

**International Activists to Fast in Front of World Bank  
Headquarters during Annual Meeting to Demand End to Forced Displacement**

**Friday, April 23, 2004-Monday, April 26, 3004**

**EDWARD R. MURROW PARK, WASHINGTON DC**

**directly across from the World Bank, at 18th  
between H st. and Pennsylvania ave.**

*International activists are initiating a 3-day fast across from the World Bank to coincide with its annual meetings. They are calling attention to the legacy of impoverishment associated with the forced displacement of people from their homes by World Bank funded large-scale infrastructure projects such as mines or dams. They demand that the Bank make policy changes to ensure the rights of people adversely affected by Bank lending practices.*

**Action Alert:**

<http://www.aidindia.org/wbfast>

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## Why Are We Fasting?

We are here to commemorate the forgotten people in the Bank's 60-year history, those whose right to development has been violated by the very institution that claims to listen to the voices of the poor. We are bearing witness to situations across the globe where the Bank's lending has violated its mandate and its policy framework, and we are undertaking a fast to call attention to this aspect of the Bank's legacy. We stand in solidarity with those who have suffered devastating impacts after having been evicted from their lands and their homes to make way for Bank-financed projects.

We are here to call on the Bank to abandon its indifference to the plight of people who are suffering from the effects of these failures, and instead to respect the rights of project-affected people, and to support the right to development for those marginalized and impoverished communities that have borne the brunt of 60 years of lending dangerously.

Over the past sixty years, the Bank has supported projects that, in the name of development, have led to the displacement of tens of millions of people. Nobody knows exactly how many people have been displaced by Bank projects over time, because the Bank has been negligent in keeping track. However, the reality is that World Bank-financed dam projects alone have displaced ten million people over the years. The World Bank's own research has shown that most people who are involuntarily resettled do not easily regain their previous standard of living, much less benefit from the project and have their standard of living improved, as called for by Bank policy.

We are gravely concerned by the role played by the World Bank in funding and legitimizing many projects that have come to represent a legacy of implementation difficulties, of underestimated and under-resourced externalities and costs, costs which are borne by those least able to bear them. The Kariba dam in Zimbabwe and Zambia, built during a time of British colonial occupation in the 1950s, has been an enduring source of misery for 50 years for the Tonga people. The Singrauli coal-fired plants in India, financed by the Bank from the mid-70s to the early 90s, have wreaked havoc on the lives of hundreds of thousands of people. The Yacyretá dam in Paraguay and Argentina, financed in the 1980s and early 1990s by the World Bank and Inter-American Development Bank, has been the subject of multiple inspection panel claims and yet problems still persist and effective remedial measures remain elusive.

We recognize that in the past two decades, there have been significant shifts in the World Bank's commitment to sustainable development, in particular the development of a set of environmental and social policies and the creation of the groundbreaking Inspection Panel. We commend this attention to the empowerment of the people affected by World Bank lending and the increased awareness of social and environmental risks associated with World Bank lending.

We are also aware of an unfortunate recent trend that has manifested itself: the World Bank's shifts to minimize its obligations and shift more of the burdens and risks onto local people and borrowing governments. This tendency is reflected in the recent exercises in reformulating Bank operational policies. Many organizations have engaged in dialogue with the Bank over the years regarding revisions to its policy framework – including policies on involuntary resettlement and indigenous peoples – only to be frustrated by the Bank's practice of weakening policies and resisting calls for the policies to be improved and brought into line with existing and emerging standards of international law. This frustration is similarly reflected in the press conference being held this week by participants in the World Commission on Dams, Structural Adjustment Review Initiative, and the Extractive Industries Review; in each case, the Bank is seeking to avoid recommendations developed as part of multi-stakeholder processes.

We are particularly concerned about project supervision issues. Although the Bank has apparently been paying more attention to due diligence at the design stage ever since the China Western Poverty Reduction Project, there is still much to be desired in the Bank's approach to project supervision and project implementation. In 2001, the World Bank significantly weakened the language of its project supervision policy; the revision was done without public input.

In correspondence last month regarding the threat of an increase in the height of Sardar Sarovar dam on the Narmada river without adequate rehabilitation and in violation of the terms of the loan agreement, the country director for India confirmed that the Bank as a rule does not supervise projects beyond the disbursement of funds by the bank to the borrower. We note that when the Bank was forced to withdraw from Sardar Sarovar in 1993, the Bank's General Counsel clarified that the terms of the loan agreement continue to apply to a project until it is repaid. The Sardar Sarovar Project loan has not been repaid and is therefore still legally binding. Nonetheless, Bank Management is taking a hands-off, laissez-faire approach to project supervision – at least with respect to the environmental and social loan conditionalities. This approach makes a mockery of the terms of the involuntary resettlement, indigenous peoples, and other policies that are supposed to mitigate the longer-term impacts of Bank-financed projects. By failing to ensure that

funds are being used in accordance with the purpose and conditions of the loan, the Bank is abrogating its responsibilities as a lender, and its mandate of poverty alleviation.

We are acting in solidarity with people affected by Sardar Sarovar on the Narmada river, where the World Bank has willfully ignored publicly reported accounts of policy violations, and remained silent when the Indian government authorized yet another increase in the height of the dam. The Bank shares complicity in last month's decision to increase the dam height to 110 meters, as a result of which thousands of people – mostly indigenous or tribal people – will face an onslaught of miseries this year.

The Bank's silent acceptance of forcible displacement without adequate resettlement and rehabilitation is in violation of its own policy framework, and in violation of basic principles of international law. Its determination to continue displacing people and ignoring the consequences is reflected in its renewed emphasis on high-risk infrastructure, including potential support for the Omkareshwar dam upstream of Sardar Sarovar, a dam project that would displace 50,000 people.

We are aware that many projects in the Bank's portfolio are out of compliance with the loan agreements and Bank policies – including projects like Sardar Sarovar that are not actionable through the Panel process. In addition, we are troubled that those problems that have been identified by local people and confirmed by the Inspection Panel have not been adequately remedied. We stand in solidarity with communities affected by these accountability gaps.

We are concerned that lessons of the past do not seem to be affecting plans for the future. A recent report by International Rivers Network, "The World Bank at 60: A Case of Institutional Amnesia?" documents the Bank's return to a strategy of financing high-risk and unsound infrastructure projects, and emphasis on a government and corporate focused approach to development that systematically marginalizes civil society in decision-making. Where is the Bank's commitment to addressing critical problems and implementing effective remedial measures? These problems must not be ignored, as they play out, harshly impacting people and the environment.

To remedy some of these problems, we call on the Bank to ensure, at a minimum, that projects that it has supported are brought into compliance with its own policies and loan covenants. We call in particular for full compliance with the terms of the resettlement policy for all communities that have been displaced by a Bank-financed project. The Bank must ensure that people who have suffered displacement by its projects are able to regain and improve their standard of living. The Bank should dedicate new resources and create institutional capacity to address implementation failures and assist the borrowers and affected communities to come to terms with legacy issues. We call on the World Bank to take responsibility for ensuring the development effectiveness of its lending and the accomplishment of a rights-respecting and rights-enhancing approach to development.

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# DEMANDS

We are undertaking a three-day symbolic fast at the time of the World Bank's 60<sup>th</sup> Anniversary to call attention to the Bank's legacy of lending-induced impoverishment. We are calling for the World Bank to take the following steps to address historical injustices and contribute to the building of a future that is more equitable and sustainable:

- (1) The Board should heed the advice of the Extractive Industries Review and the World Commission on Dams, and lessons learned regarding involuntary resettlement, and implement a right of free, prior informed consent for indigenous peoples and local communities threatened with displacement by a World Bank-financed project. Two steps are necessary:
  - (a) Facilitate an immediate shift towards voluntary, negotiated settlements by placing a moratorium on projects involving involuntary evictions.
  - (b) Revise and upgrade the resettlement policy and indigenous peoples' policy to incorporate the right of free, prior informed consent by indigenous peoples and local affected communities before being displaced.
- (2) Bank Management must start keeping track of, and publicly reporting, in the Annual Report:
  - (a) The number of people it displaces (voluntarily or involuntarily) every year; and
  - (b) Their rehabilitation status over time (with a particular emphasis on the restoration of lost livelihoods).
- (3) The Board and senior Management should ensure that Bank staff provides meaningful supervision to each project in order to facilitate and help ensure the effective implementation of environmental and social mitigation, and safeguard measures. The Bank must make a stated commitment to effective supervision throughout the lifetime of a project, to ensure that borrowers adhere to the commitments they have made, until the funds are repaid.
- (4) The Board should create a development effectiveness remedial task force (Task Force) to develop and monitor implementation of remedial measures in consultation with local affected people, their designated representatives, and other stakeholders. The Task Force should include experts from outside the World Bank Group and should have community representatives, including those that have directly experienced development-induced displacement.
  - (a) The Task Force should compile information about the status of people affected by past projects and come up with a time-bound strategy for addressing implementation failures.
  - (b) The Task Force should work to ensure appropriate project planning and options assessment including consultations with affected people and responsible agencies, to make certain that project plans are locally realistic and feasible.
  - (c) The Task Force should be charged with creating improved systems of accountability to effected people at the project level, including decentralized project and country-level accountability mechanisms to allow effected people and communities to seek redress for grievances stemming from World Bank assisted projects and programs.
  - (d) The Task Force could be financed out of the Banks's net income, which, according to the World Bank's Annual Report, was \$5.3 billion in 2003. This would be consistent with earlier uses of net income, such as the Trust Funds for Kosovo and East Timor, and the Heavily Indebted Poor Countries Debt Initiative.

As we bear witness to the destruction of ancestral homelands and the devastation of futures, we call on the Bank to respect the rights of those whom its loans have impoverished, and implement effective remedial measures. We urge the Bank to respond to our concerns in a timely manner. We are committed to engaging in dialogue to advance these issues, so long as the talk is matched with action. We are prepared to meet the World Bank's indifference with our determination that justice be done.

Dana Clark

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Angana Chatterji

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Dickson Mundia

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Angana Chatterji, Associate Professor of Anthropology, California Institute of Integral Studies. Since 1984, Dr. Chatterji has been conducting advocacy and policy research with postcolonial social movements toward enabling participatory democracy for social and ecological justice.

Dana Clark, President, International Accountability Project, Berkeley, CA. Ms. Clark is a human rights and environmental lawyer that has recently edited a book assessing the efficacy of the World Bank's Inspection Panel.

Dickson Mundia, Founder, Basilwizi Trust, Kariba Dam (Zimbabwe) oustee. Mr. Mundia is a lawyer campaigning for compensation for the Tonga people, displaced by the World Bank funded Kariba Dam in Zimbabwe.

## Endorsements

### **Initial Endorsements -- Individuals, partial list:** *(Institutions cited for identification only)*

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