



Statement and Policy Recommendations from the *ETOs Watch Coalition* on Promoting  
Environmental Rights and Managing Cross-Border Investment Impacts

Presented at the

46th ASEAN Summit 2025

Kuala Lumpur, Malaysia

May 25 – 27, 2025

Dear; His Excellency **Dato' Seri Anwar Ibrahim**, Prime Minister of the Federation of Malaysia, in his capacity as Chair of the Association of Southeast Asian Nations (ASEAN)

His Excellency **Kao Kim Hourn**, Secretary-General of the Association of Southeast Asian Nations (ASEAN)

The 46th ASEAN Summit, scheduled for May 25 – 27, 2025 in Kuala Lumpur under Malaysia's chairmanship as the ASEAN President, serves as a critical platform for ASEAN leaders to collaboratively address the environmental crisis and the impacts of cross-border investments affecting the region's sustainability. Currently, the ASEAN region faces severe environmental challenges stemming from large-scale development projects lacking stringent oversight, such as mining, dam construction, and monocrop agriculture. These activities have adversely affected ecosystems, public health, economies, and communities, particularly in the Mekong River Basin, a vital resource sustaining over 60 million people.

The landscape of large-scale investment projects in the ASEAN region is complex and interconnected across multiple dimensions, extending beyond human rights, environmental, and health concerns to include security issues. A prominent example is the rare earth and other mineral mining in Shan State, Myanmar, located along key waterways such as the Kok and Sai Rivers, which flow between

Myanmar and Thailand. These operations have caused transboundary water pollution, impacting local communities in the project areas and provinces like Chiang Rai and Chiang Mai, while posing long-term risks to the Mekong River Basin's ecosystem due to toxic contamination. This exacerbates existing challenges faced by Mekong communities, such as severe ecological damage from dams on the main river and its tributaries. Additionally, transboundary haze pollution from monocrop farming activities—such as sugarcane, corn, and oil palm plantations—as well as coal-fired power plants, has triggered a severe PM2.5 and toxic dust crisis in the Mekong region. The ongoing development of nuclear power plants across several ASEAN countries further threatens public health, economic stability, and potentially the survival of humanity.

Moreover, the expansion of resource-intensive extraction industries in Myanmar, particularly illegal gas drilling and mining that have surged since the 2021 coup, conducted without adequate regulation, not only devastates the environment but also fuels armed conflicts and regional instability. These actions have led to human rights violations and social injustices, disproportionately affecting ethnic groups, indigenous peoples, and vulnerable communities, who are often the first to suffer from pollution and resource depletion.

This ASEAN Summit 2025 presents a pivotal opportunity for leaders to demonstrate commitment to addressing these issues through the development of legally binding policy frameworks and transparent mechanisms. As pollution transcends national borders, ASEAN must elevate regional cooperation to safeguard the environment, human rights, and the sustainability of the ASEAN Community, guided by principles of equity and inclusive participation.

We, Extra-Territorial Obligation Watch Coalition (ETOs Watch Coalition) urgently calls on ASEAN leaders to take immediate action to promote environmental rights and implement measures to regulate cross-border investments, including their transboundary impacts, with the following recommendations:

#### 1) Elevate the Draft ASEAN Declaration on Environmental Rights

- Advance the “Draft ASEAN Declaration on the Right to a Safe, Clean, Healthy, and Sustainable Environment” to achieve legally binding status, protecting human environmental rights through prevention, awareness-raising, remediation, and restoration of transboundary pollution issues.
- Enforce the “Polluter Pays Principle” to hold state-owned enterprises and private businesses accountable for environmental and community impacts.
- Enhance environmental cooperation strategies between ASEAN and China, as well as other ASEAN+ frameworks, with stringent measures to control environmental and human rights impacts.

## 2) Strengthen Transboundary Accountability Mechanisms

- Mandate Strategic Environmental Assessments (SEA) and Transboundary Environmental Impact Assessments (Tb-EIA) for projects with potential transboundary impacts, such as Mekong River dams, monocrop agriculture, special economic zones, fossil fuel power plants, nuclear power plants, and mining operations.
- Develop legislation enabling the home states of parent companies with subsidiaries, affiliates, or partnerships—or those involved in supply chains operating abroad and causing impacts in host countries—to exercise oversight and enforce measures addressing extraterritorial operations, applying the “Piercing the Corporate Veil” principle to ensure liability for violations.
- Establish a traceability system to identify the sources of pollution and supply chain impacts from businesses, including toxic releases from mining, haze from monocrop farming, dams, and fossil fuel power plants.

## 3) Designate No-Go Zones for Environmentally Destructive Activities

- Identify ecologically and culturally sensitive areas, such as the Mekong River Basin and indigenous territories, as no-go zones for projects causing pollution or fueling conflicts or crimes.
- Restrict investments in high-risk areas, such as Myanmar, to mitigate ecological and regional security threats.
- Prevent investments that may support armed conflicts, particularly in post-coup Myanmar.

## 4) Promote Transparency and Public Participation

- Guarantee public rights to access information on environmental issues, pollution, and health, participate in decision-making processes, and seek justice in cases related to environmental and public health concerns.
- Establish a transparent, independently verifiable reporting and information-sharing system on pollution emissions to inform communities of associated risks.

## 5) Protect the Rights of Communities to Safeguard Common Resources

- Enhance protections for the rights of human rights defenders, indigenous peoples, ethnic groups, and vulnerable populations—who are at the forefront of environmental and public interest protection—ensuring their safety from physical or legal/criminal threats, including strategic lawsuits against public participation (SLAPP).
- Support the role of local communities in maintaining social and environmental security.

## 6) Enforce Rigorous Oversight of Cross-Border Investments

- Advocate for mandatory Human Rights Due Diligence (mHRDD) mechanisms across supply chains, holding businesses accountable for human rights, community, and environmental impacts.
- Develop transparent and sustainable investment monitoring mechanisms to prevent adverse effects on the environment, economy, and society in ASEAN.
- Require businesses to address impacts from investments in vulnerable or conflict-affected areas, such as Myanmar's mining and gas industries, where armed conflicts and war crimes occur.

The ETOs Watch Coalition sincerely hopes that this ASEAN Summit will mark the beginning of a sustainable transformation, guiding the ASEAN region toward balanced development that protects the environment, promotes human rights, and ensures genuine security for all communities. We stand ready to collaborate and support all stakeholders in successfully implementing these policies in alignment with the ASEAN Community's aspirations.

Best regard,

ETOs Watch Coalition

May 27, 2025