

# The Ecologist

January/February 1994

## CAMPAIGNS

### "Fifty Years Is Enough!"

THE WORLD BANK and International Monetary Fund (IMF) celebrate their 50th birthday this year. The Bank will not use this occasion to improve on its disastrous record, but merely plans "a newly designed logo, a standard face type on key publications and possible work on a slogan". Campaigners already have a slogan: "Fifty Years Is Enough!", and are preparing protests to publicize how World Bank and IMF "aid" uproots poor communities, increases Third World debt and subsidizes Western companies.

Last year, 140 groups from North and South opposed continued funding for the International Development Association section of the World Bank, because of its "inability to use public money responsibly or enforce its environmental and social policies" and appealed for "funding mechanisms which do not contribute to further indebtedness, social inequity and environmental destruction". The Bank's recent moves into new areas such as Eastern Europe, South Africa and Palestine



make it more critical than ever to examine what the Bank does with taxpayers' money and whose interests it serves.

Campaigners aim to raise awareness of the Bank among the public, parliamentarians and those working on issues such as workers' rights, homelessness, consumerism and road-building. Once more people realize that, despite impressive-sounding policies on women, indigenous people and the environment,

most World Bank/IMF-financed projects are still harmful, activists hope that the clamour will grow for the institutions to be drastically overhauled or shut down.

Demonstrations and direct action protests are planned for many countries, particularly in July, the month of the 1944 Bretton Woods conference, and also at the World Bank/IMF special anniversary conference and annual meeting between 27 September and 7 October in Madrid. About 15,000 bankers, ministers, businessmen, politicians and journalists are expected to attend these meetings and the Bank hopes to attract "broad TV coverage". Aedenat, a Spanish environmental group, is hosting an alternative conference and a demonstration on 2 October.

• *More World Bank: pp. 8-13 and overleaf.*

**FOR MADRID** information, contact: Aedenat, C/Campomanes 13, 28013, Madrid, SPAIN, Fax: +34 1 571 71 08.

**ANNOUNCE** details of any 50th-anniversary actions to the International Month of Action, c/o Eurodad, PO Box 100, London SE1 7RT, UK, e-mail [caid@gn.apc.org](mailto:caid@gn.apc.org). On e-mail you can also use the Greennet conference: [wb.act.94](mailto:wb.act.94).

### London Motorway Defiance

THE CAMPAIGN against the three mile, £250 million M11 Link Road which will destroy 400 East London homes is growing in strength.

On 6 November, local people and supporters evaded security to knock down fences that had been erected around a sweet chestnut tree which quickly became a symbol of the struggle. A shelter was built in the 280-year-old tree on George Green, Wanstead, one of the area's few remaining open spaces. Protesters did not move from the tree, even when it was firebombed one night, until 300 Tactical Support Group police forcibly cleared the site in an eight-hour struggle with hundreds of protesters on 7 December.

The tree secured legal recognition as a dwelling during its occupation, partly because of the 400 letters which were sent to it. These have been reproduced in a booklet called "Dear Tree" which was given to M11 security guards at Christmas and is now being sold to raise campaign funds.

On 22 January, there will be another major day of action at the M11 site, starting at George Green, outside Wanstead tube, at 10:00 am. People who can help with rebuilding or squatting houses in the path of the road are always welcome.

**TO GET A COPY** of "Dear Tree", send an SAE, with a cheque or postal order for £2 (£3 from outside UK), to WAM11, PO Box 956, Leytonstone Delivery Office, 6 Joseph Ray Road, London E11 1AA, UK. Action phonenumber: 081-530 5709.

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Land Rights Defended

#### The Ecologist

##### CAMPAIGNS

This section highlights current campaigns, suggests how to support them and gives updates on feature articles. Send details of any campaigns to:

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## World Bank Evicts Two Million People

TWO MILLION people worldwide are being forcibly evicted by current World Bank projects, according to a Bank review. The Resettlement Review, started after the campaign to stop the Bank funding the Narmada dams, reveals that the Bank previously underestimated by 500,000 the number of evictees, that 600,000 will be displaced this year alone and that the trend is towards more, not less, evictions.

Compensation for displaced people was described by the Bank's researchers as "poor to the extent of being unacceptable", and recent Bank statements indicate that this is unlikely to change when its Board discusses the issue in April.

The Bank has decided to abandon its current Operational Directives on forced evictions, the environment, protection of indigenous peoples and wildlands and to issue shorter, simpler and less demanding Operational Policies in their place. This will make it harder to accuse the Bank of breaking its own rules. Meanwhile, the Bank's new Information Policy allows environmental and social studies to be kept secret until after projects have been approved.

**WRITE TO** your parliamentarian before February, demanding that the Bank's *Bank-Wide Resettlement Review* be made public before it is finalized and that the Bank approve no more projects involving resettlement until it guarantees that its money will not fund human rights abuses.

## What The Bank Doesn't Tell You

THE WORLD BANK is spending hundreds of thousands of dollars on public relations for its birthday. Here are some facts it prefers not to mention:

- The South transfers over \$50 billion a year to the North in debt-related payments, many of which result from Bank and IMF loans.

- A 1992 World Bank report found that over one third of its projects fail, according to the Bank's own staff.

- The Farakka power plant, India, supported by a \$300 million World Bank loan, displaced and impoverished 55,000.

- The World Bank lent Indonesia \$630 million to support the transmigration of over 2.3 million people to outer islands.

- The World Bank lent \$443 million for the Polonoroeste scheme to build a 1,500 km road in Brazil. Malaria spread rapidly and deforestation in Rondonia, a state the size of Britain, rose from 1.7% in 1978 to 16.1% by 1991.

- The Bank-supported Grande Carajás iron ore mining and transport scheme in Brazil deforested 150,000km<sup>2</sup> by 1991, destroying the livelihoods of over 10,000 Indians. The Bank is supplementing Carajás with the Plana Flora loan.

- A \$23 million World Bank loan to Guinea provided for the building of 45



miles of roads around two rainforest reserves, giving access to logging companies.

- A Tetra-Pak disposable carton factory, supported by the World Bank, undermined Hungary's returnable container system in a few weeks.

- The Bangladesh Flood

Action Plan, coordinated by the World Bank and receiving World Bank funding, would displace millions of poor people, damage fisheries and farmland.

- The World Bank ignored its supposed commitments to human rights and good governance by approving the Malawi Power V project without local consultation in 1992, and resuming aid to Kenya in November 1993 against the appeals of prominent Kenyans.

- The World Bank's Board is entirely undemocratic — votes depend on how much a country has contributed. Only the US and Swiss Executive Directors regularly disclose how they vote at the Bank.

- The Bank's own documents show that in 1992, Britain gained \$285 million from contracts associated with IDA loans, more than it paid in. Total Bank lending to Bangladesh was \$253 million.

- Bank statistics show that over half of the Bank's low-interest IDA payments returned to the world's ten richest countries as contracts.

## GEF In Trouble

AN intergovernmental meeting about how to take the Global Environment Facility (GEF) beyond its current three-year pilot phase collapsed in acrimony in December, leaving the Facility without funds or an agreed structure.

The GEF was set up in 1991 to "tackle environmental problems that go beyond country boundaries" but has been mired in controversy since its inception. Although nominally a joint fund with the UNDP and UNEP, the GEF is dominated by the World Bank, which has used the GEF as a fig leaf to disguise its normal business. Some 85% of GEF funds go to projects that are tacked onto larger, environmentally-destructive loans.

An independent evaluation commissioned by the GEF supported many NGO criticisms and recommended "fundamental changes in the GEF strategies . . . and operating procedures". The evaluation concluded that without major changes "no further allocations of funds to new projects or programs should be made."

NGOs have criticised the GEF for involvement in projects including a forestry plantation in Ecuador that threatened the Chachi indigenous people, the Kenya Tana River Project, also involving displacement, a Nigeria gas flaring project and a wetlands conservation project in Uruguay about which local and national NGOs were not informed before its approval in early 1993.

**CONTACT:** Korinna Horta, EDF, 1875 Connecticut Ave. NW, Washington DC 20009, USA.

## Campaign Sources

**The SAP In The Forest**, by Dominic Hogg, published by Friends of The Earth, 26-8 Underwood Street, London N1, September 1993, £15. Describes the effects of the IMF and World Bank on the forests of The Philippines, Ghana and Guyana.

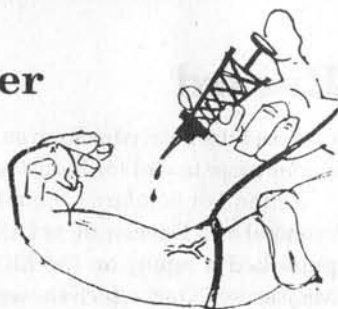
**Mortgaging The Earth**, by Bruce Rich, forthcoming from Beacon Press, USA and Earthscan, UK (see article, this issue, p. 8-13)

**Bank Check**, a quarterly newsletter on Multilateral Development Banks, 1847 Berkeley Way, Berkeley CA 94703, USA.

**The Ecologist** back issues on World Bank projects and Structural Adjustment Programmes, including Vol. 23, Nos. 3, 5; Vol. 22, Nos. 2, 3, 4, 5, 6; Vol. 21, No. 3; Vol. 17, No. 2/3 and Vol. 15, No. 1/2.



## Power Fix



THE WORLD Bank has made countless statements about protecting the environment and has recently created a Vice President For Environmentally Sustainable Development, yet its energy loans show that its agenda has not changed.

A 1991 Bank review found that a mere 1% of its 1992-5 energy lending will go towards energy conservation. According to Friends of The Earth USA, the World Bank's energy lending in 1992 funded seven coal-fired thermal power plants, five hydropower plants and five oil and gas development projects.

These include the Ertan Hydroelectric Project in China which will displace at least 30,000 people, the Daguanba Hainan Project, also in China, set to evict 21,000, and the Kureimat Thermal Power Plant on the bank of the Nile in Egypt, threatening five endangered species.

In late June 1993, the Bank rushed through a \$400-million loan to India's National Thermal Power Corporation (NTPC), the first of several loans to expand Indian energy supply by 16,000 megawatts by the year 2002. The loan did not properly address the fact that the NTPC, an agency which the Bank has supported to the tune of over £3 billion, has already displaced 140,000 people without proper rehabilitation. The Bank also ignored India's \$70 billion foreign debt, much of which results from extravagant energy projects, as well as studies showing that India, like Brazil, could meet half of its projected new power demand by investing in energy efficiency and conservation.

Greenpeace USA has identified 19 chlorine-related factories currently being planned for India, most of which are benefitting from World Bank-subsidised power. It appears that the Bank takes seriously the remorseless economic logic expressed by its ex-chief economist, Larry Summers: "Shouldn't the Bank be encouraging more migration of dirty industries to the Less Developed Countries?"

## Narmada — Bank Still Ignoring Violations

ON 19 NOVEMBER 1993, police shot dead a 15-year-old tribal youth and seriously injured three other people who were peacefully opposing officials attempting to survey their lands behind the Sardar Sarovar dam. Three days later, 170 people were arrested and 22 badly hurt when police broke up a protest.

The World Bank admits that the environment and resettlement conditions on its Sardar Sarovar loan are still legally binding but, as before, is ignoring human rights violations against dam opponents. 3,000 families who have no other land to go to are threatened with submergence next monsoon, as dam authorities want to close the sluice gates at the foot of the dam against the advice of the Ministry of Environment and Forests and the agreement with the World Bank, which said that they would stay open until June 1994.

A report by Dr Rahul Ram for Kalpraviksh shows that many of the supposed benefits of the Sardar Sarovar Projects are illusory. The area to receive irrigation will be only half of that claimed, because soil salinization, waterlogging and evaporation have not been properly evaluated, the report reveals, and the volume of water in the Narmada river has been overestimated by 17 per cent.

Another set of studies on the dam, funded by £700,000 of UK taxpayers' money and conducted by British consultants, has been condemned by the NBA as "tailor-made to conclude what the dam authorities and funders wanted".

**WRITE TO:** S.B.Chavan, Home Minister, North Block, New Delhi, 110001, INDIA, to protest about human rights violations in the Narmada valley.

**WRITE TO:** Lynda Chalker, Minister For Overseas Development, 94 Victoria Street, London SW1E, protesting the biased UK-funded studies.

## Call For Pak Mun Independent Review

THE WORLD BANK approved a loan for the Pak Mun dam in North-East Thailand in 1991 against the wishes of thousands of local villagers and some of its own Directors. Now a Mid-Term Review of the project has been declared a white-wash and Thais are calling for Pak Mun funding to be suspended until there has been an independent review.

The Bank's Review team, which went to Thailand in mid-1993, was headed by a Bank staff member whose career is closely tied to Pak Mun, while the team's fisheries expert has been described by a leading authority on the Mun-Mekong river system as "totally unfamiliar" with the ecology of the 1,000 Mekong fish species.

The team refused repeated invitations to meet with representatives of the 12,000 affected villagers or NGO critics on

neutral ground. In March 1993, police severely beat villagers demonstrating against inadequate compensation and consultation and illegal dynamiting of river rapids. More confrontations and arrests took place in December. A recent survey by 10 Thai NGOs, including interviews with 291 affected families, shows that fish catches have already declined seriously. The survey also revealed that farmland will be flooded and that the submergence of river-bank and seasonally-flooded forests will deny villagers access to medicines, fodder, building materials and food.

**WRITE TO:** Executive Directors, World Bank, 1818 H Street, NW, Washington DC 20433, USA, demanding a full independent review of Pak Mun.

**CONTACT:** Project For Ecological Recovery, 77/3 Soi Nomchit, Nares Road, Bangkok 10500, THAILAND.

## Bank Perseveres With Dahanu Disaster

A WORLD BANK-financed thermal power plant is threatening one of the last green areas along the Konkan coast of Maharashtra, Western India.

The area has a forest cover of 49 per cent and a tribal population of 65 per cent. At least 7000 people are involved in fishing the coastal waters. The energy is not

intended for local people but for Bombay residents and local fisheries and agriculture will suffer severely.

The Bombay Suburban Electricity Supply Company has disregarded many of the conditions agreed with the World Bank, yet funding has continued over the protests of local NGOs.

## Europe's Road Lobby Faces Occupational Hazard

ON 8 DECEMBER, protesters from ten countries occupied the offices of The European Round Table of Industrialists (ERT), a group composed of the heads of many of Europe's largest companies which has a major influence on EC transport and other policies.

Seventeen smartly-dressed activists entered the ERT offices by posing as business school students. Once inside, they refused to leave and made the reason for their action clear by answering the office phones: "I'm sorry, the ERT has been shut down because it was a totally anti-democratic institution".

The office occupation helped to expose the links between ERT lobbying and EC policies such as the Single Market and the

plans to fund 12,000km more roads. The ERT keeps a low profile, although it is made up of the chairs and chief executives of 40 of Europe's largest companies, including Shell, Nestlé, ICI, Fiat, Unilever, Olivetti, Hoechst, Solvay, Thyssen, Siemens, BAT, BP, Carlsberg, Total, Norsk Hydro, Philips, Pirelli, Daimler-Benz, Pilkington, Volvo and Titan Cement.

The ERT advocates lowering wages and cutting benefits to enable the industrialists at the heart of the post-Maastricht European order to maximize profits. When European workers do not comply, companies will be able to relocate to the South under the liberalized GATT terms. The ERT even recommends that the EC appoint "industrial inspectors" to

oversee European education so that it becomes more useful for industry.

Action For Solidarity, Equality, Environment and Development (ASEED) has published a report on the ERT entitled *Misshaping Europe* which shows how ERT proposals "often form the basis of EC policy plans" (see *The Ecologist*, July/Aug 1993 for ERT influence on transport). ASEED will organise further actions to expose the power of the multinationals at the heart of the EC, including a mass fax-in at the end of January.

FOR A COPY of *Misshaping Europe* (£2 or 5 guilders including p.&p.) contact ASEED Europe, PO Box 92066, 1090 AB Amsterdam, THE NETHERLANDS, Tel/fax: +31 20 665 0166.

SEND ANY information about the activities of ERT companies to ASEED.

## Canadian Indians Go For Six

CREE, DENE and Salteaux Indians from Central Alberta and Saskatchewan, Canada appealed to British MPs in November to examine why a treaty between Britain and Canada to recognize and protect Indian rights has not been honoured.

The Indians called for an independent agency to oversee their rights under Treaty Six, signed by the British and Canadian governments in 1876. Chief Alphonse J. Lameman called on "citizens of the Crown to support our efforts to ensure that our treaties are fully respected and honoured."

Britain signed 400 treaties with North American First Nations, yet Indian lands have frequently been expropriated for railways, roads, dams and powerlines with minimal or no compensation. For example, Alcan, a company which

presents a green, recycling image, dammed and diverted the Nechako river in British Columbia in the 1950s to power its aluminium smelter. It now plans a \$1.2 billion addition to the project, which would divert 87 per cent of the Nechako river, causing further harm to Indians and depleting the remaining salmon. Leonard Quaw of the Cheslatta'tan nation, whose family was displaced by Kemano I, said, that if Alcan's new scheme is built, "gone will be our water, our prosperity and our way of life".

CONTACT: Confederacy of Treaty 6 First Nations, Suite 350, 10621-100 Avenue, Edmonton, Alberta, CANADA. A report, *In Bad Faith*, is available from Survival International, 310 Edgeware Road, London W2 1DY, UK.

WRITE TO: Alcan, 1188 Sherbrooke Street, Montreal, Quebec, H5A 3G2, CANADA.



## France Booked For Rainforest Library

A NEW national library in France, promoted by President Mitterand, is attracting international controversy for using rainforest timber. Campaigners coordinated by Robin des Bois oppose the use of *ipe* wood from Brazil and *okoumé* wood from Gabon for the building's esplanade and window frames, arguing that alternatives exist. The French Minister of Culture has admitted that the Library requires 5,600 m<sup>3</sup> of *ipe*.

Campaigners charge that "more than 5,000 hectares of forests in the region of Manaus in the heart of the Amazon have already been destroyed through extracting *ipe*". On 14 December, in Nantes, activists held up the unloading of a ship carrying Brazilian *ipe*.

WRITE TO: The French Ambassador in your country saying these tropical timbers should not be used for the Très Grande Bibliothèque.

CONTACT: Robin Des Bois, 35 rue du Bourg Tibourg, 75004, Paris, FRANCE, Tel: +33 1 48 04 95 78, Fax: +33 1 48 04 56 41.

## IN BRIEF ●●●●●●●●

### ● GATT-WHAT NEXT?

The GATT deal was forced to a conclusion on 15 December, with the US and Europe agreeing on how to divide up the world's markets and resources for their companies. Southern countries had little time to assess the agriculture deal hatched by the North, although this sector is far more important for the poorer countries. In the EC, campaigners are lobbying their Euro MPs to ensure that the European Parliament insist on its right to ratify the GATT deal. Campaigners in India, the USA and elsewhere are also lobbying their Parliaments not to ratify the deal as it stands. (See *The Ecologist*, Nov/Dec 1993 on GATT.)

### ● BANKS BOYCOTTED

The number of students banking with the Lloyds and Midland Banks has fallen by up to 80 per cent in parts of Britain. The boycott and direct action campaign against these two major British retail banks aims to apply pressure to stop the banks "extracting wealth from developing countries to boost their own profits". There will be a gathering in Manchester on 22-23 January to discuss Third World Debt and other campaign issues, including the World Bank anniversary.

CONTACT: Lloyds and Midland Boycott, c/o Manchester University Students Union, Oxford Rd., Manchester M13 9PR.