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India Slows the Flow of Funds to Greenpeace

By R. Jai Krishna



Activists from the environmental group Greenpeace and local farmers from Madhya Pradesh held placards outside the headquarters of India's Essar Group in Mumbai on Jan. 22.

Agence France-Presse/Getty Images

India has decided to restrict the funding of Greenpeace International and another international environmental organization following a government report claiming the protests of such groups could be knocking percentage points off of the country's gross domestic product growth.

The south Asian nation's Ministry for Home Affairs has asked the Reserve Bank of India to delay money transfers from foreign donors to Greenpeace and Climate Works Foundation, said a spokesman for the ministry. Money sent to the organizations will now have to be cleared by the ministry before it can be deposited.

The directive to India's central bank comes after a recent Intelligence Bureau report alleging that that Greenpeace, Climate Works and other non-profit organizations are violating Indian laws by getting too much funding from abroad and misrepresenting their intentions.

"A significant number of Indian NGOs—funded by some donors based in U.S., U.K., Germany, and Netherlands—have been found to...create an environment which lends itself to stalling developmental

projects,” the Intelligence Bureau said in a copy of the report seen by The Wall Street Journal. “The (annual) negative impact on GDP growth is assessed to be 2-3%,” it said without explaining how it came to that figure.

While India’s [Foreign Contribution Regulation Act](#) allows the federal government to restrict international funding of non-profits, Mumbai-based lawyer Lavin Hirani said the decision to start slowing the flow to the two organizations could be a sign that India’s new government may be trying to clear the path for fast-tracking big projects.

“Since the government is so pro-development, I don’t think (protests) will go down well with them,” he said.

The other non-profits that have been named by the Intelligence Bureau report include the Association for India’s Development, Action Aid International, Survival International and Catholic Organization for Relief and Development AID of the Netherlands.

The bureau report, addressed to the office of Prime Minister Narendra Modi and other government offices, said the organizations were claiming to be involved with human rights issues but were actually promoting activism to block everything from [nuclear power](#) to coal mining to the use of genetically-modified organisms.



Activists from the environmental group Greenpeace draped the headquarters of India’s Essar Group with a giant banner during a protest in Mumbai on Jan. 22.

Agence France-Presse/Getty Images

The report claimed the groups’ activities have stalled the projects of [U.K-based Vedanta Resources PLC](#) as well as South Korea’s POSCO as well as those of [Essar Energy PLC](#), Jubilant Energy N.V. and Hindalco Industries Ltd.

[Greenpeace](#) and others in the report, denied the allegations.

“Our funds raised in India currently account for about 61% of our annual income. The remaining 39% comes from International sources almost entirely from Greenpeace International,” Greenpeace said in statement. “GPI, like Greenpeace India, is also funded only by individual donors and philanthropic foundations, with no corporate or government funding.”

“AID scrupulously follows the law and due process in all its collaborations,” said the [Association for India’s Development in a statement](#). “The (intelligence bureau) report aims to suppress voices of those who may be adversely affected,” by big projects, it said.

Survival International said it is supporting the rights of tribal people affected by a big project in the state of Odisha.

“At no point was it an attack on India’s development or growth, as the India Intelligence Bureau seems to think,” said Jo Woodman, senior campaigner at Survival International in an email. “We’re sorry that the bureau views the protection of tribal peoples’ human rights, and economic development, as incompatible. They shouldn’t be.”

—Aditi Malhotra contributed to this post.

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