where possible the report also draws on supporting sources, such as academic research, freedom of information requests, media and NGO reports. Atradius DSB, the Netherlands Ministry of Finance and Foreign Affairs, Van Oord and Boskalis were invited to respond to a draft version of the report prior to its publication. Their responses can be found in Chapter 7.

The report is structured as follows. Chapter 2 discusses the business of dredging and the role of export credit insurance, as well as relevant normative frameworks on responsible business conduct, biodiversity and sustainable development. Chapter 3 provides a concise overview of the seven cases discussed in the report. Chapter 4 provides a detailed description of the various social, environmental and human rights impacts associated with the seven cases. Chapter 5 provides a detailed description of role and actions of Atradius DSB, Dutch dredgers and local governments in relation to the seven projects. Chapter 6 provides a conclusion and policy recommendations. Chapter 7 presents the response from Atradius DSB, the Netherlands Ministries of Finance and Foreign Affairs, Van Oord and Boskalis to the findings in this report.

# CHAPTER 2

## THE DREDGING SECTOR AND EXPORT CREDIT INSURANCE

### 2.1 THE BUSINESS OF DREDGING

Dredging refers to the extraction of sand and gravel, known as aggregates, from shallow riverine and marine ecosystems. Dredging is undertaken for a number of purposes, including mineral dredging, also known as sand mining, which entails the extraction of minerals with an economic value, and capital dredging, which entails the development of civil engineering works such as ports and coastal protection.<sup>5</sup> Land reclamation refers to a specific dredging activity whereby sand is extracted from one location and then transported and dumped in another location to create new land for the construction of real estate and/or infrastructure.

The dredging sector is organised in open and closed markets, with the former referring to markets that are open to international competition and the latter to markets that are restricted to domestic enterprises, such as those in China and the USA. The open dredging market is dominated by four multinational corporations ('the Big Four'), two of whom are based in the Netherlands, Royal Boskalis Westminster and Royal Van Oord, and two of whom are based in Belgium, DEME and Jan de Nul Group. Recent research by Jouffray et al (2023) found that these four companies control as much as 95% of the open dredging market and their revenues continue to grow.<sup>6</sup> Between 2021 and 2022, Boskalis' revenue increased from € 2.9 billion to € 3.5 billion,<sup>7</sup> while that of Van Oord increased from € 1.5 billion to € 2.0 billion in the same period.<sup>8</sup>

The dredging sector's customer base consists of governments and private companies, often working in tandem, for the purpose of developing large-scale coastal and marine infrastructure. Contracts in the open dredging market are usually, though not always, awarded through public tendering processes. Companies compete for contracts on the basis of a number of factors, including price, the size and availability of their fleet and their individual vessels, their reputation and relations with contracting governments, and the speed and flexibility with which they can deliver projects. Sometimes companies from 'the Big Four' will work together on a project, as with the Suez Canal case in Egypt and Pluit City land reclamation in Indonesia, both of which are described in this report.

### 2.2 THE ROLE OF EXPORT CREDIT AGENCIES

Dredging projects are usually very capital intensive. The biggest project by Boskalis – to construct new land for a new airport in Manila Bay – concerned a project worth € 1.5 billion.<sup>9</sup> One of Van Oord's biggest projects, an LNG project in Mozambique, was worth almost € 1 billion.<sup>10</sup> Both projects are discussed in detail below. Dredgers and private funders can insure themselves against the financial risks associated with such projects, such as non-payment from a contracting party, by applying for an export credit insurance or guarantee from a government backed export credit agency (ECA). By doing so, ECAs play a key role in ensuring the financial feasibility of high-risk dredging projects.

The Dutch Export Credit Agency is Atradius Dutch State Business (Atradius DSB), a subsidiary of the multinational company Atradius NV, which is based in Spain.<sup>11</sup> Atradius DSB offers a range of insurance and guarantees for exporters of capital goods, international contractors, banks and investors on behalf of the Dutch government, specifically the Ministry of Finance and the Ministry of Foreign Affairs.<sup>12</sup> Dredgers can apply to Atradius DSB for insurance while tendering for a project contract. In the case of projects with very high social and environmental risks (category A projects), Atradius DSB is required to conduct a due diligence process to assess if adverse impacts and proposed mitigation measures are deemed 'acceptable'. Once the assessment is completed, Atradius DSB presents its recommendations to the Ministry of Finance and the Ministry of Foreign Affairs, who have the final say in whether the insurance is granted to the applicant.

Considering the global dominance of Dutch dredgers (alongside those of Belgium), the Dutch state – through its ECA – is a key financial player in the context of the open dredging market. As such, the Dutch government has considerable leverage over these projects and the definition of 'acceptable' social and environmental impacts.

In the past twelve years (2012-2023) the Dutch government provided € 8.4 billion of export credit insurance to Boskalis and Van Oord,<sup>13</sup> 32% of Atradius DSB's total insured value of € 26.1 billion for that period. Boskalis received ECA support for 19 projects, Van Oord for 26 projects. The biggest project was the construction of an airport in Manila Bay, worth € 1.5 billion alone.<sup>14</sup>

<sup>10</sup> Press release Van Oord on the Mozambique LNG project <https://www.vanoord.com/nl/updates/vanoord-wint-grote-opdracht-voor-lng-project-mozambique/>

<sup>11</sup> This report only covers projects supported by Atradius DSB, the Export Credit Agency of the Dutch government.

<sup>12</sup> Atradius DSB's current contract with the Dutch government was recently found to be unlawful, as it was awarded without an open tender process as is required by Dutch and EU law. Although the matter is currently under investigation by the Ministry of Finance, Atradius DSB has been allowed to continue its operations as the Dutch ECA until 2027. <https://www.rijksoverheid.nl/documenten/kamerstukken/2023/11/27/status-update-comptabele-onrechtmatigheid-ekv>

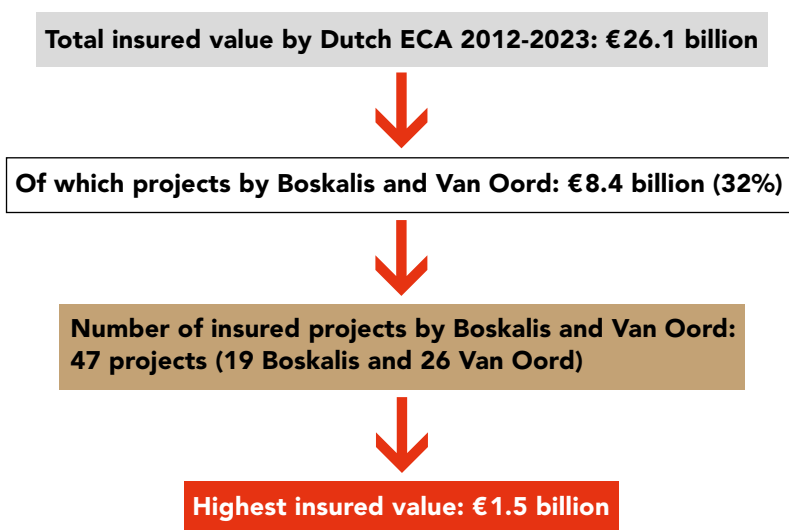
<sup>13</sup> Based on Atradius DSB's overviews: <https://atradiusdutchstatebusiness.nl/nl/publicaties/afgegeven-polissen.html> and <https://atradiusdutchstatebusiness.nl/nl/artikel/publicatie-a-projecten.html> Most insurances for Boskalis and Van Oord are dredging related projects with high social and environmental risks.

<sup>14</sup> Van Oord annual report 2022 <https://annualreport.vanoord.com/annual-report/introduction/key-figures>

<sup>15</sup> Due diligence guidance on stakeholder engagement in extractive industries <http://mneguidelines.oecd.org/stakeholder-engagement-extractive-industries.htm>

<sup>16</sup> Just and sustainable economy: Commission lays down rules for companies to respect human rights and environment in global value chains [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_22\\_1145](https://ec.europa.eu/commission/presscorner/detail/en/IP_22_1145)

**FIGURE 1**



### 2.3 INTERNATIONAL NORMATIVE FRAMEWORKS FOR RESPONSIBLE BUSINESS CONDUCT, BIODIVERSITY AND SUSTAINABLE DEVELOPMENT

Large-scale coastal and marine infrastructure projects can have far reaching implications for communities and ecosystems and are often associated with human rights abuses, biodiversity loss and unaccountable decision-making. The following section details three international normative frameworks that the Netherlands has adopted that are of particular relevance to its dredging sector and export credit insurance.



#### Human rights and environmental due diligence

The international normative framework for responsible business conduct is anchored by two authoritative, government-backed instruments: the OECD Guidelines for Multinational Enterprises (OECD Guidelines) and the UN Guiding Principles for Business and Human Rights (UNGPs). These standards cover a wide range of topics, from human and labour rights and environment to disclosure, climate, bribery and taxation, and include specific guidance on key topics, including meaningful stakeholder engagement.<sup>15</sup> They are based on protecting and respecting the fundamental rights in the UN

Universal Declaration on Human Rights, ILO Core Conventions, and other international agreements on social and environmental issues. The Netherlands, as a member of the OECD and signatory to the OECD Investment Declaration, has made a legally binding commitment to implement the OECD Guidelines.

The OECD Guidelines and UNGPs make clear that companies, including multinational dredging companies like Boskalis and Van Oord, as well as financiers like Atradius DSB, have a responsibility to respect human rights and avoid adverse impacts. Companies are expected to undertake a six-step process called 'due diligence' to identify, prevent, mitigate, and account for adverse impacts to human rights and the environment. This applies not only to impacts that they themselves may cause or to which they may contribute, but also expected impacts caused by other businesses or governments to which they are linked through their business relationships. Unfortunately, the implementation of these normative standards – both in the Netherlands and worldwide – remains patchy, and are largely left to the voluntary efforts of companies. The OECD Guidelines, while binding for signatory governments, are not legally binding for companies. To address this gap, some governments have adopted, or are developing, mandatory human rights and/or environmental due diligence legislation, including the EU<sup>16</sup> and the Netherlands.<sup>17</sup>

In addition to the expectation that it abide by the OECD Guidelines, Atradius DSB – as an export credit agency – is also legally obligated to follow the OECD's 'Common Approaches' framework, which sets out specific due diligence requirements for ECAs.<sup>18</sup> Despite some differences,<sup>19</sup> compliance with both the OECD Guidelines and the

Common Approaches is compatible, and the Dutch government expects Atradius DSB to comply with both.

Atradius DSB, Boskalis and Van Oord all have social and environmental sustainability policies on paper.<sup>20</sup> Yet as this report and countless others have shown, self-regulation by companies has failed to prevent and address adverse business-related human rights, environmental and climate impacts.

#### Biodiversity

The 2023 update of the OECD Guidelines added new language on harms to biodiversity as a specific adverse impact that companies are expected to prevent.<sup>21</sup> In addition, the Kunming-Montreal Global Biodiversity Framework (GBF) was adopted in December 2022 by 196 countries, including the Netherlands. The framework consists of 23 targets for 2030 and four goals for 2050, which serve as a pathway towards a 'global vision of a world living in harmony with nature by 2050.'<sup>22</sup> The targets relate to a number of themes that are highly relevant to Dutch ECA-back dredging projects, and the involvement of the Dutch state and Dutch dredging companies:

##### • Resilience of humans and nature

The GBF aims to bring the loss of areas with high biodiversity importance and ecosystem integrity down to almost zero by 2030. It also aims to halt human-induced extinction of threatened species through recovery and conservation measures. Importantly, the GBF addresses the interdependence of humans and biodiversity by calling for the restoration, maintenance and enhancement of nature's contribution to people through ecosystem-functions and services, including protection from natural hazards and disasters.

### • **Inclusive decision-making and justice**

The GBF calls for biodiversity to be integrated within and across all levels of government and sector, particularly those with significant impacts on biodiversity. It places a strong emphasis on inclusive, equitable and gender-responsive participation and representation in biodiversity decision-making, as well as access to justice and information for Indigenous people and local communities. It makes special mention of the rights of Indigenous peoples and local communities to their lands and territories as well as the need to ensure full protection to environmental human rights defenders.

### • **Businesses and incentives**

The GBF calls for legal, administrative and policy measures to ensure that large transnational corporations and financial institutions monitor, assess and transparently disclose their impacts in biodiversity throughout their operations, portfolios, and supply and value chains. Moreover, the GBF highlights the role of (state) incentives in biodiversity loss, calling for a yearly global reduction of harmful incentives by at least \$ 500 billion per year.

## **Sustainable Development**

In 2015, the Netherlands and 192 other members of the UN General Assembly adopted the 2030 development agenda, *Transforming our world: the 2030 Agenda for Sustainable Development*. The agenda includes 17 Sustainable Development Goals (SDGs) and an associated 169 targets and 232 indicators that are defined as 'integrated and indivisible'. The SDGs have since served as the authoritative global agenda on sustainable development covering a range of issues that are relevant to Dutch ECA-backed dredging projects, including but not limited to:

### • **Protection of poor and vulnerable groups**

The SDG framework places particular emphasis on protecting and increasing the welfare of vulnerable groups. For instance, it calls for strengthened policies and enforceable legislation for the promotion of gender equality, as well as secure (land) tenure rights for poor and vulnerable populations.

### • **Protection of marine ecosystems and livelihoods**

The SDG framework highlights the importance of marine ecosystems and marine livelihoods by calling for the protection of both. It makes specific reference to the need to protect the rights of small-scale artisanal fisherfolk to marine resources.

### • **Participatory decision-making and policy coherence**

The SDG framework includes a number of goals and targets pertaining to responsive and accountable governance and policy. For instance, it explicitly mentions the need for transparent institutions, and inclusive and participatory decision-making at all levels, as well as public access to information. It also includes a specific target on the issue of policy coherence for sustainable development.

17 Dutch government. Improve international corporate social responsibility. <https://www.rijksoverheid.nl/onderwerpen/internationaal-maatschappelijk-verantwoord-ondernemen-imvo/bevorderen-internationaal-maatschappelijk-verantwoord-ondernemen>

18 OECD. The "Common Approaches" <https://legalinstruments.oecd.org/public/doc/280/280.en.pdf>

19 See, for example: Both ENDS. Common Approaches vs OECD Guidelines. [https://www.bothends.org/uploaded\\_files/inlineitem/1160609\\_Common\\_Approaches\\_vs\\_OECD\\_Guidelines\\_logo\\_.pdf](https://www.bothends.org/uploaded_files/inlineitem/1160609_Common_Approaches_vs_OECD_Guidelines_logo_.pdf)

20 Atradius DSB. International CSR. <https://atradiusdutchstatebusiness.nl/nl/artikel/mvo.html>; Boskalis. Responsible business. <https://boskalis.com/sustainability/responsible-business>; Van Oord. Sustainability. <https://www.vanoord.com/en/sustainability/>

21 OECD Guidelines 2023 update. <https://mneguidelines.oecd.org/targeted-update-of-the-oecd-guidelines-for-multinational-enterprises.htm>

22 Convention on Biological Diversity <https://www.cbd.int/gbf/>

23 Artisanal fishing areas and traditional ecological knowledge: The case study of the artisanal fisheries of the Patos Lagoon estuary (Brazil). <https://www.sciencedirect.com/science/article/abs/pii/S0308597X07000735>

24 Traditional salt-pans hold major concentrations of overwintering shorebirds in Southeast Asia. [https://www.academia.edu/7330795/Traditional\\_salt\\_pans\\_hold\\_major\\_concentrations\\_of\\_overwintering\\_shorebirds\\_in\\_Southeast\\_Asia](https://www.academia.edu/7330795/Traditional_salt_pans_hold_major_concentrations_of_overwintering_shorebirds_in_Southeast_Asia)

25 FAO 2022. International Year of Artisanal Fisheries and Aquaculture. <https://www.fao.org/documents/card/en/c/cc5034en>

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# CHAPTER 3

## IN BRIEF: ECA-SUPPORTED DUTCH DREDGING PROJECTS



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### PORT EXPANSION, SUAPE, BRAZIL

**Dredging company: Van Oord**  
**Value of Dutch export credit insurance: €110 million**

In 2011 and 2012, Van Oord was awarded two insurances (€68.7 million and €41.5 million) for the expansion of the Suape Industrial Port Complex, in Pernambuco state, Brazil, which was considered to be one of Brazil's biggest economic development projects. The project was contracted by the Industrial and Harbour Complex of Suape (CIPS) and included the dredging of: 1) an entry channel and 2) a harbour basin for a new shipyard for the offshore oil sector. The project resulted in the forceful eviction of communities from the nearby Tatuoco island, as well as the destruction of 45 hectares of coastal mangrove forests and coral reefs, which supported many livelihoods in the local fishing economy.

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### SUEZ CANAL EXPANSION, EGYPT

**Dredging company: Boskalis & Van Oord**  
**Value of Dutch export credit insurance: €515 million**

In 2015, Boskalis and Van Oord were awarded insurance for the expansion of the Suez waterway through the development of an additional shipping canal and the widening of the existing one. The project was contracted to both companies, together with dredgers from Belgium and Abu Dhabi, by the Egyptian government. The project resulted in the excavation of 200 million cubic metres of aggregates over a period of just nine months, displacing over 2,000 people (approximately 500 families), and increasing risk to marine life in the Mediterranean Sea due to invasive species.

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### CENTRE POINT OF INDONESIA, MAKASSAR

**Dredging company: Boskalis**  
**Value of Dutch export credit insurance:**  
**€63 million**

In 2017, Boskalis was awarded insurance for the development of five artificial islands totalling 157 hectares off the coast of Makassar, South Sulawesi. The islands form the shape of a Garuda, Indonesia's national symbol. The project was contracted by the Indonesian company Ciputra Group, with the aim of developing upmarket residential and commercial real estate. These symbolically shaped islands were developed by displacing 43 families and destroying valuable coastal ecologies and local economies.

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### PLUIT CITY RECLAMATION, JAKARTA BAY, INDONESIA

**Dredging company: Boskalis**  
**Value of Dutch export credit insurance:**  
**€209 million**

In 2015, Boskalis was awarded insurance for the development of a 160-hectare artificial island in Jakarta Bay, Indonesia, intended for the development of upmarket residential real estate. The project, which was contracted by the Indonesia company PT Muara Wisesa Samudra, was strongly resisted by fisherfolk whose livelihoods were affected. Nearly a decade on, the land reclamation is currently an undeveloped mass of sand collecting rubbish in Jakarta Bay.

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### NEW MANILA INTERNATIONAL AIRPORT (NMIA), MANILA, PHILIPPINES

**Dredging company: Boskalis**  
**Value of Dutch export credit insurance:**  
**€1,500 million**

In 2022, Boskalis was awarded insurance for the creation of a massive 1,700-hectare land reclamation for the development of a new international airport, in the coastal zone Bulacan province in Manila Bay. The project was contracted to Boskalis by the company San Miguel Corporation, which is based in the Philippines. The project has been associated with involuntary displacement of hundreds of families, the loss of livelihoods for tens of thousand fisherfolk, and the destruction of key biodiversity sites spanning mangroves, mudflats, sandy beaches, coral reefs, and seagrass.

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### GULHIFALHU PORT DEVELOPMENT, MALDIVES

**Dredging company: Boskalis**  
**Value of Dutch export credit insurance:**  
**€126 million**

In 2023, Boskalis was awarded an insurance for a 192-hectare land reclamation and port development project in the Gulhifalhu lagoon, the Maldives. The project was contracted by the Maldives government and is the second of a two-phased development awarded to Boskalis that is aimed at alleviating marine traffic congestion. The project is expected to wreak havoc on the inner lagoon, coral reefs and a Marine Protected Area, as well as the local tourism sector and fishing industry that rely on these marine ecosystems.

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### MOZAMBIQUE LNG, CABO DELGADO

**Dredging company: Van Oord**  
**Value of Dutch export credit insurance:**  
**€970 million**

In 2021, Van Oord was awarded insurance for the development of near-shore, subsea LNG infrastructure in the province of Cabo Del Gado, Northern Mozambique. The project was contracted by TotalEnergies and is part of a controversial (on and offshore) fossil gas development that has been associated with a violent insurgency in Northern Mozambique, displacing one million people, leading to the deaths of thousands, attacks on journalists and human rights defenders, and increased gender violence. The gas development has directly resulted in the involuntary displacement of 600 families and the near-shore works are expected to severely impact marine and coastal ecosystems and the livelihoods dependent on them.

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# CHAPTER 4

## SOCIAL, ENVIRONMENTAL AND HUMAN RIGHTS IMPACTS OF ECA-SUPPORTED DUTCH DREDGING PROJECTS

The rights, health and well-being of coastal communities – including their cultural and livelihood practices – are closely linked to the environmental and ecological health of coastal ecosystems. As such, the socio-economic impacts of dredging go hand-in-hand with the environmental impacts. In this chapter, we describe the adverse impacts on local communities of water-related infrastructure projects built by Boskalis and/or Van Oord, with the public financial support of the Dutch Export Credit Agency, Atradius.

### 4.1 COASTAL COMMUNITIES

Coasts are complex and delicate environments that support millions of people worldwide, including communities of small-scale fishers and collectors, as well as farmers and salt-makers, whose livelihoods are closely tied to the ecological health of and access to coasts. They are custodians of traditional ecological knowledge, often passed down through generations.<sup>23</sup> Their intimate knowledge of site-specific ecological conditions, combined with small-scale and relatively sustainable fishing and farming practices, knowledge of low-energy fish preservation techniques, and a focus on catering primarily to local markets allows both men and women fishers and farmers to derive value from the coast with minimal impacts. Coastal farmers cultivate land in-tune with the seasonal fluctuations of water and salinity levels along the coast, while salt-makers make wise use of coastal wetlands by engineering salt

pans that also form feeding grounds for migratory birds.<sup>24</sup>

In many parts of the world, as is reflected in the case studies described here, artisanal fishing practices have survived despite increased competition from large-scale and industrial, environmentally unsustainable fishing methods. While the artisanal fishing sector contributes only 40% of global fish production, it employs 90% of all workers involved in the fishing sector, 95% of whom operate in the Global South, which amounts to 60 million people, of which an estimated 45 million are women.<sup>25</sup> Women play crucial roles in fisher economies, not only fishing and gathering, but also fish cleaning, selling, preservation and cooking. Artisanal fishing also supports other specialised livelihoods, such as boat-making and net repair.

### 4.2 INVOLUNTARY DISPLACEMENT AND LOSS OF LIVELIHOODS

In August 2014, the Egyptian President announced plans to add an extra shipping lane to the Suez Canal, at a record-breaking pace of nine months. The contracts for this project were awarded to Boskalis, Van Oord and dredgers from Belgium and Abu Dhabi. Just two months later, in October, it was reported that two towns with a total of 1,500 homes had been destroyed and 500 families had been ordered to leave by the Egyptian army. The families were evicted from their homes without compensation.<sup>26</sup>

The lightning speed in which the lives of the Egyptian families were turned upside down is unusual, but their involuntary displacement is not. One of the most devastating impacts of large-scale coastal and marine infrastructure projects is involuntary displacement and forced eviction of coastal communities, and the loss of or restriction of access to coastal areas. Such projects are often located at or around coastal commons, areas that can be accessed and used by all members of the community, and serve a variety of crucial functions in coastal and fishing communities, including economic, ecological, social, cultural and recreational. Coastal commons are governed by customary rights and structures of communities, which are often undocumented. In many cases, states fail to acknowledge coastal commons, making communities vulnerable to displacement without compensation. Furthermore, in the context of historical socio-economic marginalisation of traditional coastal communities, the obstacles to legal recourse are significant. In several cases described in this report, state military and paramilitary forces have been employed to forcefully, and sometimes violently, evict communities with little or no compensation. The absence of public consultations or redress mechanisms, as well as repression of dissent, constitutes a recurring theme in these dredging projects.

Claims of economic development and job creation have been made about all the projects discussed in this report. Yet for displaced coastal communities, they have consistently resulted in loss of livelihoods while failing to provide dignified alternative employment. The destruction of coastal ecology caused by disruptive processes of dredging, sand dumping and construction has impacted the very capacity of these ecosystems to support the livelihoods of those who once derived benefits



*‘For two years, we have suffered from the impacts of dredging. Aside from decreasing our (fish) catch, it has also led to the erosion of sand from our shores, leaving us with little space to park our boats.’*

Fisherman from Cavite, Manila Bay

from them. This is indicative of long-term, often irreversible, environmental impacts, which in turn lead to serious economic impacts. Below we elaborate the livelihood losses caused by dredging projects insured by the Dutch ECA, as well as the repression in decision-making processes.

For construction of the **New Manila International Airport in the Philippines (NMIA)**, 1,700 ha of land is currently being reclaimed by Boskalis in wetlands where fishing communities had, until recently, lived for generations. According to research by the international human rights organisation Global Witness. Approximately 700 fisher families have been involuntarily displaced so far, without prior consultation about the airport development.<sup>27</sup> Some were even forced to demolish their own homes to make way for the airport.<sup>28</sup> Of these, only half have received some level of compensation, usually cash, which was not enough to cover the cost of a new house or lot. Families reported being intimidated by armed forces that were deployed in their village and being pressured to accept cash compensation. Of the 700 families, only six received replacement housing, and, in return, were required to sign agreements prohibiting them from speaking out against the project or its owner, San Miguel Corporation. These evictions continued throughout the peak of the COVID-19 pandemic,

despite the Department of Interior and Local Government in the Philippines issuing a memo calling for a stop to the demolitions due to the health crisis.<sup>29</sup>

The airport development has had a devastating impact on livelihoods and the fishing economy in Bulacan. Some fishing grounds around Bulacan, once rich in sardines, mackerels, slip-mouths and anchovies,<sup>30</sup> have been destroyed by the dredging, whereas access to other areas has been blocked by the dredging and reclamation works. These livelihood impacts have also been felt far beyond the reclamation site in Bulacan, most notably in the coastal province of Cavite, where near-shore sand mining for the airport reclamation has devastated the local fishing economy. According to the National Federation of Small Fisherfolk Organizations of the Philippines (PAMALAKAYA-Pilipinas), the livelihoods of some 20,000 fisherfolk have been threatened by the project. As is often the case, impacts on women have been particularly insidious, as it is women who play a key role in the processing and preparation of fish for sale, and who bear bearing the primary responsibility for providing for their families.

The Manila Bay airport project has been fiercely opposed by communities and environmental and human rights groups, with significant personal risk:

<sup>26</sup> Thousands of Egyptians evicted without compensation for Suez project. The Guardian - Cairo. <https://www.theguardian.com/world/2014/sep/03/egyptians-evicted-without-compensation-suez-canal-project>

<sup>27</sup> Global Witness. Runaway Risk. <https://www.globalwitness.org/en/campaigns/holding-corporates-account/runaway-risk/>

<sup>28</sup> Environmental advocates question push for Bulacan airport during pandemic. <https://www.rappler.com/moveph/advocates-question-push-bulacan-airport-amid-coronavirus-pandemic/>

<sup>29</sup> Airport City displaces Bulacan fisherfolk. <https://www.rappler.com/environment/airport-city-displaces-bulacan-fisherfolk/>

<sup>30</sup> Reclamation hinders genuine development for marginalized sectors in coastal communities along Manila Bay. Manila Today. <https://manilatoday.net/reclamation-hinders-genuine-development-for-marginalized-sectors-in-coastal-communities-along-manila-bay/>

<sup>31</sup> Global Witness. Standing firm. <https://www.globalwitness.org/en/campaigns/environmental-activists/standing-firm/>

<sup>32</sup> Scientist group condemns detention and harassment of fisherfolk in Bulacan, seeks probe by CHR and DENR. <https://aghamsftp.wordpress.com/2021/11/04/scientist-group-condemns-detention-and-harassment-of-fisherfolk-in-bulacan-seeks-probe-by-chr-and-denr/>

<sup>33</sup> Aljazeera. ‘We will cut out your tongue’: Filipino activists recount kidnap ordeal. <https://www.aljazeera.com/news/2023/10/19/we-will-cut-out-your-tongue-filipino-activists-recount-military-kidnap>

<sup>34</sup> NRC. News article in Dutch newspaper. <https://www.nrc.nl/nieuws/2023/02/03/op-de-filippijnen-is-boskalis-een-scheldwoord-geworden-a4156007?t=1705559099>

the Philippines is recognised as one of the most dangerous places in the world for environmental defenders.<sup>31</sup> Communities in Bulacan have faced various forms of harassment and arbitrary detention by security forces deployed in the project area.<sup>32</sup> In 2023 two volunteers from the Bulacan group AKAP Ka Manila Bay, both women environmental human rights defenders, testified to being violently abducted by security forces after they were reported missing for several weeks. The case made international headlines and was widely perceived as being linked to their work with affected communities to resist land reclamation.<sup>33</sup>

'Boskalis has become a swear word in the Philippines'. Headline in Dutch newspaper NRC, 3 February 2023.<sup>34</sup>

*'Between December and March, we would catch white shrimp to sell on the market. Before the mining by Boskalis we would earn Rp. 700,000 per day. During the mining this reduced to Rp. 70,000.'*

Fisherman along the Takalar coast in South Sulawesi

HEADLINE

Op de Filippijnen is  
Boskalis een  
scheldwoord geworden



Fisherfolk in Manila Bay putting up a stationary 'saprahan' fish trap. Photo credit: Kathleen Lei Limayo.



A photo of armed soldiers in a Bulacan fishing community prior to their displacement for the airport development. Communities have reported intimidation and arbitrary detention by the armed forces. Photo credit: AKAP KA Manila Bay.

35 Fair Green Global. The story of Centre Point Indonesia. <https://fairgreenglobal.org/stories/the-story-of-centre-point-indonesia/>

36 Mongabay. When the Takalar Sea Continues to be Threatened by Sand Mines. [https://www-mongabay-co-id.translate.goog/2017/05/30/ketika-laut-takalar-terus-terancam-tambang-pasir/?\\_x\\_tr\\_sl=auto&\\_x\\_tr\\_tl=en&\\_x\\_tr\\_hl=en](https://www-mongabay-co-id.translate.goog/2017/05/30/ketika-laut-takalar-terus-terancam-tambang-pasir/?_x_tr_sl=auto&_x_tr_tl=en&_x_tr_hl=en); Mongabay. Sand mining, land reclamation meet fierce resistance in Makassar. <https://news.mongabay.com/2017/07/sand-mining-land-reclamation-meet-fierce-resistance-in-makassar/>; Mongabay. Rejecting the Sand Mine, North Galesong Community Reports to KPK. [https://www-mongabay-co-id.translate.goog/2017/06/08/tolak-tambang-pasir-masyarakat-galesong-utara-lapor-ke-kpk/?\\_x\\_tr\\_sl=auto&\\_x\\_tr\\_tl=en&\\_x\\_tr\\_hl=en](https://www-mongabay-co-id.translate.goog/2017/06/08/tolak-tambang-pasir-masyarakat-galesong-utara-lapor-ke-kpk/?_x_tr_sl=auto&_x_tr_tl=en&_x_tr_hl=en);



Representatives of the National Federation of Small Fisherfolk Organisations in the Philippines demonstrate against land reclamation in Manila Bay. The airport project is the largest and most controversial reclamation project in Manila Bay. Photo credit: Global Witness and Basilio.

In **Makassar, Indonesia**, families have been forcefully displaced to make way for the artificial Garuda-shaped islands that form the **Centre Point of Indonesia** (CPI), which was developed by Boskalis. The CPI was built to create upmarket real estate – housing that is totally inaccessible to the region’s vulnerable populations. The new islands were planned to overlap existing, naturally-formed islands in the delta region, which were home to 43 families. Despite having lived on the land for decades, the families were informed, through eviction letters, that the land belonged to the company PT Yasmin Asmi Buri, which sought to develop the project on behalf of the South Sulawesi government together with the company Ciputra Group. The families were told that they had less than a month to leave their homes and that they were not eligible for compensation. On 10 March 2014, police and military forces demolished all the buildings in the delta region. Rendered homeless, some evicted residents were forced to live under a nearby bridge for years, while others lived illegally in public spaces or in small over-crowded rooms.<sup>35</sup>

Far from improving the lives of local communities, the CPI project has severely damaged coastal ecologies, contributing to further entrenchment



of coastal communities in a vicious cycle of poverty. As with other land reclamation cases, the impacts were also caused by sand mining for the reclamation, which occurred near the coast of Galesong some 20 kilometres away. Fisherfolk in Galesong strongly resisted the sand mining through demonstrations, official complaints, and confrontations with sand mining vessels that were met with repression.<sup>36</sup> The fish catch in their popular near-coast fishing grounds has been reduced by as much as 80 per cent,<sup>37</sup> forcing fishers to go further out to catch fish, increasing their need for fuel – from roughly 1.5 litres per day to between 5-10 litres per day – and associated expenses.<sup>38</sup> Moreover, coastal erosion from sand mining has exposed local communities to waves, resulting in damage to fishing sites, houses, docks and a cemetery.

## HEADLINE

# Sand mining, land reclamation meet fierce resistance in Makassar

By Rahmat Hardiansya, Wahyu Chandra on 10 July 2017 / Adapted by Basten Gokkon / Mongabay news in 2017 on fishers’ protests in Makassar.<sup>39</sup>

Mongabay. Indonesian fishers opposed to dredging project hit by ‘criminalization’ bid. <https://news.mongabay.com/2020/08/indonesian-fishers-opposed-to-dredging-project-hit-by-criminalization-bid/>

<sup>37</sup> Fair Green Global. The story of Centre Point Indonesia. <https://fairgreenglobal.org/stories/the-story-of-centre-point-indonesia/>

<sup>38</sup> Solidaritas Perempuan Anging Mammiri South Sulawesi & Transnational Institute. Gender and Fisheries in Indonesia.

<https://longreads.tni.org/gender-and-fisheries-in-indonesia>

<sup>39</sup> Mongabay. Sand mining, land reclamation meet fierce resistance in Makassar. <https://news.mongabay.com/2017/07/sand-mining-land-reclamation-meet-fierce-resistance-in-makassar/>

<sup>40</sup> Both ENDS. Report Suape. <https://www.bothends.org/nl/Actueel/Publicaties/Rapport-Suape/>

<sup>41</sup> RIMA Complementar, Avaliação de Impacto Ambiental, Estaleiro Promar S.A. – Suape, p 51.

<sup>42</sup> The crooked paths of Suape. Reporter Brasil, Pernambuco. <https://reporterbrasil.org.br/2017/11/the-crooked-paths-of-suape/>

<sup>43</sup> Tatuoca, a stolen island <https://www.youtube.com/watch?v=y5Rt0Tw0w1A>; An eviction in Suape. <https://www.youtube.com/watch?v=ea630MgMnvs>

<sup>44</sup> Both ENDS. Review of dredging activities for entry channel and harbor basin of Promar S.A. shipyard, Suape, Brazil. [https://www.bothends.org/uploaded\\_files/document/130222\\_Report\\_Suape.pdf](https://www.bothends.org/uploaded_files/document/130222_Report_Suape.pdf)

<sup>45</sup> The Guardian. Brazil's shellfishing communities blighted by industrial pollution. <https://www.theguardian.com/global-development/2014/mar/04/brazil-shellfishing-communities-pernambuco-industrial-pollution>



Fishers protest on CPI island. The banner reads: 'Save our seas, reject Takalar marine mining'.  
Photo credit: WALHI South Sulawesi.



The eviction of a woman on Gusung Tanjung Island, Makassar, the place where the mosque is now located on the CPI reclamation.  
Photo credit: Sanovra Jr/Tribun-Timur.com.



One of the 43 families evicted from their home for the CPI project. The man has lived under a bridge ever since.  
Photo credit: Both ENDS, 2019.



The damaged cemetery along the Takalar coast due to increased coastal erosion after the dredging by Boskalis.  
Photo credit: Both ENDS, 2019.



Fishers' protest near the dredging vessel of Boskalis, named Queen of the Netherlands.  
Photo credit: WALHI South Sulawesi.



Former resident of Tatuoca island looking at the Suape port from his house, the last one standing on the island.  
Photo credit: Forum Suape.

The **Suape Industrial Port Complex in Brazil**, is located in Pernambuco, one of the country's most impoverished states. For generations, it has been home to traditional fishing communities and small-scale farmers, many of whom are descendants of enslaved people who worked on sugar plantations. In 2011-2012, Suape Port, which is a public company owned by the state of Pernambuco,<sup>40</sup> was expanded by Van Oord. Around 48 families (185 individuals) were forcefully evicted from their lands on the island of Tatuoca. Some of the families had been on the land for more than 70 years and were eligible for special customary rights under Brazilian law.<sup>41</sup> Nevertheless, they were threatened by the port's security forces, essentially a private militia,<sup>42</sup> and violently expelled without adequate compensation.<sup>43</sup>

Local communities were severely affected by the dredging activities and by haphazard dumping of dredged materials along the coast, including in areas very close to the coastline.<sup>44</sup> These impacts were confirmed by the Suape harbour authority and the Secretariat of Environment and Sustainability of the Pernambuco government, yet no clean-up or restoration activities took place. The construction of the shipyard also resulted in the culling of mangroves, which affected fish breeding grounds, as well as areas of shellfish picking. The impacts were felt severely by local women, who are the main artisanal fishers in the area. The state of Pernambuco is home to 5,200 marisqueiras, or shellfish fisherwomen, who harvest mollusks, sand crabs, brown crabs and other shellfish from mangrove forests. Pollution from the port and port-related industries, such as oil refineries, petrochemical plants and shipping yards, has affected the health of shellfish as well as the marisqueiras, who have suffered gynaecological disorders, skin diseases and loss of livelihoods.<sup>45</sup>



Refugee centres in Cabo Delgado province, Mozambique. Photo credit: Justiça Ambiental.

*'I'm more afraid of the Mozambican military than the bandits. From the military you expect them to help you, however they hinder me from doing my work. They want to keep the war silent because of the investors. They don't want me to report on the bloodshed of the terrorists and the soldiers.'*

Mozambican journalist<sup>53</sup>

In **Cabo Delgado**, one of the poorest regions of **Mozambique**, a major **liquefied natural gas (LNG) project** is being developed by TotalEnergies, which has contracted Van Oord to build the near-shore, sub-sea infrastructures. The controversial project is being developed against a background of violent insurgency in the region, which has led to the deaths of thousands of civilians, while

displacing an estimated 800,000 more.<sup>46</sup> From the start of the project, TotalEnergies failed to take into account the context of armed conflict in the region, and disregarded the human rights and basic needs of local communities.<sup>47</sup> Most of the extracted gas is intended for export, despite 70% of the Mozambican population living without access to electricity.





Refugee centres in Cabo Delgado province, Mozambique. Photo credit: Justiça Ambiental.<sup>52</sup>

Construction of the LNG facilities, on and offshore, has contributed to forced displacement and livelihood loss in the region, with 600 families being resettled so far. Displaced communities were told that they would be generously compensated with new land, facilities and cash, but the management of the resettlement and compensation process was grossly inadequate.<sup>48</sup> In 2021, Human Rights Watch reported that the resettlement village of Quitunda lay dilapidated, lacking water, food, and other basic services, and vulnerable to attacks by insurgents.<sup>49</sup>

Years after being displaced, most of the resettled families have yet to receive livelihood compensation in the form of replacement farmland. For those that have, plots have often been considerably smaller than the land that was lost. These plots are also located far from the resettlement village, thus forcing people to take lengthy commutes through a region plagued by violent conflict. To make matters worse, land given to displaced farmers had actually been used by other communities that already lived in the region, leading to social tensions between resettled groups and host

*‘The terrorists slaughtered some 15 people with machetes. They grabbed them and stabbed them to death. Then they cut off their heads and put it on the corpse’s chest. Then mercenaries came in a helicopter and started shooting people.’*

Witness of one of the terrorist attacks in Cabo Delgado<sup>54</sup>

<sup>46</sup> Justica Ambiental!. Challenging the UK government in court: Stop financing gas in Mozambique! <https://ja4change.org/2021/12/06/challenging-the-uk-government-in-court-stop-financing-gas-in-mozambique/>

<sup>47</sup> Milieudedefensie. Report Uprights on TotalEnergies and Mozambique LNG. <https://milieudedefensie.nl/actueel/report-uprights-on-total-and-lng-mozambique.pdf>

<sup>48</sup> Friends of the Earth Europe & Justica Ambiental!. Fuelling the Crisis in Mozambique - How Export Credit Agencies contribute to climate change and humanitarian disaster. <https://friendsoftheearth.eu/wp-content/uploads/2022/05/Fuelling-the-Crisis-in-Mozambique.pdf>

<sup>49</sup> Human Rights Watch. Mozambique: Civilians Prevented from Fleeing Fighting. <https://www.hrw.org/news/2021/08/06/mozambique-civilians-prevented-fleeing-fighting>

<sup>50</sup> Stop Mozambique gas campaign. <https://stopmozgas.org/why-no-to-gas/human-rights/>

<sup>51</sup> BankTrack, Milieudedefensie & Oil Change International. Locked out of a just transition - Fossil fuel financing in Africa. [https://www.banktrack.org/download/locked\\_out\\_of\\_a\\_just\\_transition\\_fossil\\_fuel\\_financing\\_in\\_africa/07\\_md\\_banktrack\\_fossil\\_fuels\\_africa\\_rpt\\_hr\\_1.pdf](https://www.banktrack.org/download/locked_out_of_a_just_transition_fossil_fuel_financing_in_africa/07_md_banktrack_fossil_fuels_africa_rpt_hr_1.pdf)

<sup>52</sup> For more images see: <https://stopmozgas.org/from-the-ground/images/>

<sup>53</sup> Minute 24 [https://npo.nl/start/serie/frontlinie/seizoen-1/het-verloren-paradijs\\_1](https://npo.nl/start/serie/frontlinie/seizoen-1/het-verloren-paradijs_1)

<sup>54</sup> Minute 25 [https://npo.nl/start/serie/frontlinie/seizoen-1/het-verloren-paradijs\\_1](https://npo.nl/start/serie/frontlinie/seizoen-1/het-verloren-paradijs_1)

<sup>55</sup> NRC. The Netherlands ignored warnings about kidnappings and beheadings at a gas project in Mozambique. <https://www.nrc.nl/nieuws/2021/11/01/nederland-negeerde-waarschuwingen-van-eigen-ambassade-over-geweld-in-noord-mozambique-a4063888>

communities. Fisherfolk on the other hand, found themselves relocated many kilometres inland without access to their fishing grounds. Although new grounds were assigned in a nearby village, fisherfolk were required to take a bus chartered by TotalEnergies to get there. Such a rehabilitation plan is emblematic of a poor understanding of artisanal fishing, which cannot be done on a fixed time schedule. Furthermore, the arrangement restricted the mobility and thus the livelihoods of women fishers, who could no longer collect shells, plants and small animals at the shore.

In other cases, displaced households opted for financial compensation instead of replacement land. However, families choosing compensation were required to sign their agreement in public, making them highly vulnerable to shakedowns and theft. This resulted in a number of horrific incidents involving extortion at the hands of Mozambican security forces, including kidnapping and sexual assault towards woman.<sup>50</sup> TotalEnergies had also promised replacement jobs for affected communities, but only unskilled short-term jobs were made available, such as construction and cleaning work. These jobs were deemed inadequate by the local communities, particularly women.<sup>51</sup>

The **Pluit City Reclamation Project**, contracted to Boskalis and Van Oord, entailed creation of a 160-hectare artificial island for upmarket residential and commercial real estate, built on top of fertile fishing grounds. It was one of 17 artificial islands that were proposed for development in **Jakarta Bay**, Indonesia. However, the proposed islands have been the subject of decades of public resistance, and legal battles between property developers and the government of Jakarta. In 2003, the reclamations in Jakarta Bay were



declared environmentally unfeasible by the Ministry of Environment.<sup>57</sup> The main objections to the land reclamations were their impacts on biodiversity, fisherfolk and the exacerbation of flood risk in Northern Jakarta Bay.

Although the permits for most of the island reclamations were eventually revoked in 2018, reclamation for Pluit City was allowed by the court to continue.<sup>58</sup> Located near the Muara Angke fishing harbour, Pluit City reclamation was estimated to impact the livelihoods of thousands of local fisherfolk, who widely rejected the project. Fisherfolk in the waters of nearby Serang Regency,<sup>59</sup> where Van Oord and Boskalis conducted sand mining for the reclamation, also resisted the project, which resulted in turbidity and damaged the area's coral reefs and fishing gear. Despite being one of the few island projects that

was permitted to continue, the Pluit City reclamation project was never completed and is now an undeveloped sand mass collecting rubbish in Jakarta Bay.

The **Gulhifalhu Port Development Project in the Maldives** is a two-phased project contracted to Boskalis by the Maldives government consisting of 192 hectares of land reclamation and construction of a new port. The project is expected to significantly impact livelihoods in the surrounding area. The Maldives' rich cultural heritage is deeply connected to the sea and marine environment, and many traditional practices are tied to the use and conservation of marine resources. The loss of these habitats could have far-reaching impacts on the culture and way of life of local communities, as well as livelihoods.<sup>60</sup> Dredging for the second phase of the project, which began in July 2023,<sup>61</sup> will destroy the Gulhifalhu lagoon, part of which has been designated a Marine Protected Area (MPA) since 1995. Thirty dive sites are expected to be negatively impacted while the last remaining natural reef that is freely accessible to local people in the populous Greater Male' Area will be destroyed.<sup>62</sup> As shown in the project's Environmental Impact Assessment (EIA),<sup>63</sup> this could disrupt traditional fishing practices and bait fishery areas, potentially leading to declines in fish stocks and directly impacting fisherfolk, their livelihoods and food security.

## HEADLINE

# Total accused of manslaughter over Mozambique terrorist attack

Seven survivors or families of victims of a bloody jihadist attack in Palma (Mozambique) in March 2021 have lodged a complaint for 'involuntary manslaughter and failure to provide assistance to a person in danger' against TotalEnergies, which was then carrying out a mega-gas project in the region.<sup>56</sup>

<sup>56</sup> TotalEnergies accused of manslaughter over Mozambique terrorist attack. <https://www.energyvoice.com/oilandgas/africa/Ing-africa/538716/total-accused-of-manslaughter-over-mozambique-terrorist-attack/>

<sup>57</sup> Decree no. 14 of 2003 issued by the minister of Environment stating that the reclamation project is not environmentally feasible.

<sup>58</sup> Kompas. The Long History of Island G, Now Filled with Rubbish and Eroded by the Sea. <https://megapolitan.kompas.com/read/2022/09/26/16393831/sejarah-panjang-pulau-g-yang-kini-dipenuhi-sampah-dan-terkikis-air-laut?page=all>

<sup>59</sup> Video from fishermen protesting in 2016: <https://www.youtube.com/watch?v=BrEPyWR9Hsw>

<sup>60</sup> Banktrack. Gulhifalhu Reclamation Project. [https://www.banktrack.org/project/gulhifalhu\\_dredging\\_and\\_reclamation\\_project\\_maldives](https://www.banktrack.org/project/gulhifalhu_dredging_and_reclamation_project_maldives)

<sup>61</sup> Dredging Today. Boskalis kicks off second phase of Gulhifalhu land reclamation project. <https://www.dredgingtoday.com/2023/07/04/boskalis-kicks-off-second-phase-of-gulhifalhu-land-reclamation-project/>

<sup>62</sup> Contested Ports - Gulhifalhu, Maldives. Open letter to the people of The Netherlands, from the environmentally endangered Maldives. <https://www.contestedports.com/gulhifalhu-maldives/>

<sup>63</sup> Environment Impact Assessment Report Gulhifalhu. <https://www.gulhifalhu.mv/wp-content/uploads/2021/12/EIA-V1.pdf>

<sup>64</sup> NOS. Protest in the Maldives against projects of large Dutch dredging companies. <https://nos.nl/artikel/2468266-protest-tegen-projecten-van-grote-nederlandse-baggerbedrijven-in-de-malediven>

<sup>65</sup> Ecological Economics. Ecological goods and services of coral reef ecosystems. <https://www.sciencedirect.com/science/article/abs/pii/S0921800999000099>

## HEADLINE

# Protest tegen projecten van grote Nederlandse baggerbedrijven in de Malediven

'Protest in the Maldives against projects of large Dutch dredging companies.' Headline in Dutch news site NOS, 21 March, 2023.<sup>64</sup>

## HEADLINE

# Nederland negeerde bij gasproject waarschuwingen over ontvoeringen en onthoofdingen in Mozambique

'The Netherlands ignored warnings about kidnappings and beheadings at a gas project in Mozambique. Two Dutch ministries ignored warnings from their own embassies about participating in a gas project in Northern Mozambique. Dredging company Van Oord had to leave due to the violence.' Headline in Dutch newspaper NRC, 1 November 2021.<sup>55</sup>

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### 4.3 COASTAL AND MARINE ECOSYSTEMS

The harm caused by dredging projects to local communities is intertwined with the damage to coastal and marine ecosystems. In addition to supporting the lives and livelihoods of coastal communities, coastal and marine ecosystems are crucial – and highly vulnerable – habitats for plants and other organisms. Seagrasses and mangroves, which evolved to survive in saline waters, provide essential environments for the support of complicated aquatic food chains, including fish, snails, shells, crabs and prawns. These aquatic animals further support multiple bird species, including many migratory birds. Shallow mudflats and coral reefs, known as the ‘rainforests of the sea’, are well-known biodiversity hotspots. Historically, they have supported a third of the world's fish, despite covering barely 0.1-0.5% of the ocean floor.<sup>65</sup>

Coastal vegetation and landforms such as sandbars, beaches and dunes not only regulate water quality by preventing saltwater intrusion, but also form natural buffers against floods and a rising sea-level.<sup>66</sup> Coastal ecosystems are especially good at storing carbon and are considered one of the most cost-effective forms of climate mitigation. Mangrove forests, intertidal marshes and seagrass beds are sometimes called ‘blue carbon ecosystems’ as they continuously take up atmospheric carbon dioxide, effectively storing large amounts of carbon in soils and sediments.<sup>67</sup> In fact, mangroves are known to store three to five times as much carbon per acre than tropical forests.<sup>68</sup> Similarly, a growing body of scientific research has demonstrated how marine sediments play a crucial role in sequestering carbon and that disturbances to the sea floor, such as sand mining, can potentially result in carbon being released back to the atmosphere.<sup>69</sup>

### 4.4 HABITAT DESTRUCTION AND BIODIVERSITY LOSS

A growing body of academic research has demonstrated how dredging negatively impacts marine ecosystems and biodiversity, including fish, birds and other marine life.<sup>70</sup> Impacts can occur both at and around the excavation site, as well as the site where material is disposed of (by dumping or reclamation). Impacts to aquatic life from dredging activities include sediment stress and turbidity from the dredged-up material, which is both suspended in the water and deposited over habitats. Sediment plumes can extend several kilometres from dredging operations, depending on the local hydrodynamic conditions. Other impacts can result from the release of toxic contaminants, noise pollution affecting sea mammals and hydraulic entrainment (the direct uptake of aquatic organisms, such as fish eggs, larvae, by the suction field generated during dredging operations).

Along the coast of Pernambuco in Brazil, the expansion of the **Suape Port Industrial Complex** was facilitated by authorising the destruction of native flora, including mangroves, restingas (a distinct type of coastal tropical and subtropical moist broadleaf forest) and Atlantic forests, previously categorised as areas of permanent preservation. In the case of the mangroves, the damage went far beyond this planned destruction. As a result of landfills, dredging and damming, the link between the river and the sea was disrupted, drastically changing the region's hydrodynamics.<sup>71</sup> The area of mangrove forest destroyed was nearly double the amount authorised, eliminating important breeding grounds for aquatic species. Elsewhere, coral was destroyed and fish stock depleted by as much as 70%, due to the use of explosives and

*‘After more than ten years we are still suffering the consequences – a 70% reduction in fish. We can't even supply our restaurants. When we dive, we see the dynamited seafloor that Van Oord has killed. The dredger started destroying during the lobster breeding season. They didn't even take into account the shipwrecked sunken galleon from the time of the Portuguese and Dutch.’*

Leader of fisher association in Suape



Tatuoca island covered in sand from dredging activities by Van Oord. Photo credit: Forum Suape.

irresponsible dumping of dredging waste on fishery sites.<sup>72</sup>

Mozambique, a country increasingly impacted by climate change effects such as cyclones,<sup>73</sup> hosts roughly 60% of eastern Africa's remaining mangrove forests. The northern coast of the country, particularly in **Cabo Delgado**, where the LNG project is planned, is home to some of the most species-diverse coral reefs and productive seagrass beds in the region, which provide nursery grounds and foraging habitat for fish and turtles. The LNG project involves dredging, drilling, disposal of toxic waste material, both onshore and



offshore, as well as the construction of extensive subsea, near-shore and on-shore infrastructure. These activities will lead to substantial short-term and long-term impacts like noise disturbance, habitat destruction and biodiversity loss.<sup>74</sup> Affected species will include those considered imperilled by the International Union for Conservation of Nature (IUCN), such as sei whales, Indian yellow nosed albatross, loggerhead, green turtles, leatherback, and hawksbill turtles. Additionally, the construction of the LNG park would destroy farmlands, forests and the natural shoreline, home to diverse animals and plants.<sup>75</sup> The World Bank recently estimated that 'the level of investment needed [in Mozambique] by 2030 to achieve climate resilience of human, physical and natural capital amounts to US\$ 37.2 billion.'<sup>76</sup> The money needs to be spent on roads, buildings, agriculture, irrigation and coping with sea level rise and stronger cyclones. One expert concluded that roughly half the money Mozambique expects to gain from the gas in 30 years' time will have to be spent to cope with the damage already done to the climate, while the rest will have to be spent on countering the violence.<sup>77</sup>

<sup>66</sup> Ramsar Convention on Wetlands (2023). Mangroves - "incredible wetlands ecosystem" – Dr Mumba. <https://www.ramsar.org/news/mangroves-incredible-wetlands-ecosystem-dr-mumba>

<sup>67</sup> Silvestrum Climate Associates for the Scientific and Technical Review Panel of the Convention on Wetlands. Desktop Study of Blue Carbon Ecosystems in Ramsar Sites. [https://www.ramsar.org/sites/default/files/documents/library/bn12\\_blue\\_carbon\\_ccmitigation\\_e.pdf](https://www.ramsar.org/sites/default/files/documents/library/bn12_blue_carbon_ccmitigation_e.pdf)

<sup>68</sup> Nature. Mangroves among the most carbon-rich forests in the tropics. <https://www.nature.com/articles/ngeo1123>

<sup>69</sup> Blue Carbon in Marine Protected Areas: Part 3: A Blue Carbon Assessment of Greater Farallones and Cordell Bank National Marine Sanctuaries. <https://sanctuaries.noaa.gov/science/conservation/blue-carbon-in-marine-protected-areas-part-3.html>

<sup>70</sup> Fish and Fisheries. A critical analysis of the direct effects of dredging on fish. <https://onlinelibrary.wiley.com/doi/full/10.1111/faf.12218>; Journal for Nature Conservation. The negative effect of dredging and dumping on shorebirds at a coastal wetland in northern Spain. <http://dx.doi.org/10.1016/j.jnc.2017.02.006>

<sup>71</sup> Regional Studies in Marine Science. Reconstructing the history of environmental impact in a tropical mangrove ecosystem: A case study from the Suape port-industrial complex. [https://www.researchgate.net/publication/350209718\\_Reconstructing\\_the\\_history\\_of\\_environmental\\_impact\\_in\\_a\\_tropical\\_mangrove\\_ecosystem\\_A\\_case\\_study\\_from\\_the\\_Suape\\_port-industrial\\_complex\\_Brazil](https://www.researchgate.net/publication/350209718_Reconstructing_the_history_of_environmental_impact_in_a_tropical_mangrove_ecosystem_A_case_study_from_the_Suape_port-industrial_complex_Brazil)

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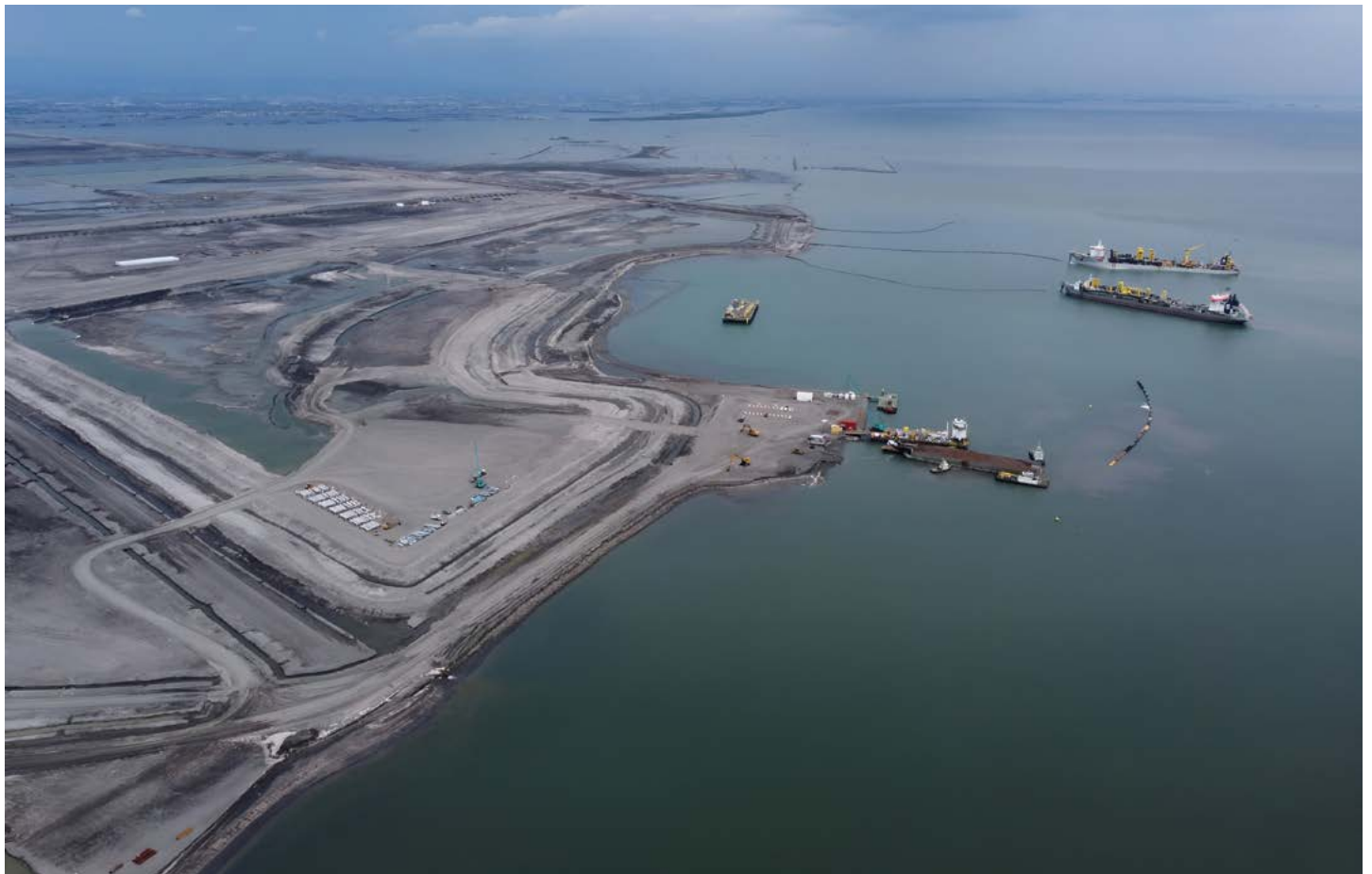
**Northern Manila Bay in the Philippines**, including the region of **Bulacan**, where the airport project is being developed, has been labelled a Key Biodiversity Area (KBA) and priority site for conservation in the Philippines by various international conservation organisations.<sup>78</sup> The coastal zone of Bulacan has also been labelled a Strict Protection Zone in the Manila Bay Sustainable Development Master Plan (MBSDMP) due to its high biodiversity value.<sup>79</sup> Its mangrove forests and mudflats draw one of the largest congregations of migratory birds within the East Australasian Flyway that stretches from Australia to Russia, including nine globally threatened species.<sup>80</sup>

The airport development has wreaked havoc on this critical

wetland ecosystem,<sup>81</sup> including the widespread, illegal destruction of mangroves.<sup>82</sup> It has destroyed the mudflats that are the feeding ground for the migratory and resident water birds, of which populations have since dropped by 20 per cent<sup>83</sup> and the disaster risk for surrounding communities has increased.<sup>84</sup>

Project partners San Miguel, Boskalis and Atradius DSB have attempted to parry the concerns of environmental experts by promising to develop a biodiversity offset project to compensate for the loss of bird habitats and mangroves, even though there is no scientific evidence that biodiversity offsetting is a viable strategy (see box). The offset site was initially planned to span 1000-1700 hectares at the time that Boskalis was

awarded export support.<sup>85</sup> However, it was only in February 2024, more than three years after Boskalis was awarded the project, that an offset site of just 40 hectares was officially designated. Project counterparts have announced plans to develop more offset sites, but it is still not clear when or where this will happen. And even if such sites are eventually designated, at least an additional 2-3 years will be needed, under the right conditions, for sufficient underground biomass to accumulate to be of (productive) value to the birds. Furthermore, even if permanent sites are developed for birdlife, the question remains how they will be protected from rapid developments surrounding the airport in the years to come.



The New Manila International Airport reclamation has turned one of the Philippines Key Biodiversity Areas into a barren wasteland. Photo credit: Global Witness and Basilio.

*'I've been fishing since I was eight years old. I found out about the dredging when I went fishing. The place became restricted and we noticed the waste, which went straight into the mangroves. Many species died – oysters, shellfish, even aratu. The waste also irritated my skin.'* Marisqueira (shellfish fisherwoman)

from Lagoa do Zumbi in Suape

#### UNPROVEN CLAIMS OF BIODIVERSITY OFFSETTING

In recent years, marine contractors and industry stakeholders have trumpeted so-called biodiversity offset projects as a means to compensate for damage to coastal and marine ecosystems resulting from their business operations. The underlying assumption is that biodiversity losses in one place can be compensated by restoration efforts elsewhere, supposedly resulting in an overall No Net Loss (NNL) of the selected biodiversity markers in a given region.

Biodiversity offsetting is highly contested, as it does not prevent biodiversity loss in the area of the main business activity. More importantly, scientific research on offsetting and NNL has yet to show that it is a viable biodiversity protection strategy.<sup>86</sup> Moreover, research on the effectiveness of biodiversity offsetting has been heavily biased towards Global North countries. For instance, a recent review of scientific publications on NNL effectiveness did not find any credible studies about offsetting projects in Latin America, Africa or Asia,<sup>87</sup> where institutional capacity and financial resources for offsetting are typically more limited.

<sup>72</sup> Both ENDS. Suape: port expansion threatens paradise. <https://www.bothends.org/en/Our-work/Dossiers/Suape-port-expansion-threatens-paradise?template=print>; Following many years of effort, including a formal complaint under the OECD Guidelines for Multinational Enterprises, local organisations finally succeeded in getting a dam that was blocking the natural flow of the river and tides partially opened. <https://www.bothends.org/en/Whats-new/News/How-the-mangroves-in-Suape-are-growing-back/>

<sup>73</sup> Reliefweb. From Climate Risk to Resilience: Unpacking the Economic Impacts of Climate Change in Mozambique, November 2023. <https://reliefweb.int/report-mozambique/climate-risk-resilience-unpacking-economic-impacts-climate-change-mozambique-november-2023>

<sup>74</sup> Friends of the Earth Europe & Justica Ambiental. Fuelling the Crisis in Mozambique - How Export Credit Agencies contribute to climate change and humanitarian disaster. <https://friendsoftheearth.eu/wp-content/uploads/2022/05/Fuelling-the-Crisis-in-Mozambique.pdf>

<sup>75</sup> Justica Ambiental!. The impacts of the LNG industry in Cabo Delgado, Mozambique. [https://www.banktrack.org/download/the\\_impacts\\_of\\_the\\_lng\\_industry\\_in\\_cabo\\_delgado\\_mozambique/impacts\\_of\\_lng\\_in\\_mozambique\\_by\\_ja.pdf](https://www.banktrack.org/download/the_impacts_of_the_lng_industry_in_cabo_delgado_mozambique/impacts_of_lng_in_mozambique_by_ja.pdf)

<sup>76</sup> The World Bank. Mozambique Country Climate and Development Report (CCDR). <https://www.worldbank.org/en/country/mozambique/publication/mozambique-afe-country-climate-and-development-report-ccdr>

<sup>77</sup> Joseph Hanlon newsletter, 4 January 2024. [https://www5.open.ac.uk/technology/mozambique/sites/www.open.ac.uk.technology.mozambique/files/files/Mozambique\\_634\\_4Jan24\\_Elections\\_Cabo-Delgado\\_Feijo\\_gas.pdf](https://www5.open.ac.uk/technology/mozambique/sites/www.open.ac.uk.technology.mozambique/files/files/Mozambique_634_4Jan24_Elections_Cabo-Delgado_Feijo_gas.pdf)



Underwater protest against Boskalis by fishermen in Makassar. Photo credit: WALHI South-Sulawesi.

Indonesia's coastline hosts at least 2.6 million hectares of coral reefs, amounting to 25% of coral reefs in the region and 8% of the world's reefs. The island of Sulawesi, where the **Centre Point of Indonesia** is being developed, is home to some of the most spectacular of these reefs, habitats for exotic fish like the brightly coloured clown fish and scorpion fish.<sup>88</sup> During fieldwork in Makassar by representatives of WALHI South Sulawesi, fishers reported increased erosion and wave energy due to deepening of the sea bottom and loss of coral, which previously broke the waves and softened them. This led to destruction of docks, seawalls, breakwaters and fishing equipment.

The **Gulhifalhu Port Project in Maldives** is expected to destroy a marine area known as Hans Haas Place (or Kiki Reef), which has been



The Gulhifalhu reclamation has been developed with sand mined from a Marine Protected Area whose borders were redrawn to allow for the mining, which would have otherwise been illegal. Photo credit: Save Maldives Campaign.



protected under Maldivian law since 1995. Other marine protected areas and environmentally sensitive areas are located within the impact zone of the project, which is the deepest reclamation activity in Maldives history.<sup>89</sup>

Since 2021, the project has been the subject of an ongoing civil court case by citizens seeking to halt the development due to its adverse environmental impacts. Boskalis has presented relocation of corals as a biodiversity offsetting strategy, despite little evidence of its success and explicit warnings from environmental organisations and diving groups in Maldives about the failure of such initiatives.<sup>90</sup> No independent studies on coral relocation success in Maldives to date have shown recovery benefits for lost ecosystem services or community livelihoods.<sup>91</sup> Moreover, an intermediate report regarding the progress of coral relocation stated that it is being determined on-site which and how many corals are 'feasible to be relocated within the available time frame, which is approximately two weeks'.<sup>92</sup> Additionally, the report states that the site of relocation 'does not support naturally occurring coral colonies' due to a lack of hard substrates to which to transplant the coral. Further, the number of coral colonies to be relocated was also uncertain due to unforeseen logistical challenges posed by the COVID-19 lockdown, which also prevented certain water quality tests required for the process. This haphazard planning and limited timeframe allotted for the process of relocation indicate the low priority given to the loss of corals.

<sup>78</sup> Conservation International Philippines, Department of Environment and Natural Resources Philippines, & Haribon Foundation. Priority sites for conservation on the Philippines: Key Biodiversity Areas (KBAs). <https://www.slideshare.net/no2mininginpalawan/priority-sites-for-conservation-in-the-philippines-key-biodiversity-areas-kba>

<sup>79</sup> People in PowerPoint Pixels: Competing justice claims and scalar politics in water development planning. <https://www.sciencedirect.com/science/article/pii/S096262982300152X>

<sup>80</sup> Birdlife. Magazine January-March 2022, p.56. <https://magazine.birdlife.org/birdlife-magazine-jan-mar-2022.html>

<sup>81</sup> CSO Letter of Concern Manila Bay. [https://www.bothends.org/uploaded\\_files/inlineitem/2021-07\\_Letter\\_of\\_Concern\\_NMIA\\_-\\_Ministry\\_Finance.pdf](https://www.bothends.org/uploaded_files/inlineitem/2021-07_Letter_of_Concern_NMIA_-_Ministry_Finance.pdf)

<sup>82</sup> Global Witness. Runaway Risk. [https://www.globalwitness.org/documents/20477/Runaway\\_Risk\\_-\\_February\\_2023.pdf](https://www.globalwitness.org/documents/20477/Runaway_Risk_-_February_2023.pdf)

<sup>83</sup> IUCN-NL. New Water Bird Census in Manila Bay Show 20% Decline over three years. <https://www.iucn.nl/en/news/new-waterbird-census-in-manila-bay-shows-20-decline-over-three-years/>; Internationally Important Waterbird Sites in Manila Bay, Philippines [https://www.iucn.nl/app/uploads/2021/03/2018\\_wi-iucn\\_nl\\_-\\_internationally\\_important\\_waterbird\\_sites\\_in\\_manila\\_bay.pdf](https://www.iucn.nl/app/uploads/2021/03/2018_wi-iucn_nl_-_internationally_important_waterbird_sites_in_manila_bay.pdf)

<sup>84</sup> Rappler. Aetropolis heightens disaster risk for Bulacan communities. <https://www.rappler.com/environment/aetropolis-airport-heightens-disaster-risks-communities-bulacan/>

<sup>85</sup> San Miguel and Boskalis. Biodiversity Action Plan Non-Technical Summary. [https://www.sanmiguel.com.ph/storage/files/reports/Biodiversity\\_Non-Technical\\_Summary.pdf](https://www.sanmiguel.com.ph/storage/files/reports/Biodiversity_Non-Technical_Summary.pdf)

<sup>86</sup> Forest Trends. Oryx. Biodiversity offsets in theory and practice. [https://www.forest-trends.org/wp-content/uploads/imported/Bull\\_et\\_al\\_2013\\_Oryx.pdf](https://www.forest-trends.org/wp-content/uploads/imported/Bull_et_al_2013_Oryx.pdf); Biological Conservation.

What are we measuring? A review of metrics used to describe biodiversity in offsets exchanges. <https://www.sciencedirect.com/science/article/abs/pii/S0006320719309620?via%3Dihub>

<sup>87</sup> Conservation Letters. The ecological outcomes of biodiversity offsets under "no net loss" policies: A global review. <https://conbio.onlinelibrary.wiley.com/doi/10.1111/conl.12664>

<sup>88</sup> Reuters - Environment. Indonesia's corals threatened by climate change. <https://www.reuters.com/article/environment-climate-indonesia-coral-dc-idUSJAK3223520071128>

<sup>89</sup> [https://www.banktrack.org/project/gulhifalhu\\_dredging\\_and\\_reclamation\\_project\\_maldives](https://www.banktrack.org/project/gulhifalhu_dredging_and_reclamation_project_maldives)

<sup>90</sup> Save Maldives Campaign. Marine Reclamation in Maldives: debt, destruction and damage in a climate emergency. <https://savemaldives.net/marine-rec/>; Sun. Gulhifalhu reclamation commenced, danger to dive sites!. <https://en.sun.mv/60709>

<sup>91</sup> BankTrack. Gulhifalhu Reclamation Project - Maldives. [https://www.banktrack.org/project/gulhifalhu\\_dredging\\_and\\_reclamation\\_project\\_maldives](https://www.banktrack.org/project/gulhifalhu_dredging_and_reclamation_project_maldives)

<sup>92</sup> Boskalis Westminster Contracting Ltd. Gulhifalhu Coral Relocation – Intermediate update. <https://files.epa.gov.mv/file/1859>

<sup>93</sup> Both ENDS. Dredging in the dark. <https://www.bothends.org/en/Whats-new/Publicaties/Dredging-in-the-Dark/>

<sup>94</sup> NRC. A few sustainability lessons for the controversial Indian mega-company, and the deal goes through. <https://www.nrc.nl/nieuws/2022/12/05/een-paar-duurzaamheidslessen-voor-het-omstreden-indiase-megabedrijf-en-de-deal-gaat-door-a4150512>

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# CHAPTER 5

## PREVENTING AND MITIGATING ADVERSE IMPACTS? THE ACTIONS OF ATRADIUS DSB, DUTCH GOVERNMENT AND DREDGERS

All the dredging projects in this report were made possible with support of the Dutch government through the Dutch Export Credit Agency, Atradius. Although Atradius DSB has an international corporate social responsibility (ICSR) policy, and has made some improvements to this over the years (discussed below), both its policies and practices continue to fall short. Below we describe important recurring issues and weaknesses in Atradius DSB's policy and practice with respect to preventing and mitigating the adverse impacts of the Dutch dredging sector.

### 5.1 LIMITED WEIGHT OF SOCIAL AND ENVIRONMENTAL DUE DILIGENCE

For every application for export credit insurance it receives, Atradius DSB conducts environmental and social due diligence, next to financial due diligence. The applicant must provide all relevant social and environmental information about the project. During the social and environmental due diligence process, Atradius DSB assesses the (expected) impacts and mitigation measures of a given project in order to understand if they are deemed 'acceptable' in light of international standards and thus eligible for insurance. However, Atradius DSB often issues a so-called 'promise of cover' once the financial due diligence is deemed satisfactory, which typically occurs before the environmental and social due diligence process has been completed. A promise of cover implies

that clients are tentatively assured of a legally binding insurance, under the condition that the final outcome of the social and environmental due diligence is also deemed satisfactory. In practice, this means that social and environmental due diligence is put under pressure from companies and banks wanting to make a deal, as well as by governments (both the Dutch and host governments) wanting to economically support their businesses. This raises serious questions about the relative weight of environmental and social due diligence in the insurance assessment process.

The case of the **Suez Canal** serves as a particularly clear example of the relative insignificance of environmental and social due diligence within the assessment process.<sup>93</sup> The two Dutch ministries responsible for the Dutch ECA, Finance and Foreign Affairs, chose to approve the insurance despite Atradius DSB informing the ministries that it had not been able to do an adequate social and environmental due diligence process. The approval was granted on the grounds of protecting Dutch dredging companies from competitive disadvantages associated with a more rigorous and time-consuming due diligence process. Although the regulation that allowed this to happen has since been removed from Atradius DSB's policy, recent cases illustrate how Dutch private sector interests continue to be prioritised over robust due diligence processes.<sup>94</sup>

In relation to the **Gulhifalhu port project in the Maldives**, Atradius DSB's due diligence consultants were unable to travel to the Maldives due to COVID-related travel restrictions. Instead, the due diligence process was conducted online, meaning that Atradius DSB did not obtain first-hand experience of the project context and the situation of affected communities. With respect to the **Mozambique LNG project**, since 2017 organisations such as Both ENDS, Milieudefensie, UPC, Justiça Ambiental and a number of other Mozambican organisation had warned Atradius DSB, the Dutch government, TotalEnergies and Van Oord about human rights violations, the escalation of violence, climate damage and economic risks associated with the project. The insurance was granted anyway. In response to criticism from civil society and upon the request of Dutch parliamentarians, the Dutch government agreed to commission independent research into the due diligence process. The research, conducted by Proximities Risk Consultancy, found that Atradius DSB and the Dutch government had not sufficiently listened to the concerns of civil society or the Dutch embassy during the due diligence process.<sup>95</sup> The report went on to argue that Atradius DSB had largely ignored available information on the safety situation of the project area and had also 'failed to guarantee sufficient objectivity in the safety analysis of the project'. It concluded that Atradius DSB had a lack of expertise and mandate to properly assess the safety situation. Similarly, the climate impact of this massive fossil development was barely weighed during the due diligence process and no assessment was made as to whether the project fit into the 1.5 degree scenarios of the International Energy Agency (IEA).

## 5.2 INADEQUATE PUBLIC DISCLOSURE OF PROJECT ASSESSMENTS, MITIGATION PLANS AND MONITORING

A major gap in Atradius DSB's policies and practices has been its refusal to assure transparent and accountable decision-making during and after insurance application assessments. International standards of responsible business conduct require that sufficient information be made available for stakeholders to be able to assess the adequacy of impact mitigation measures, particularly when concerns are raised by or on behalf of affected people.<sup>96</sup> This implies sharing information on (human rights) assessments, mitigation and compensation strategies, as well as information on the progress of the implementation of such strategies. Such information is typically detailed in a variety of documents, such as Human Rights Assessments, Livelihood Rehabilitation Plans, monitoring reports (among others), which are bundled into so-called Environmental and Social Action Plans (ESAP) that include the project-specific conditionalities that Atradius DSB imposes on its clients for them to receive insurance.

International standards notwithstanding, Atradius DSB has repeatedly refused to make information from ESAPs publicly available on the grounds of business confidentiality. As such, it is impossible for communities and the broader public to assess the validity of and respond to project assessments, the feasibility of mitigation and compensation measures, or to evaluate the progress of their implementation. Instead, Atradius DSB's disclosure has been limited to a single category of ex-ante assessment, namely Environmental and Social Impact Assessments (ESIAs). Put simply, affected communities have

no way of knowing what agreements Atradius DSB has made with its clients in matters that are of direct consequence to their livelihoods, wellbeing and human rights. The overall lack of transparency is further illustrated by the fact that none of the civil society organisations (CSOs) or communities affected by the projects in this report initially knew about the involvement of the Dutch government via its ECA. This information only became known to them via information shared by Dutch NGOs.

## 5.3 DISPROPORTIONATE INFLUENCE OF VESTED INTERESTS IN DECISION-MAKING AND MONITORING

The lack of disclosure of project documentation is illustrative of the fact that decision-making power and information is fully controlled by project partners, who have a vested (political or financial) interest in the project. For instance, due diligence processes and ESAP monitoring activities are generally undertaken by consultants that are paid by project partners (such as Atradius, dredgers, project owners, etc.). The vast majority of the project documentation that these consultants produce is owned by their clients and protected by Non-Disclosure Agreements (NDAs). Neither Boskalis nor Van Oord discloses due diligence information at the project level.

Atradius DSB and the Ministry of Finance have actively resisted calls for independent and publicly disclosed assessments. For instance, in the case of **the New Manila International Airport**, CSOs and Dutch parliamentarians requested that Atradius DSB and the Ministry of Finance commission the Netherlands Commission for Environmental Assessment (NCEA) to assess the ESIA. The NCEA, a Dutch assessment body that is held in high regard

<sup>95</sup> Dutch parliament. Findings and conclusions report independent review into security situation LNG project Mozambique. [https://www.tweedekamer.nl/kamerstukken/brieven\\_regering/detail?id=2023Z03101&did=2023D07283](https://www.tweedekamer.nl/kamerstukken/brieven_regering/detail?id=2023Z03101&did=2023D07283)

<sup>96</sup> United Nations Guiding Principles on Business and Human Rights. [https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf)

<sup>97</sup> Dutch parliament. Answers to parliamentary questions. <https://www.tweedekamer.nl/downloads/document?id=2022D21011>

<sup>98</sup> Frontline. [https://www.npostart.nl/frontlinie/09-02-2023/VPWON\\_1346244](https://www.npostart.nl/frontlinie/09-02-2023/VPWON_1346244); Global Witness. Runaway Risk. <https://www.globalwitness.org/en/campaigns/holding-corporates-account/runaway-risk/>

<sup>99</sup> Dutch parliament. Answers to parliamentary questions. <https://www.tweedekamer.nl/downloads/document?id=2023D14425>

<sup>100</sup> Dutch parliament. Findings and conclusions report independent review into security situation LNG project Mozambique. [https://www.tweedekamer.nl/kamerstukken/brieven\\_regering/detail?id=2023Z03101&did=2023D07283](https://www.tweedekamer.nl/kamerstukken/brieven_regering/detail?id=2023Z03101&did=2023D07283)

<sup>101</sup> Dutch parliament. Answers to parliamentary questions. <https://www.tweedekamer.nl/downloads/document?id=2022D21013>

<sup>102</sup> Tempo. Citizen: Centre Point of Indonesia Reclamation Displaces Fishermen. <https://nasional.tempo.co/read/765049/warga-reklamasi-centre-point-of-indonesia-menggusur-nelayan>; Tribun News Makassar. Residents Claim to Have Lost Their Livelihoods Due to CPI Reclamation Project. <https://makassar.tribunnews.com/2016/04/22/warga-mengakui-kehilangan-mata-pencaharian-akibat-reklamasi-proyek-cpi>

internationally for its independence and rigour, can only undertake assessments if it is invited to do so by a decision-making authority. Atradius DSB and the Ministry of Finance refused to authorise an assessment by the NCEA, claiming that the project consultants were sufficiently independent.<sup>97</sup> In 2023, Dutch parliamentarians requested an independent assessment for the second time, after the release of a damning documentary and an independent report by Global Witness about the airport development.<sup>98</sup> As with the first request, the Ministry of Finance again refused.<sup>99</sup>

Of all the cases discussed in this report, the **Mozambique LNG case** is the only one that was actually subjected to an independent assessment due to sustained outcry from parliamentarians, media and civil society. The aforementioned report by Proximities revealed that Atradius DSB's consultants were not sufficiently qualified nor independent to conduct the necessary environmental and social assessments and monitoring. Proximities concluded that Atradius DSB and the responsible Dutch ministries needed to improve transparency and make use of local knowledge, as well as ensure the independence of experts and others involved in assessments.<sup>100</sup> It is yet unclear how the recommendations are being implemented.

The concentration of decision-making power in the hands of actors with a vested interest, coupled with a lack of transparency, allow bias and misrepresentation to go unchecked. For instance, in 2022 the Dutch Ministry of Finance submitted a letter to the Dutch parliament about the **Manila Bay airport project**,<sup>101</sup> defending its decision to award the insurance. The letter included a reference to a prior visit

that representatives from Atradius DSB and the Ministry of Finance had made to the project site. The letter claimed that meetings between these representatives and spokespersons from local communities and CSOs had confirmed that the project was on track to meet international CSR standards. This was, at best, a highly selective rendering of these meetings. What the letter entirely neglected to mention was that numerous stakeholders had actually voiced their fundamental rejection of the project on the grounds of its human rights and environmental impacts. When ministry representatives were pressed by CSOs to substantiate their claims with notes of the meetings, they admitted that no notes had been made, making it impossible to trace how these misleading claims had made their way into the official parliamentary briefing.



#### 5.4 DISREGARD FOR CONFLICT AND THE BROADER HUMAN RIGHTS CONTEXT

Another major issue of contention has been neglect by Atradius DSB and the dredgers of the human rights context in which insured projects are implemented. In the case of the Makassar **Centre Point of Indonesia project**, more than 40 households were evicted without compensation to make way for the project, as demonstrated by local testimonies and satellite imagery.<sup>102</sup> However, Atradius DSB claimed that the evictions were the consequence of a different, unrelated project. By doing so, Atradius DSB was able to deny any responsibility for the evictions or the need to compensate victims in accordance with international standards.

Similarly, the **Manila Bay airport project and Mozambique LNG project** were both approved against a background of widespread human rights abuses and violence towards civilians, all of which was known to both Atradius DSB and the dredgers. The Manila Bay project was associated with arbitrary detainment and intimidation by military personnel and the forced displacement of a reported 700 families, many of whom were subjected to intimidation by military personnel. All this occurred during the regime of President Rodrigo Duterte, who was responsible for thousands of extrajudicial executions, solidifying the Philippines as one of deadliest countries in Asia for environmental defenders.<sup>103</sup>

The insurance for the LNG project was awarded in a context of violent insurgencies and internal displacement in Northern Mozambique. The security situation was so dire that Atradius DSB staff was required to conduct a 2019 site-visit by helicopter, and with bullet-proof vests.<sup>104</sup> Yet Atradius

DSB and the Dutch government not only deemed the human rights context ‘acceptable’, but approved the insurance just one day *after* a particularly brutal attack had taken place in nearby Palma. The attack involved the beheading of dozens of people, including LNG project workers, eventually forcing TotalEnergies to declare force majeure and withdraw its staff from the construction site. The project has been on hold since 2021, but despite recent attacks TotalEnergies is looking to restart the project in 2024.

### 5.5 INSUFFICIENT PUBLIC ENGAGEMENT AT THE LOCAL LEVEL

Engagement with local stakeholders is a key component of carrying out due diligence, as laid out in the OECD Guidelines and UNGPs.<sup>105</sup> According to the United Nations Human Rights Office, active and meaningful participation of affected communities, based on their free and prior access to project information throughout the project process, is vital for ensuring sustainable outcomes of large-scale infrastructure projects.<sup>106</sup> None of the projects in this report have met these standards.

For example, initial community engagements for the **Manila Bay airport project** were based on an incorrect representation of the project to the community, with no mention being made of an airport development, which was later followed by intimidation by military personnel towards communities targeted for displacement.<sup>107</sup> In **Makassar**, Boskalis and the project owner promised that proper consultations with local stakeholders would take place after receiving the insurance, however no such consultations ever took place. In the case of the **Pluit City Reclamation Project**, courts ruled that, in contradiction with

Indonesian law, there had been no public participation during the environmental risk assessment. To the dismay of fishing communities, this ruling was later overturned on technical grounds by an appeals court, which neglected the procedural and substantive complaints of affected communities. Public consultation on the environmental impacts of the **Gulhifalhu project in the Maldives** was extremely limited: input for the EIA was collected exclusively through an online form that was open for a period of just five days during the COVID-19 lockdown and resulted in input from only seven respondents.<sup>108</sup>

Public engagement is not only the responsibility of local authorities, but also multinational corporations like Boskalis and Van Oord, and Atradius DSB which, as a subsidiary of Atradius NV, is also bound by the OECD guidelines.<sup>109</sup> In reality, however, dredging companies often choose to disregard such standards by delegating responsibility to their clients. In the case of the **Suape port project**, communities testified that dredging operations had commenced without any prior warning, and that they didn’t even know the name of the company involved (Van Oord). Similarly, in the **Philippines**, Boskalis refused to meet with Filipino organisations that had co-authored a letter of concern in relation to the **Manila Bay project**, arguing that the project owner, San Miguel Corporation, was leading stakeholder engagement in relation to the project. As such, the company neglected its own responsibility for the impact of its business operations. To make matters worse, the CEO of Boskalis later went on to falsely claim, in public, that the Filipino CSO Kalikasan-PNE, one the authors of the letter of concern, had rejected offers by Boskalis to engage in dialogue.

<sup>103</sup> Global Witness. Standing firm. <https://www.globalwitness.org/en/campaigns/environmental-activists/standing-firm/>

<sup>104</sup> Both ENDS. Letter to Minister Kaag. [https://www.bothends.org/uploaded\\_files/inlineitem/210511\\_Brief\\_Mozambique\\_verzekering\\_Kaag-1.pdf](https://www.bothends.org/uploaded_files/inlineitem/210511_Brief_Mozambique_verzekering_Kaag-1.pdf)

<sup>105</sup> OECD Watch. The OECD Guidelines and stakeholder engagement. <https://www.oecdwatch.org/oecd-ncps/the-oecd-guidelines-for-mnes/what-is-in-the-oecd-guidelines/the-oecd-guidelines-and-stakeholder-engagement/>

<sup>106</sup> United Nations Human Rights Office of the High Commissioner & Henrich Boll Stiftung. The Other Infrastructure Gap: Sustainability. [https://www.ohchr.org/sites/default/files/Documents/Publications/TheOtherInfrastructureGap\\_FullLength.pdf](https://www.ohchr.org/sites/default/files/Documents/Publications/TheOtherInfrastructureGap_FullLength.pdf)

<sup>107</sup> Global Witness. Runaway risk. [https://www.globalwitness.org/documents/20477/Runaway\\_Risk\\_-\\_February\\_2023.pdf](https://www.globalwitness.org/documents/20477/Runaway_Risk_-_February_2023.pdf)

<sup>108</sup> The estimated population of the Greater Male’ Area is more than 200,000 (population projections data, Maldives Bureau of Statistics). The resulting EIA was a 677-page technical document, available only in English.

<sup>109</sup> Dutch NCP. Final statement Suape. <https://www.oecdguidelines.nl/binaries/oecd-guidelines/documenten/publication/2016/11/30/final-statement-notification-both-ends-forum-suape-vs-atradius-dsb/161130-Final+statement+Dutch+NCP+-+Both+ENDS+et+al.+vs.+ADSB.pdf>

<sup>110</sup> Dutch NCP. Final statement Suape. <https://www.oecdguidelines.nl/binaries/oecd-guidelines/documenten/publication/2016/11/30/final-statement-notification-both-ends-forum-suape-vs-atradius-dsb/161130-Final+statement+Dutch+NCP+-+Both+ENDS+et+al.+vs.+ADSB.pdf>

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In 2015, Both ENDS and Forum Suape submitted a complaint to the Dutch National Contact Point (NCP) for the OECD Guidelines alleging failure of Atradius DSB and Van Oord to comply with the OECD Guidelines in relation to the **Suape case**. The NCP ruled that both parties 'could have done a better job' in their due diligence, including in the consultation of affected communities.<sup>110</sup> Following recommendations by the NCP, Atradius DSB established its own complaint procedure. However, this mechanism has proven to be extremely time-consuming and ineffective.<sup>111</sup> In November 2019, WALHI and Both ENDS filed a complaint to Atradius DSB in relation to the **Makassar CPI case**. After more than four years, the process is still ongoing.

## 5.6 LEGAL IRREGULARITIES AND CORRUPTION

As part of its financial due diligence process, Atradius DSB is required to assess the risk of corruption associated with projects. In 2022, the Dutch government commissioned an assessment of Atradius DSB's anti-corruption measures, which found that its financial due diligence procedures were insufficient, making its financial support particularly susceptible to corruption.<sup>112</sup> Not surprisingly, several insured dredging projects have been associated with corruption and dubious legal or financial irregularities. The president director of the **Pluit City Reclamation project in Indonesia** was convicted of bribery associated with the project and jailed for three years, while a local parliament member was jailed for seven years.<sup>113</sup> The first phase of the **Gulhifalhu port project in the Maldives** was awarded directly to Boskalis without a tender process, prompting public outcry and an investigation by the Maldives anti-corruption commission, which is currently ongoing.<sup>114</sup>

In relation to the **Manila Bay project**, legal experts have contended that most of the land was categorised as public and inalienable land, meaning that it could never have been acquired for the development of the NMIA in the first place.<sup>115</sup> In the **Maldives**, the sand mining concession for the **Gulhifalhu port project** was found to be in breach of environmental protection laws due to its close vicinity to a Marine Protected Area (MPA). Instead of relocating the project or concession site, however, the Maldives Environmental Protection Agency simply redrew the boundaries of the MPA to allow the sand mining to go ahead unabated.<sup>116</sup>

In **Mozambique**, the discovery of large gas reserves can be linked to a large corruption scandal that took place in 2013.<sup>117</sup> It involved secret loans made by Mozambican officials that were partly meant to protect the gas reserves. The scandal resulted in the IMF and international donors, including the Netherlands, withdrawing direct financial support to Mozambique in 2016, triggering an economic crisis.

## 5.7 INADEQUATE CHANGES TO ATRADIUS DSB'S DUE DILIGENCE POLICY

For many years, civil society organisations, including the authors, have called on the Dutch government to sharpen Atradius DSB's due diligence policy and ensure alignment with international standards. In response to this pressure only minor improvements have been made.

As noted above, in 2015, Both ENDS and Forum Suape submitted a complaint to the Dutch NCP for the OECD Guidelines regarding the **Suape case**. Following recommendations of the NCP, Atradius DSB established its own in-house complaint procedure in 2018. In 2020 and 2023, Atradius DSB

and the responsible ministries decided to screen all applications for ECA support, and to visit and monitor all category A projects (those with a high social and environmental risk).

Although these are welcome improvements, they have fallen far short of what is actually needed to ensure a robust, transparent and accountable due diligence process. For example, the complaint procedure has proven to be extremely time-consuming and ineffective.<sup>118</sup> In November 2019, WALHI and Both ENDS filed a complaint to Atradius DSB in relation to the **Makassar CPI case**. After more than four years, there has been no resolution: the complaint procedure is still ongoing. As for the required site visits, without additional checks and balances, it remains to be seen whether these will have added value for affected communities. As discussed previously, one such visit to the **Manila airport** project site was used to fabricate a picture of consent among local spokespersons towards the Dutch parliament. In the case of the **Mozambique LNG** project, the visit was conducted by helicopter with bullet-proof vests, yet for people on the ground the human rights risks of the project were deemed acceptable.

In April 2023, Atradius DSB launched a public consultation on its due diligence policy, but the consultation was announced only in Dutch. As a result of outreach by Both ENDS and Milieudefensie to other CSOs, a coalition of thirteen social organisations from the Netherlands and abroad responded.<sup>119</sup> However, almost none of the recommendations by the CSOs were taken onboard, including recommendations to adopt a gender policy and greater transparency. Atradius DSB's policy changes have failed to result in any structural changes in line with international standards.



Fisherman in Cavite, Manila Bay. Photo credit: Both ENDS

- 111 Atradius DSB. Feedback and Complaints. <https://atradiusdutchstatebusiness.nl/en/article/feedback-and-complaints.html>
- 112 Anti-bribery policy review for the export credit insurance. <https://open.overheid.nl/repository/rnl-cc3f00a4346a19036167a38b2aad78c4f9a3db4/1/pdf/rapportage-pic.pdf>
- 113 Sanusi gets seven years in reclamation bribery case. <https://www.thejakartapost.com/news/2016/12/30/sanusi-gets-seven-years-reclamation-bribery-case.html>
- 114 The Edition. ACC probes govt handover of Gulhifalhu project without bid. <https://edition.mv/news/13130>
- 115 Rappler. Aerotropolis heightens disaster risks for Bulacan communities. <https://www.rappler.com/environment/aerotropolis-airport-heightens-disaster-risks-communities-bulacan/>
- 116 'The buffer zone has been revised to approximately 23 m north and about 120 meters east and west from the defined "Core Area". It is understood that this information is in the process of being Gazetted.' EIA for the proposed dredging, land reclamation, and revetment work at Gulhifalhu, CDE Consulting, Maldives, April 2020, page. 85. When it comes to dredging activities, Maldives has very poor due diligence and implementation of law regarding MPAs. The Maldives government's dredging project with Van Oord in Addu Atoll puts multiple MPAs in danger, including a WWII wreck site and Manta Ray cleaning station where large rays are sighted year-round.
- 117 Friends of the Earth Europe and Justica Ambiental. Fuelling the Crisis in Mozambique. <https://www.foei.org/wp-content/uploads/2022/05/Fuelling-the-Crisis-in-Mozambique-FOEE-JA-report.pdf>
- 118 Atradius DSB. Feedback and Complaints. <https://atradiusdutchstatebusiness.nl/en/article/feedback-and-complaints.html>

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## FLAWED ARGUMENTS FOR DUTCH ECA SUPPORT OF SOCIALLY AND ENVIRONMENTALLY DESTRUCTIVE PROJECTS

In the twelve years of working alongside communities on controversial dredging projects backed by Atradius DSB's export credit insurance, a number of flawed arguments are routinely presented to justify Dutch involvement in these projects. Below we respond to these arguments:

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### 1. Dutch involvement assures that social and environmental safeguards are applied to the highest degree

Dutch actors regularly claim that their involvement leads to stringent application of social and environmental safeguards. As demonstrated by this report, this claim is baseless. Dutch involvement has not been able to protect communities and ecosystems from unacceptable harm. Furthermore, Atradius DSB, Boskalis and Van Oord have refused to publicly disclose sufficient information for civil society and communities to evaluate or monitor adverse human rights, social and environmental impacts in accordance with international frameworks for responsible business conduct.<sup>120</sup> Independent research also shows that Atradius DSB lacks the expertise and mandate when it comes to assessing security risks, and that its consultants are not always independent.<sup>121</sup>

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### 2. Project owners are responsible for the disclosure of social and environmental information, not dredgers nor Atradius DSB

Dutch actors have repeatedly argued that the public disclosure of relevant social and environmental information, such as Environmental and Social Action Plans, is up to the discretion of project owners, and that Atradius DSB and the Dutch dredgers have no responsibility to make such information available. This argument has no basis in international standards, which apply to all multinational enterprises based on the extent to which their business operations cause, contribute to, or are linked to adverse social and environmental impacts.

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### 3. Dutch actors are contractually restricted from publicly releasing relevant social and environmental information

In extension to the previous argument, Dutch actors have repeatedly claimed that relevant social and environmental information, such as Environmental and Social Action Plans, is proprietary knowledge of project

owners and that they are contractually restricted from sharing it publicly themselves. This practice is itself fundamentally at odds with international standards by (seemingly) alleviating actors from their responsibility to disclose relevant social and environmental information about impacts of their business operations.

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### 4. ECA-backed dredging projects bring economic development and employment to the host region

The dredging projects in this report consist of real estate developments, port developments, fossil-fuel infrastructure and mega-airports that are of little to no direct benefit to the often poor, marginalised communities they affect. Rather, as the projects in this report show, these communities bear the brunt of the adverse impacts, including destruction of local economies, livelihoods and food security, while employment opportunities tend to be limited to temporary, unskilled jobs that do not pay well. Moreover, as demonstrated in several cases, these projects often are accompanied by increased militarisation, intimidation and arbitrary violence towards communities.

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### 5. If the Dutch dredgers don't do it, then Chinese dredgers will

The threat of Chinese competition is regularly conjured to justify Dutch involvement in destructive dredging projects. One common argument is that Chinese companies are less concerned with social and environmental impacts than Dutch companies. As demonstrated by the cases in this report, however, there is no basis for this argument. Dutch ECA-backed dredging projects have systematically been associated with human rights violations, and social and environmental destruction. A second, contradictory, argument conjures Chinese competition to argue against more stringent due diligence standards for Dutch dredgers, so as not to damage their international competitiveness. In both these arguments, the significance of Chinese dredgers is grossly overstated. Dutch dredgers, together with their Belgium counterparts, dominate 95% of the open dredging market.<sup>122</sup> As such, it would be more accurate to speak of competition between Dutch and Belgium dredgers. The fact that these companies are bound by the same international frameworks of responsible business conduct actually provides a rare opportunity to enforce a race to the top in the global dredging sector.



# CHAPTER 6

## CONCLUSIONS AND RECOMMENDATIONS

This report demonstrates how Atradius Dutch State Business, through its support of Dutch dredgers Boskalis and Van Oord, is linked to serious social, environmental and human rights impacts. The cases described reflect more than a decade of painstaking work by environmental and human rights groups, who have diligently monitored dredging plans and projects, working intimately with local affected communities to advocate for their rights.

The seven cases reveal three systemic features of ECA-supported dredging projects:

- **Widespread involuntary displacement of communities, repression, loss of livelihoods and ecosystem destruction**

The projects detailed in this report have been associated, to varying degrees, with the displacement of families and their livelihoods, destruction of homes and involuntary resettlement, gendered impacts, loss of marine and coastal habitats and biodiversity hotspots. These dynamics further exacerbate the climate vulnerability of communities while reducing the natural capacity of ecosystems to adapt to climate change and sea level rise. Furthermore, most of these projects have been linked to an increase in arbitrary violence and/or intimidation towards communities and environmental human rights defenders. In certain projects, insurance was granted within contexts of armed conflict and violent oppression.

- **Project governance is dominated by vested-interests and unresponsive, unaccountable and not transparent towards affected communities**

Decision-making power and access to information is controlled by actors with political or financial interests in the project, who are typically inclined to present a favourable image of the project to the broader public. Affected communities have no formal influence over the outcomes of projects or access to information upon which decisions are based and thus effectively rendered powerless. Dutch actors have been unwilling to secure full public access to information regarding project impacts, compensation and mitigation measures, and monitoring.

- **The regulatory context of Dutch ECA-supported dredging projects is grossly inadequate and undermines Dutch obligations under international corporate due diligence, biodiversity and sustainable development frameworks**

The two conclusions above demonstrate that the regulatory context of ECA-supported dredging projects is not fit-for-purpose for preventing unacceptable social, environmental and human rights impacts. This points to significant policy incoherence between export credit insurance policy on the one hand and Netherlands commitments to responsible business conduct, biodiversity and sustainable development on the other. These

119 Both ENDS. Letter from NGOs to Dutch export credit agency: CSR policy must be strengthened. <https://www.bothends.org/en/Whats-new/Letters/Letter-from-NGOs-to-Dutch-export-credit-agency-CSR-policy-must-be-strengthened/>

120 For example, the Environmental and Social Action Plan for the Mozambique LNG project was not disclosed.

121 Dutch parliament. Findings and conclusions report independent review into security situation LNG project Mozambique. [https://www.tweedekamer.nl/kamerstukken/brieven\\_regering/detail?id=2023Z03101&did=2023D07283](https://www.tweedekamer.nl/kamerstukken/brieven_regering/detail?id=2023Z03101&did=2023D07283)

122 Ocean sand: Putting sand on the ocean sustainability agenda. Ocean Risk and Resilience Action Alliance (ORRAA) Report. [https://www.researchgate.net/publication/371541012\\_Ocean\\_Sand\\_Putting\\_sand\\_on\\_the\\_ocean\\_sustainability\\_agenda](https://www.researchgate.net/publication/371541012_Ocean_Sand_Putting_sand_on_the_ocean_sustainability_agenda)

123 UNEP. Sand and sustainability: 10 strategic recommendations to avert a crisis. <https://www.unep.org/resources/report/sand-and-sustainability-10-strategic-recommendations-avert-crisis>

findings echo recent calls from the United Nations Environmental Program for stronger regulation of the dredging sector.<sup>123</sup>

## RECOMMENDATIONS

This report is primarily targeted towards the Dutch government and addresses the manner in which it leverages state resources to further the interests of Dutch multinational dredging companies at the expense of communities and ecosystems, and in contradiction to international obligations on corporate human rights and environmental due diligence, biodiversity and sustainable development. Due to the systemic nature of the adverse impacts and negligence described in this report, we provide urgent recommendations to the Dutch government to ensure full alignment of Dutch export policy with its commitments to promote human rights and the environment in accordance with international frameworks for responsible business conduct, biodiversity and sustainable development.



## Key messages for Dutch policymakers:

- Retract export credit insurance for the projects described in this report that are currently ongoing: the Mozambique LNG, New Manila International Airport and Gulhifalhu port projects.
- Ensure alignment with the OECD guidelines, UN Guiding Principles, Kunming-Montreal Global Biodiversity Framework and Sustainable Development Goals by taking the following policy measures:
  - Guarantee the timely public disclosure of all relevant social, environmental and human rights documentation of insured projects. Define business confidentiality in a restrictive manner, subject to well-defined exceptions only. Ensure responsive, inclusive and participatory decision-making throughout all phases of the project, particularly for vulnerable and marginalised groups.
  - Develop a gender policy to assess and manage gender-specific adverse impacts.
  - Take proactive measures to protect environmental human rights defenders against reprisals.
  - Ensure that projects do not adversely impact the tenure security of communities, whether terrestrial or marine.
  - Include clauses in export credit insurance policies that allow for easier revocation of insurance if social, environmental and human rights standards are not met.
- Reject requests for export credit support for projects that have already been associated with human rights abuses or illegal environmental destruction.

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# CHAPTER 7

## RESPONSES FROM DUTCH STAKEHOLDERS TO THIS REPORT

Atradius DSB, Boskalis, Van Oord, the Dutch ministry of Finance and the ministry of Foreign Affairs have been given the possibility to respond to the final draft of this report.

**Boskalis** didn't respond to our invitation to include a reaction in this report.

**Van Oord** has indicated that it does not recognize itself in the report and therefore does "not want to and cannot respond to the facts and allegations in the report." As background (and not for publication in the report) Van Oord has sent an email with a brief explanation of the context.

**Atradius DSB and the ministries responded:**

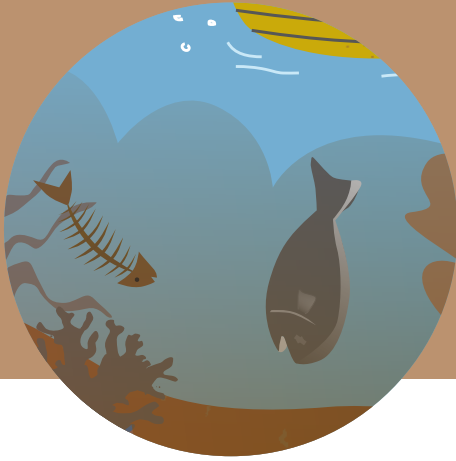
"We do not recognize ourselves in the conclusions of this report. We value constructive dialogue with civil society. At various times in the past we have had conversations with you and other parties from civil society about the dredging projects you mentioned, in which we also explained our views on these projects. For this we also refer to various Parliamentary letters, answers to Parliamentary questions and Parliamentary debates on the deployment of export insurances and these projects in particular.

In accordance with its policy, Atradius Dutch State Business (DSB) assesses all insurance applications for environmental and social risks in order to prevent participation in projects with unacceptable impact on people, animals or the environment. This policy is in line with international best practices. The independent evaluation of Atradius DSB's Environmental & Social (E&S) policy confirms that it is applied correctly and effectively prevents transactions with unacceptable risks to people and the environment. This independent evaluation also found that the Netherlands goes beyond what is required under international E&S standards. For example, Atradius DSB screens all applications for environmental and social risks, while this is not required under the OECD Common Approaches.

Large dredging projects undergo extensive due diligence, including site visits, in which feedback from (local) NGOs is also included. Moreover, since January 1, 2022, projects in the highest risk category (under which international dredging projects can often be categorized) are monitored for E&S aspects after the policy is issued.

We also value the importance of transparency and communication with local stakeholders. The Netherlands is committed to this. We do so in dialogue with project owners and exporters, in line with the OECD Common Approaches and taking into account existing agreements regarding business confidentiality. Atradius DSB's transparency policy is relevant in this context and aims to make information about projects, including environmental and social impact reports, publicly available in advance. Among other things, this offers interested parties the opportunity to provide input during the assessment phase of a project. Furthermore, in accordance with the transparency policy, Atradius DSB publishes a summary of its assessments for category A and B projects (high social and environmental risk) as per January 1, 2023.

All in all, we do not recognize the criticism that the E&S and transparency policies are insufficient and we therefore see no reason to withdraw export insurance from the mentioned dredging projects. With regards to the Mozambique LNG project no decision has yet been taken on participation in a possible restart. As previously stated, we value a constructive dialogue with civil society. Information is proactively gathered as widely as possible, including from local NGOs. This is also the case with the projects mentioned in the report. In line with this, we are open to discuss the findings from the report with you."



# Dredging destruction

Human rights violations and environmental destruction in international dredging projects insured by the Dutch state