

World Bank Pressed on Environmental Reforms

Campaign to stop adverse ecological, human rights impact of some bank development projects gets support in Congress

THE World Bank, a major source of development funds for Third World countries, has been under mounting criticism from environmental organizations; this has recently escalated into explicit threats to campaign against funding of the bank and other multilateral lending agencies.

Critics of the World Bank see the recent accession of former U.S. Congressman Barber Conable to the bank presidency as providing an opening to press environmental reform on the institution. When Conable discussed his agenda for the bank at its annual meeting last month, he gave a prominent place to concern about the environment, population, and the role of women in development.

While encouraged by Conable's stance, the environmentalists show no sign of relaxing pressure on the bank. The tensions were symbolized by a Citizens Conference on Tropical Forests, Indigenous People, and the World Bank, sponsored by a phalanx of environmental groups and held in Washington to coincide with the bank's annual meeting in early October.

At the end of the conference, its organizers circulated a set of resolutions calling on the bank to halt or radically modify five projects that they regard as particularly destructive. One resolution says, "If the above changes are not initiated within six months and fully implemented within one year of this date, governments and private investors should be discouraged from funding those multilateral banks which have not made the change."

Environmental issues have also been injected into congressional action on U.S. appropriations for the multilateral lending institutions. A series of reform provisions designed to push the banks to pay greater heed to environmental concerns was attached to appropriations legislation last year and strengthened this year.

In the chaotic closeout week in Congress, the House-Senate conference on foreign aid funding cut the Administration's request of \$1.4 billion in total funds for the multilateral development banks to \$950 million. In the discussion, Senator Robert Kasten (R-

WI), now a leading exponent of the environmental cause in Congress, proposed that the \$182 million requested by the Administration for the World Bank's "hard" loan program be zeroed out. The conferees compromised on \$55 million. The cuts in bank funding are being attributed mainly to the Gramm-Rudman crunch, but the environmental issue is regarded as having helped sharpen the knife.

The direct linkage of environmental issues and development funding is causing some soul searching in the environmental community. For example, support for the tropical forest conference manifesto is likely to vary considerably across the spectrum of environmental organizations, with some of the major national groups reluctant to endorse such an ultimatum.

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The tactic clearly pains many of those active in private development organizations such as the International Institute for Environment and Development, Overseas Development Council (ODC), and World Resources Institute. These groups are often critical of World Bank policies and practices, but strongly support its basic purposes. They see the environmental groups as natural allies in development politics and deplore the threat of an attack on funding for development at a time when it is already under heavy stress.

As ODC senior fellow Robert J. Berg puts it, he and many of his colleagues "think that the bank has been relatively slow on environmental and sociocultural issues. However, we're distressed at what we see going on between the development agencies and environmental community. The issue has gotten out of hand." Most distressing,



Barber B. Conable. Environmentalists regard the new president of the World Bank as receptive to reform.

he says is the "bargain between those in the environmental movement and those opposed to the bank on any grounds."

"You have a situation like that of Africa falling apart and propose to suspend all support because of environmental practices that take place largely in Brazil. (The reference is to the Polonoroeste project in Brazil that has figured centrally in the environmentalists' campaign to win reforms in the development banks.) I would argue that a better strategy should be found. I'm basically concerned about the decision not to support the World Bank because of these practices. A lot of damage is being done. It doesn't speak well of either the Bank or the environmental community."

Polonoroeste* was pushed to the fore in 1983 when environmentalists decided to follow a strategy of concentrating on a single, conspicuous example in order to exert stronger pressure on the bank. Polonoroeste is a massive regional development scheme in the state of Rondonia in western Brazil. Promoted as a land-reform project by the Brazilian government, it opened the tropical region to mass migration and settlement by farmers from impoverished regions of the country.

Environmentalists questioned the economic feasibility of the project, predicted serious environmental damage, and warned of its effects on the Amerindian population in the area. They argued that tropical soils would support cultivation for no more than a year or two on new farms and that the settlers would then be forced to move on to other areas, including those that are now

*Polonoroeste, literally northwest pole, was apparently coined to suggest a magnetic pole attracting development.

reserved for the Indians of the region.

The environmentalists criticized the bank for approving nearly a half billion dollars in loans against the \$1.6 billion cost of the project despite warnings from bank consultants about the consequences. As the project proceeded, critics presented ample documentation of ecological damage, such as soil erosion and river silting on a grand scale, and of the failure of the Brazilian government agency charged with protecting the Indians to carry out its responsibilities.

Concentration on the Polonoroeste project proved effective as environmental issues in development figured in more than 15 congressional hearings since 1983. This attention led to a suspension of bank funding of Polonoroeste for a time in 1985 and inclusion last year in the foreign assistance appropriations measure of injunctions for organizational and policy reforms in multilateral banks—the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank as well as the World Bank.

Congressional intervention hinges on cooperation between Kasten and Representative David Obey (D-WI) chairman of the House Appropriations subcommittee on foreign operations. Kasten, a conservative Republican completing his first term in the Senate, was viewed as an unlikely ally by environmentalist groups. His activism on the matter is ascribed mainly to indignation at the Polonoroeste project. Kasten has interceded vigorously with the Administration on behalf of environmental provisions in appropriations legislation and exerted pressure on World Bank officials when the bank gave what Kasten regarded as a perfunctory reply to a letter of concern from an international group of environmentalists about the Polonoroeste project.

Several of the changes in this year's appropriations measure are aimed at strengthening provisions of last year's bill, such as that to add ecologically trained people to the banks' staff and to promote consultation with nongovernmental groups affected by the projects in the countries receiving bank loans. Among new provisions added this year is one directing the State Department and the U.S. Agency for International Development to establish an early-warning system to flag proposed projects that threaten adverse effects on the environment or indigenous people and a mandate to fashion policies similar to those now governing pesticide use to apply to other industrial chemicals.

These environmental provisions use the leverage of U.S. representation on the boards of the lending institutions. Voting power on the boards is weighted according

to the size of a donor's contribution; the United States is the largest "shareholder."

How much impact the directives had on World Bank activities in their first year is hard to assess. Most environmental groups say that the Treasury, which administers U.S. participation in bank affairs, has come around to the view that environmental reforms are needed in the bank. This has been reflected in action by the U.S. representative on the board opposing particular projects on environmental grounds. And Treasury Secretary James Baker's reaction this summer to environmentalists' scathing critique of the World Bank's role in a major livestock scheme in Botswana is seen as leading to stiffer criteria for livestock projects in Africa. (A major criticism of the proposed project for Botswana is that it will further expand the commercial ranching that proved economically and ecologically unsound in earlier projects.) In letters to Kasten and Obey, Baker said he was providing detailed instructions to U.S. directors on the World Bank and African Development Bank boards "to oppose future loans for cattle production on the open range savanna of sub-Saharan Africa unless conditions related to socioeconomic analysis, ecological constraints, wildlife protection, government policies and economic benefits are met."

The banks, however, are multilateral institutions in which the United States has minority status and can be outvoted. In recognition of this, U.S. environmental organizations are actively encouraging their allies in environmental groups in Europe and Japan to persuade their own governments to champion the environmental cause on the bank boards.

A standard defense of the bank is that its effectiveness depends on maintaining a dialogue with a borrower country and it cannot jeopardize its influence in promoting development by arbitrarily imposing terms on environmental issues in a single project. The bank's general response to criticism on Polonoroeste is that the Brazilians were prepared to proceed without World Bank loans if necessary. In the absence of the bank's ameliorating influence, the results would have been even worse. Robert J. Goodland, an ecologist in the bank's environment, science and technology unit says "The project would have gone ahead without us. The army was building the road and the migratory flux had already started. We got in to regularize a messy situation."

Negotiations between the bank and the Brazilian government have produced a tribal policy that affords greater protection for the Amerindian peoples, says Goodland. "In 1978-79 the government had no such thing." Bank funds now support 50% of Amerindian reserves.

Goodland says that the bank also influenced protection of 19,000 square kilometers of rain forest, an area as big as El Salvador, as national park and forest preserves. In addition, a wildlands policy has also been promulgated to prevent destruction of biological preserves and other "designated habitats." If some conversion of habitat is necessary, he says, "they will protect another similar patch in perpetuity." Under the agreement, the bank finances such action.

In a broader context, Goodland says that the bank has encouraged creation of environmental units in borrower governments



Pioneers. New settlers in development area in northwest Brazil. Critics charge that projects are destructive to environment, threaten Indian population in region.

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that have monitored development projects and had some successes in winning adherence to environmental provisions.

While environmentalists generally contend that bank response to their criticism has been inadequate, most concede that the bank has recently given more attention to environmental issues. The bank is currently in the throes of a study that is expected to recommend organizational changes designed to enable it to handle environmental and natural resource issues more effectively. And Conable's public pronouncements on the environment have fueled hopes that he will wield a new broom vigorously.

In his speech at the recent annual meeting, he listed attention to the environment as among the ingredients necessary for sustained development and later observed that, "we should need little reminder of Francis Bacon's insight: 'Nature, to be commanded, must be obeyed.' To keep development in harmony with natural forces and resources, we must apply that lesson on the largest scale—from the planning stage through the execution of every project."

Conable came to the bank without direct experience in international finance or in administering a large organization. He spent 20 years as a Republican Congressman from upstate New York and was ranking minority member of the tax-writing Ways and Means Committee when he resigned from Congress in 1984. A self-styled conservative, he was highly regarded in both parties for his command of tax legislation and his skill in achieving consensus on difficult issues in Congress. A lawyer, Conable took up a professorship in political science at the University of Rochester when he left Congress. His links with Congress and standing with the Administration are expected to enhance the bank's relations with the U.S. government. Because he compiled a proenvironment voting record in Congress, Conable was regarded as receptive to pleas for environmental reform when he came to the bank.

David Wirth of the Natural Resources Defense Council (NRDC) says his organization is "hopeful that Conable will make rapid changes for the better in the bank." However, he says environmental groups are realistic in recognizing that the bank is "a huge bureaucracy" that is difficult to change and that it will be necessary to "keep the pressure on."

In his speech at the bank's annual meeting, Conable introduced himself as "a lawyer and negotiator." On the environmental question, Conable is likely to be tested as a negotiator by both the environmentalists and his own World Bank bureaucracy. ■

JOHN WALSH

Soviets Decline Offer to Monitor U.S. Test

A team of Soviet seismologists will visit the United States in early November to lay the groundwork for recording seismic signals around the U.S. underground nuclear test site in Nevada. However, because the Soviet Union has declined an offer from the Reagan Administration for the team to monitor a blast at the test site, the Administration has placed strict limits on the scientists' itinerary.

Thus goes the latest twist in a unique private arrangement between U.S. and Soviet scientists for sharing information that could be useful for verifying compliance with a treaty banning underground nuclear weapons tests. Under the arrangement, agreed to in June by the Natural Resources Defense Council (NRDC), an American environmental organization, and the Soviet Academy of Sciences, seismic monitoring equipment has already been placed close to the Soviet nuclear test site at Semipalatinsk (*Science*, 18 July, p. 278). The installation was jointly supervised by American and Soviet scientists.

A team of Soviet seismologists was scheduled to come to the United States to help plan the installation of similar monitoring equipment on privately owned land near the Nevada test site. However, the Reagan Administration, which has resisted Soviet proposals to resume negotiations for a comprehensive test ban, placed restrictions on their visit.

According to Thomas Cochran, a physicist who is managing the program at NRDC, the Administration said it would give the team visas that would allow them to visit sites where seismometers will be installed only if they agreed to witness a test at the Nevada test site and discuss measures to verify the existing treaty, which limits explosions to 150 kilotons.

The Administration has argued that new measures are needed to verify the existing treaty—it has accused the Soviet Union of violating it in the past—while the Soviet Union says it is interested only in moving toward a comprehensive test ban. "The White House tried to inject its own agenda into our program," contends Cochran.

The Soviets, apparently wary of signaling any willingness to move toward the U.S. position, declined the offer. The Administration then issued members of the team with visas that restricted their visit to New York, San Diego, Dallas, and Washington. They will not be permitted to visit the sites where the seismometers will be installed. However, Cochran notes that the scientists will have an opportunity to discuss and plan

the installation with their American colleagues.

The aim of the agreement is to obtain seismic information that would help discriminate between earth tremors and small explosions, and to demonstrate that a complete ban on nuclear testing could be adequately verified. Seismic data from the monitoring stations set up in the Soviet Union and those to be installed in the United States will be publicly available—including to the Department of Defense. ■

COLIN NORMAN

Grasshopper Control Program Successful

A month of pesticide spraying by American aircraft has averted serious crop losses from migratory grasshoppers in four West African countries—Senegal, Mali, Mauritania, and The Gambia. The program, which uses DC-7's under contract to the U.S. Agency for International Development (AID), is the largest single operation in an international effort to control serious outbreaks of locusts and grasshoppers in a score of countries in sub-Saharan Africa (*Science*, 3 October, p. 17). Preliminary assessments indicate the campaign has been generally successful in protecting crops in the region.

The spraying operations, using four DC-7's, had been originally intended to cover about 400,000 hectares, primarily in Senegal. However, the success of that operation in September and the location of grasshopper infestations in other areas prompted a decision to undertake another round of spraying. The DC-7's then operated in Mali, Mauritania, and The Gambia as well as Senegal. In all, more than twice as much territory was sprayed as originally scheduled. Total cost of the operation was about \$2.7 million.

In the areas covered by the first round of spray operations in September, AID officials in Senegal estimate that crop losses to grasshoppers were kept to about 5%. The second round of spraying in October was somewhat less effective in protecting crops, but is expected to limit the size of the generation of grasshoppers which will hatch next year from eggs laid this year. Another grasshopper threat in Senegal and surrounding countries is anticipated in 1987, and planning is under way to forestall another emergency.

A sad note was injected into the successful effort by the crash of one of the DC-7's on 9