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## INDIA: Bank Accused of Environmental, Human Damage

By Keya Acharya

**NEW DELHI, Sep 29 (IPS) - A 13- member distinguished jury of Indian and international economists, scientists, retired bureaucrats, legal experts and social leaders have charged the World Bank with harming the environment and lowering the standard of living of most Indians.**

The jury included the Ramon Magsaysay award winner Aruna Roy and the Booker prize-winning author, Arundhati Roy.

It took one year for the team to evaluate over 1,000 testimonies of 150 deponents drawn from concerned groups, expert witnesses and affected communities across India in order to evaluate the impact of the Bank across 26 sectors of social and economic development in India.

The Jawaharlal Nehru University (JNU), located in the national capital, which has a history of 'left- wing' intellectualism, hosted the 'Independent People's Tribunal on the World Bank in India' in September 2007.

State-level consultations were held over a two-year preparatory period, primarily in states where the World Bank has played or is playing an active role such as Uttar Pradesh, Orissa, Maharashtra, Karnataka, Andhra Pradesh, Tamil Nadu and Kerala.

The meeting at JNU, attended by over 700 people, was facilitated by 200 volunteer JNU students. Its purpose, says the Tribunal, was to 'provide a just and unbiased forum for people who have faced the impact of projects and policies funded or promoted by the World Bank', it being the most influential of international financial institutions working in India.

The final report, released last week, charges the Bank with advocating policies which have actually accelerated India's agricultural crisis and hunger, increased the divide between India's rich and poor and failed in its mission to reduce poverty.

The Bank's country strategy for India plans substantial lending in the areas of infrastructure (roads, transport, power, water supply and sanitation, irrigation and urban development), human development (education, health, social protection) and rural livelihoods, particularly in the eastern States of Bihar, Jharkhand, Orissa and Uttar Pradesh in the north.

The Tribunal studied impacts of Bank projects on vulnerable communities including women, children, tribal poor, fisherfolk, farmers, labourers and 'dalits', the lowest in India's social ladder.

It also studied the impact of Bank loan conditionalities on the country's financial indebtedness, its sovereignty and democratic processes of the country, its link with government agencies and consultants, the extent of its involvement with policy making.

The report now charges the Bank with deliberately posting former Bank staff in the Indian bureaucracy in order to influence policy and dilute environmental legislation, implying a serious lack of independence in India's administrative policies.

Voting rights within the five wings of the Bank are based on financial contribution with the U.S. having the largest voting power.

As of June 2008, the US held 16.38 percent of votes in the Bank's International Bank of Reconstruction and Development (IBRD), 12.67 percent in the International Development Association (IDA) and 23.63 percent in the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA).

In contrast, India's voting power in the IBRD is 2.78 percent, 2.82 in IDA and 3.39 in MIGA and IFC.

IBRD loans to governments for profit, IDA offers long-term loans to its poorest member-governments for a low service fee. The IBRD and IDA have loaned India 69.7 billion dollars as of July 2007.

The IFC provides both equity and loan capital to the private sector. MIGA provides political risk insurance to private investors. India is a member of all the institutions of the World Bank Group except its International Centre for Settlement of Investment Disputes.

The Tribunal also says that it sent over 60 invitations, including to the Bank and relevant Indian government departments such as Ministries of Economic Affairs, Finance and the Planning Commission, but "none chose to participate in spite of the event being held in the capital where all the departments are situated".

The Bank initially agreed to attend the final session and requested the Tribunal to provide them the evidence to enable them to structure their response.

But in spite of daily dossiers of all the testimonies and overview papers being sent to the Bank's India office in New Delhi, the Bank 'at the last moment chose not to participate' and published a rebuttal to the event on its website.

The Tribunal's report says the Bank instead quickly organised meetings with some civil society organisations to prove its openness to consultation.

The results of the consultations, held also in September 2007, acknowledge an 'anti-World Bank sentiment' and suggests that the Bank's projects get 'diluted' in operations due to various reasons.



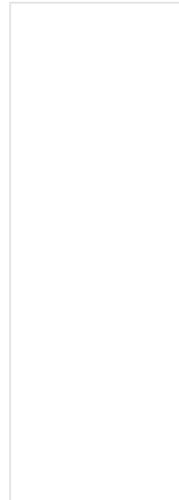
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### INDIA: Bank Accused of Environment..

In response to the charges, World Bank-New Delhi media spokesperson Patsy D'Cruz told IPS: "The Bank welcomes open debate about its work in all countries... however, we do not agree with the format of a 'tribunal' convened to 'try' the Bank without an open and inclusive debate on the issues raised."

She said it was unfortunate that the Tribunal did not accept the Bank's invitation last September for a 'deeper and more useful' discussion of the issues raised.

The Tribunal's secretary, Deepika D'Souza hoped that "such a strong statement from this distinguished group will contribute significantly to the debate on the legitimacy of the Bank's operations in the country and as an institution". She claimed the Indian initiative has already inspired similar processes in the Netherlands and Bangladesh.

(END/2008)

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