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INVESTING IN DESTRUCTION – THE WORLD BANK AND BIODIVERSITY

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Summary

The World Bank has been one of the most powerful forces behind genetic erosion around the world for the last 30 years. Here we review the impact of the Bank's operations on biodiversity over that time, with an emphasis on agrobiodiversity, assess its current approach to biodiversity issues and where it is headed in the future. In particular, we look in detail at its agricultural vision. The findings are not encouraging. The Bank's current initiatives in the arena of biodiversity conservation and management are, at best, merely attempts to put temporary band aids on the mortal wounds it has inflicted on the world. Its choice of projects reflect a profound lack of understanding of the importance of biodiversity and a lack of willingness to address the underlying causes of genetic erosion, which threaten its modus operandi.[1]

[1] *In Biobriefing Nr. 7, November 1996, GRAIN examines the Global Environment Facility (GEF) and its track record on biodiversity. "GEF - An Unsuitable Vehicle for Biodiversity Conservation". This document, written for distribution at COP 3, is available from GRAIN, Girona 25, pral; E-80010 Barcelona, Spain*

1. INTRODUCTION

Since the establishment of its environmental department in 1987, the World Bank has been preaching the gospel of environmentally sustainable development (ESD). At the time it was eager to point out that, of course, this was nothing new, and that the Bank had been practising ESD along. Setting up a new department simply meant giving ESD a formal home. As usual, the rhetoric did not sit comfortably with the realities on the ground. As the main power house driving development, the World Bank has been one of the most powerful forces behind genetic erosion around the world for the last 30 years. This devastation has resulted from a wide range of activities in most of the sectors at the bank - in particular, agriculture, energy, forestry, infrastructure and industry.

Biodiversity conservation and management is a new challenge to the Bank. Ten years ago, few Task Managers would have even recognised the word. In the space of a few years it has been elevated to the point of being one of the Bank's acknowledged buzzwords of environmentally sustainable development. But what does this really mean? How committed is the Bank to biodiversity conservation and how is it going about addressing this complex issue? How effective is it managing to be in the conservation arena? In order to answer these questions, we must first look back at the Bank's record in relation to biodiversity.

2. LOOK BACK IN ANGER

Agricultural biodiversity was the first major hit scored by the Bank. In the 1950s, the Bank's agricultural focus was on cash crops (such as cacao, rubber and palm oil), which started the decline of diversity in farming systems and the crops themselves. From the 1960s onwards, World Bank agricultural projects acted as an extremely effective conduit for the spread of Green Revolution agriculture. The Bank worked closely with the growing network of international agricultural research centres (IARCs), under the umbrella of the Consultative Group on International Agricultural Research (CGIAR) to spread the gospel of chemical farming. Attached to the Bank's ready money and high prestige, the so-called high-yielding varieties (HYVs) were irresistible to governments and farmers. As a result, HYVs spread like wildfire. In Mexico, for example, the first semi-dwarf wheat varieties were released in 1962, and by 1966 they had taken over 95% of the country's wheatlands.

Part of the reason that HYVs spread so rapidly was because the Bank was very successful in persuading governments to adjust their agricultural policies to promote the use of the new seeds. To attract farmers attention, seeds were often given away, and loans were made for fertilisers and equipment. These costly programmes depended heavily on Bank funding. India's New Agricultural Strategy, adopted in the mid-1960s, proved so efficient that by 1968, nearly half the wheat planted in the country came from Norman Borlaug's semi-dwarf varieties. Similarly, strong government policies in the Philippines meant that by 1982, 93% of irrigated lowlands were planted to Green Revolution varieties. The government's "Masagana 99" programme, which began in 1981, only gave loans to farmers who agreed to plant a government-recommended (read "Bank-recommended)" variety. Only ten varieties were on the

programme's list for the whole of the Philippines.

Recognition of the devastating impact of Green Revolution agriculture on agricultural biodiversity led (after a lot of kicking and screaming from the Bank the CGIAR) to the establishment in 1972 of the International Board for Plant Genetic Resources (IBPGR) as a World Bank-FAO joint venture to address genetic erosion. IBPGR was grudgingly accepted as a member of the CGIAR but it had little influence there and was largely ignored by the Bank, which continued with its business as usual approach to agricultural modernisation, with obvious consequences for genetic erosion.

The Bank's influence on biodiversity rapidly gathered momentum during the years of Robert McNamara's presidency (1968-81). McNamara introduced a welcome new focus for the Bank, poverty, and agriculture became a major emphasis of Bank lending. So far, so good. But despite the uplifting rhetoric of working to help the poor, the strategy that accompanied it largely worked against their interests. McNamara's top-down poverty strategy accelerated a process of agricultural modernisation and integration in to the global market that often increased inequality, exacerbated poverty and had a devastating impact on the environment. HYVs continued to spread far and wide, exacerbating the now widely recognised problem of genetic erosion in agriculture. By 1976, 44% of all wheat lands and 27% of rice lands around the world were planted to the new varieties.

The Cutting Edge of Genetic Erosion

Ambitious land-clearing and settlement projects were another important component of the Bank's purported poverty alleviation strategy in the McNamara era. These often involved the decimation of vast areas of prime biodiversity habitats, particularly tropical rainforests. For example, in the 1970s, the Bank approved a series of loans that cleared 1.3 million acres, or 6.5%, of Malaysia's rainforests, mainly to install monocultural plantations for the production of palm oil. Such areas experienced dramatic losses in biodiversity: in one fell swoop, diversity plummeted from thousands of species per hectare to a single lonely palm tree. All told, plantation forestry systems cover some 11 million hectares today, and they are still expanding.

These kinds of escapades continued into the 1980s. Brazil's infamous Polonoreste 'agricultural development' programme, funded by the Bank to the tune of $443 million, single-handedly increased the deforestation of the Brazilian Amazon from 1.7% in 1978 to 16.1% in 1991. More than half the loans financed the paving of a 1,500 kilometres dirt track through the rainforests of Rondônia. Most of the rest went into constructing feeder and access roads, and the establishment of 39 rural settlement centres to consolidate and attract settlers who were to raise tree crops (mainly cocoa and coffee) for export. Instead of the tens of thousands of settlers anticipated, half a million arrived in the space of 5 years. Agricultural extension services and credit never materialised and resettlement officials were overwhelmed. In order to survive, the settlers tried, largely unsuccessfully, to grow crops such as rice, beans and maize in the poor soils, which would become exhausted in a year or two. Slash and burn went completely out of control, as the settlers were constantly forced to move on. Needless to say, the impact on the fragile rainforest environment was devastating. By

the mid-1980s, the burning of Rondônia was identified by NASA as the single largest, most rapid human-caused change on earth visible from space.

Indonesia's Transmigration programme had an equally devastating impact on both biological and cultural diversity. Between 1976 and 1986 the Bank lent $630 million to support the movement of millions of Javanese people to the outlying islands. In addition, it provided an additional $734 million for agricultural development, which either did not materialise or was used to provide rice which people tried, and failed, to grow in totally inappropriate environments, razing the environment in the process. By the late 1980s, transmigration was responsible for deforestation rates in the fragile forests of the outer islands reaching a rate of 5,000 square kilometres a year. The results of the programme were particularly devastating in Irian Jaya, one of the world's great reservoirs of biological and cultural diversity. Here, transmigration was little more than an attempt to "Javanize" what the authorities viewed as backward and disrespectful ethnic groups. The original plan was to match the 1 million ethnic people, belonging to numerous tribal groups speaking more than 200 languages, with 1 million Javanese. This target was never actually reached because the programme proved so disastrous, but transmigration did have its desired effect in decimating Irian Jaya's social and cultural fabric.

Damming Diversity

The World Bank has also funded some of the world's most notorious environmentally destructive dams. These have flooded vast tracts of tropical rainforest, fertile farmland and rich riverside ecosystems. Ghana's Asokombo dam flooded more land than any other dam in the world - submerging 8,500 square kilometres for an industrial development project that was a bottomless sink for aid money and never even came close to achieving its rate of return. The Tucurui and Balbina dams together drowned 6,400 square kilometres of rainforest in the Brazilian Amazon, while Zimbabwe's Kariba dam soaked up 5,100. It is not only the amount of land lost which is important, but also the fact that some of the best wildlife habitat and richest ecosystems are found along river valleys. Downstream effects, such as the loss of seasonal flooding and groundwater recharge, and the agricultural colonisation and industrialisation that dams encourage, greatly exacerbate flora and fauna losses. The complex life cycles of many freshwater fish means that fish populations are usually decimated by the disruptions to the aquatic environment wrought by dam construction. Geographer Geoffrey , a leading expert on the effects of river regulation, says "dam construction appears to have had a greater impact upon riverine fisheries than any other human activity."

World Bank attempts to mitigate wildlife and habitat losses by promoting "compensatory" tree-planting and the establishment of new wildlife sanctuaries often exacerbate, rather than mitigate, the stress on the environment. For example, the compensatory reforestation schemes undertaken for the Sardar Sarovar dam in India involved monoculture plantations, many of which were in arid regions where the trees would probably not survive, or encroached on tribal lands, requiring further resettlement of communities.

This review leaves us with the inescapable conclusion that the Bank's impact on

biodiversity in the 1970s and 1980s was nothing short of catastrophic. The majority of its projects, whether in forestry, agriculture, industry or energy had serious, and in many cases, irreversible impacts on biodiversity. It did next to nothing to prevent or mitigate the effects of genetic erosion, and often did not even consider it as an issue in its projects.

3. BRINGING THE BANK TO TASK

The 1990s have been difficult for the Bank. The impact of what we would be generous to describe as its misdemeanours in the 1970s and 1980s could no longer be papered over. Despite the Bank's secrecy in its operations, NGOs were becoming very effective at worming out the truth and exposing the cavernous divide between Bankspeak and Bank reality. Public indignation over the social and environmental havoc caused by Bank projects was making life extremely difficult for both its public relations and operations departments. But the greatest threat to its credibility came from a most surprising quarter - the Bank itself.

When Lewis Preston became President of the Bank in late 1991, he appointed a task force to survey the overall - as opposed to individual - performance of Bank loans. It was the first time in nearly fifty years anyone had entertained such an eccentric idea. The task force, which was led by (the seemingly unthreatening) Bank veteran Willi Wapenhans, judged the loans entirely on the Bank's own terms, with the rate of return as the only yardstick. Social and environmental impacts were not assessed, but the results were still shocking. More than a third of Bank projects completed in 1991 were judged failures. The worst affected areas were water supply and sanitation, where 43% of the projects had major problems, and the agricultural sector, where 42% of projects were failing. The Wapenhans Report pulled away the Bank's usual crutch for responding to criticism: that it simply used different yardsticks from its critics.

The process initiated by Wapenhans was a courageous attempt to launch wholesale cultural change in the Bank, to wrest it from its obsession with judging success by securing loans, and to instill an emphasis on making projects work. Not surprisingly, there has been considerable resistance to this within the Bank, and the consequences of the Wapenhans report remain ambivalent. Wapenhans language has infiltrated Bank documents, and there is increased emphasis on partnership, participation and in measuring results by the Bank's impact on the ground rather than by loan volume. Nevertheless, by now we know better than to be fooled by pretty language. As discussed below with reference to the Bank's agricultural portfolio, such language often sits uncomfortably alongside the standard Bank pronouncements of strategies that are led by market forces and industry, rather than people and communities.

US Treasury demands for greater transparency and access to information as a condition for the 10th round of IDA replenishment were instrumental in forcing major changes in the Bank on such issues. Greater openness gives critics the opportunity to force the Bank to be more accountable (a step the Bank is unlikely to take of its own accord), which is a hopeful move. The establishment of the Inspection Panel in 1994 has provided NGOs and affected communities with a channel through which they can at last challenge the Bank for violating its own policies. The setting up of this panel was considered a major coup by

NGOs that had been pushing for it for years. However, rather worryingly, it seems this plan may have backfired to some degree. There are recent signs that the Bank may actually be weakening its environmental policies and guidelines in order to lower project standards in order to minimise its accountability to the Inspection Panel (see later discussion on the agricultural portfolio).

4. PRIVATISING DEVELOPMENT

Another important shift that is occurring in the Bank is its widening embrace for the private sector. Aid money is drying up, and to ensure its own survival (which many suspect to be more important than having a meaningful impact in the world), the Bank is beefing up its private portfolio. In late 1995, in the face of threats from the US Congress to cut US contributions to the bank, the Bank embarked on a high-profile advertising campaign to underline its importance to the economies of donor countries. The Bank announced that, "It [the Bank] doesn't just lend money, it helps developing countries become tomorrow's markets."

Social welfare is being transformed into corporate welfare, with the Bank clinging onto the vain hope that what is good for Northern industry is good for the poor of the South. This is not altogether new: tied aid has been a reality since the development business began, and the Bank already has two arms that deal with private sector financing (see Box 1). What is new is the amount of money it is throwing in the direction of the private sector and the Bank's new belief that corporations can do development on their own, without government involvement. This is manifested in the Bank's shift from project lending to "policy" lending in the form of loans for removing trade barriers, privatising government-owned companies and restructuring whole sectors of the economy in order to allow the entry of multinationals. One of the most worrying aspects of this shift is that private sector projects have weaker information and disclosure policies, less accountability and less stringent environmental policies than public sector projects.

BOX 1

THE BANK'S GANG OF FOUR

IBRD - The International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF) were founded at Bretton Woods in the USA in 1944. The IBRD's first loans were made to European nations for reconstruction efforts after the Second World War, but it soon (1948) began lending to the South as well. By 1994, it had loaned $235 billion in more than 3,500 loans. IBRD loans typically include a five-year grace period (no repayments required), after which governments have 15-20 years to pay back at market rates. IBRD loans are increasingly being used to support the private sector, though this requires some delicate manoeuvring, since its founding charter explicitly debars it from directly financing private enterprises.

IDA - the International Development Association (IDA) was established in 1960 to make 'soft' loans to the world's poorest countries unable to afford IBRD terms. To date, IDA has lent $97 billion to some 90 countries. Nearly 80 countries, including India and China, are currently eligible for IDA loans, which are virtually interest free (0.75%), and have long repayment schedules (40 years) after a 10-year grace period. IDA is expected to introduce a private sector

lending window in the near future, though like the IBRD it needs to bend the rules to do so.

IFC - The International Finance Corporation (IFC) was established in 1956 as an affiliate to the Bank, although it remains legally and financially separate. The IFC makes loans exclusively for private enterprise and although its mandate is to act as a 'development institution', it has demonstrated a consistent bias towards the interests of large corporate investors. The five largest shareholders (the US, Japan, Germany, France and the UK) control 46% of IFC's shares, and consequently have greatest sway over its policies and practices. The IFC has invested more than $14 billion in 109 countries since its inception, and as the Bank's rising star, we are likely to see a lot more of it in the future. From 1993 to 1994, the IFC's disbursements rose by 39%, and in 1995 alone it released $2.9 billion in financing packages. IFC loans bring substantial benefits to its co-investors, because of the influence the agency can bring to bear on governments and because it lends credibility to projects that might otherwise be considered too risky to invest in.

MIGA - The Multilateral Investment Guarantee Agency (MIGA) was founded in 1988 to encourage direct foreign investment in Southern countries. MIGA provides insurance guaranteeing investments against non-commercial risks and gives policy advice to Southern governments on foreign investments. Like IFC, MIGA offers the private sector major benefits, because it will cover risks that the market will not bear, making otherwise unprofitable ventures viable and effectively subsidising large corporations.

In the wake of the Bank's advertising campaign, the US Treasury subsequently brought out a report demonstrating that in just two years (1993 to 1995), the World Bank and other multinational development banks had channelled nearly $5 billion to US firms. One major beneficiary was Cargill, the third largest food corporation in the world. Cargill's 1995-96 sales were a mind-boggling $56 billion, which is roughly equivalent to the GNP of Pakistan, Venezuela or the Philippines. Company earnings reached almost $1 billion and profits were 34% higher than the previous year. These are hardly credentials we would expect to qualify for World Bank assistance, nor does it seem like a wise investment for the Bank. Judging from the reaction of rural people around the world, supporting Cargill's operations does little to meet the World Bank's vision for rural development (See Box 2). The heated demonstrations against the company in 1992 attended by thousands of India's farmers (the very people the Bank is aiming to help) attest to the inappropriateness of entrusting agricultural development to agribusiness giants. The farmers were angry about the false promises made by the company of higher yields by switching to Cargill seeds, the environmental damage caused by the chemical packages required, the threat to agrobiodiversity posed by monocultures, and being robbed of their intellectual property.

BOX 2 - THE WORLD BANK'S VISION OF RURAL DEVELOPMENT

* Rural growth is widely shared, with private and competitive agriculture and agribusiness as the main engine of growth
* Family farms and non-farm enterprises provide ample remunerative employment opportunities to men and women
* Rural people manage the soils, water, forest, grasslands, and fisheries in a sustainable manner
* Rural people are linked to well-functioning markets for products, inputs, and finance
* Rural people have access to medical care, clean water and sanitation, educational opportunities, and sufficient nutritious foods
* Essential legal frameworks, public investment, productive and social services are provided and financed in a pluralistic, decentralized and participatory manner

The Bank is in a tight situation. It needs to be seen to doing projects that work for people, but at the same time it feels forced into endorsing privatised, industrialised agriculture as the provider of those projects. Somehow the free market will level the playing field for large and small producers alike. It will, the Bank confidently asserts, even solve the problems of land reform more effectively than government interventions. The only protection the Bank's new action plan for the rural sector (see below) suggests to prevent agribusiness from destroying rural communities and small farmers are some vague words about preventing them from receiving special privileges and creating monopolies. Judging from India's experience, and that of many other countries, such an approach is a recipe for disaster.

Privatising Genetic Resources

Bioprospecting is the 20th century 'politically correct' version of the age-old practice of appropriating the genetic heritage and knowledge of local communities around the world. Unlike their counterparts in the colonial era, today's bioprospectors (either corporations or scientific institutions serving their interests) recognise that they can not get away with raiding local communities' resources for free any more, and that they must pay for access to those resources. Bioprospecting is becoming quite a boom industry, and the Bank has recently recognised it as a potentially lucrative and green investment. But the attraction of corporations, aid agencies and funders to this new industry is not shared by many NGOs and local communities. Bioprospecting deals have almost without exception been characterised by inadequate consultation with and compensation for local communities, and the extension of the reach of the global market, which is rarely of benefit to the communities involved.

In late 1993, the IFC and the Global Environment Facility (GEF) created quite a stir when they met with private foundations to discuss their interest in investing in investing money in venture capital funds to "exploit the knowledge stock" of traditional communities. Project ideas included ecotourism, the screening of plants for medicinal and other potential applications, buying up the knowledge of traditional communities, and even selling the rights to "charismatic" ecosystems to large

corporations for public relations value. NGOs and local communities responded with outrage that the Bank, with its supposed mission of helping the poor, would consider investing in commercialisation activities that most local people consider unfair, unethical and even sacrilegious.

Nevertheless, this proposal has now become a reality in the form of the $30 million 'Biodiversity Enterprise Fund for Latin America,' which aims to support private companies undertaking sustainable uses of biological diversity in Latin America. The areas for investment include sustainable agriculture, bioprospecting activities, sustainable forest management, non-timber forest products and ecotourism. It is being managed by the IFC, and the GEF has contributed $5 million in grant funds for "biodiversity-related project screening and monitoring costs." Another GEF/IFC initiative, known as the 'Small and Medium Scale Enterprise Program,' has also been created "to stimulate greater involvement of small- and medium-scale enterprises in preserving biodiversity and reducing greenhouse gases." This programme also encourages investment in bioprospecting and ecotourism activities. In addition to the questionable nature of bioprospecting activities, Robyn Round, NGO representative at GEF Council meetings, points out an additional failing of the latter initiative. "Projects include proposals for things like establishing monocultural tree plantations around cattle ranches to act as carbon sinks to counteract methane production. Officials do not seem to recognise that this sort of project directly conflicts with biodiversity programme goals."

5. BIODIVERSITY AND THE AGRICULTURAL PORTFOLIO

The World Bank is still the biggest international funder of agricultural development and research, despite the fact that Bank spending on agriculture has dropped dramatically over the last 15 years. Agriculture spending fell from 30% of its budget in 1980 ($5.4 billion/year) to 20% in the early 1990s ($3.9 billion/year). The 1990s have seen further erosion of agricultural investment. By 1996, the agriculture portfolio had dropped to third position in the lending ratings, with commitments to agriculture amounting to only $2.6 billion, or 12% of the budget. The recent drop in funding may in part be due to the poor performance of the portfolio, as exposed by the Wapenhans report. The Bank also attributes it to the weak commitment of lender countries to rural development. Nevertheless, despite its falling status, the Bank's current agricultural portfolio still consists of about 400 projects representing US $25 billion in loans (18% of the Bank's lending). It also continues to provide 15% ($45 million) of the CGIAR's $300 million annual budget.

The World Bank's environmental lending has increased considerably since the early 1980s, and biodiversity has been one issue of concern. But this preoccupation has mostly translated into a concern for setting aside parks, creating buffer zones around such reserves, and for promoting the management of tropical forests for "sustainable" timber production. Little attention has been given to agricultural considerations in projects supporting biodiversity, and conversely, little attention has been given to biodiversity in the Bank's agricultural development

projects. Biodiversity is apparently still not an agricultural issue. Of a total of 377 agricultural projects started since 1988, only 19 contain biodiversity components, and ten of those are in the forestry sub-sector. Of the remainder, seven are agriculture sector loans, while fisheries, irrigation and drainage account for one each. Less than two per cent of the agricultural projects deal explicitly with biodiversity issues.

A New Vision for the Rural Sector?

In 1996, at the request of recently-appointed President James Wolfensohn, the Agriculture and Natural Resources Department produced a new agricultural action plan, entitled "From Vision to Action in the Rural Sector". This document describes the Bank's strategy to improve the quality of agricultural development programmes in general and the performance of its agricultural portfolio in particular. It aims to push agriculture back up to the top of the Bank's agenda, though its intentions in this direction seem to stem less from concern for the well-being of rural people around the world than recognition of the enormous potential for the market economy in this arena. The Bank sees trade liberalisation as its primary mission in the agricultural arena, and plans to push this agenda strongly at the World Food Summit and World Trade Organisation meetings in 1996 and 1998. The Bank also sees itself as a key player in the agricultural research arena, as witnessed by its bid to take control of the CGIAR's seedbanks in 1994.

One main thrust of the agricultural action plan is to eliminate what the Bank sees as the myth of food self-sufficiency as a path to development, in favour of trade dependence:

"All too frequently developing countries have equated food security with agricultural self-sufficiency and have pursued highly-distortionary policies, leading to inefficiency, and resource degradation. However, to develop an open-economy food policy, countries must be assured of access to, and stability in, international markets. The challenge to the global community is to maintain a stable and open trading environment so that developing countries can rely on international markets in developing their domestic food strategies." Here is the invitation to the private sector, as discussed above. The report notes that an exception to the trend of failing agricultural projects is the IFC's portfolio, where profitability is thriving. The implication is that the Bank sees this as the way to go for future funding.

The action plan outlines the Bank's strategy for tackling the "weak commitment" of lender countries to rural development by putting more energy into developing its Country Assistance Strategies and, if necessary, refusing to work with countries that will not co-operate with it. It also proposes several other initiatives, such as "to promote further liberalisation of agricultural trade - a necessary condition for ensuring that countries can rely on international markets, rather than self-sufficiency policies - for their food security; and also necessary for ensuring markets for agricultural and agro-industrial products in which partner countries have comparative advantage."

"Vision to Action" does not address the issue of biodiversity directly, and does not recognise it as an important indicator of rural and agricultural well-being. It makes no mention of the fact that intensive, chemical agriculture is the main cause of the loss of agricultural biodiversity. The plan

frequently refers to the importance of increasing agricultural production sustainably, which it sees as best achieved by intensifying agriculture on existing agricultural land. Without "improved" agriculture, the Bank argues, most of the remaining habitats for wildlife will be destroyed to make room for farms, plantations and ranches. This, the Bank implies, is where we need to look out for biodiversity, not on the farm. Never mind that such an agricultural strategy is devastating the gene pool available for the world's future food supply. The Bank looks squarely and unshakingly at industry's new biotechnologies and the CGIAR to achieve the task of doubling yields on existing land without threatening sustainability. Given that the current fruits of CGIAR and industry research are already producing yields which are unsustainable in many cases, it is hard to see how they will manage to pull the rabbit out of the hat in their quest for even higher yielding crops that do not require even higher chemical inputs.

The Bank recently launched an initiative called "Mainstreaming Biodiversity in Development," in which agriculture is considered a main focus. The main output of this initiative to date has been a spurt of technical papers, including a couple that address biodiversity in agriculture. One of these, "Biodiversity and Agriculture: Implications for Conservation and Development" acknowledges that "little attention has been given to biodiversity in the Bank's agricultural development projects," and outlines some important changes in strategy that are needed in the agricultural portfolio. On the face of it, this development seems promising. However, as with all its technical papers, the Bank conveniently distances itself from the findings, with the caveat that, "The findings, interpretations and conclusions expressed in this paper are entirely those of the author(s) and should not be attributed in any manner to the World Bank ...." The most likely fate of these papers is that they will be added to the existing collection of technical papers that Bank uses to assure people that it is addressing sustainability issues, without actually doing anything about them. This is witnessed by the complete lack of attention agrobiodiversity issues receive in "Vision to Action."

The action plan insists that the Bank's strategy "is not business as usual!" It talks about how the Bank is broadening its view of agriculture and looking at the rural sector more holistically; that it will address long-ignored issues such as land reform, and that it will promote sustainable resource use through community-based management. Nevertheless, with its emphasis on technology and industry as the agents of change, it is very hard to see how such plan can come together. It seems far more likely that the result will be greater marginalisation of the rural poor, an impossible environment for smallholder farmers, and further poisoning of the environment. Self-contradictory language is no newcomer to Bankspeak, but the paradoxes are becoming more and more stark.

Another indication that the Bank's intentions of encouraging such welcome concepts as participation, community-based management and sustainable agriculture are less than trustworthy is illustrated by the adoption of its new Operational Policy on pest management (OP 4.09). The Bank's much publicised embrace of integrated pest management (IPM) is often used to indicate its commitment to sustainable agriculture. However, according to the US' Environmental Defense Fund (EDF), the

new directive represents "an enormous step backwards" from the previous policy (OP 4.03), the implementation of which has been virtually nil. The new policy backs way from a clear commitment to reducing reliance on chemical pesticides, leaving ample opportunity for Bank-financed programmes to maintain or increase their dependence on them. It also fails to recognise the importance of farmer-participation in designing IPM programmes, makes no mention of monitoring and evaluation procedures, and relegates IPM considerations to the environmental assessment process, rather than being central to project design. EDF fears that the dilution of the Operational Policy reflects an internal strategy to lower policy standards so that more projects will meet their stated goals, under the pressure of increased accountability and the threat of the Inspection Panel.

The Bank has no policy violations to worry about in relation to agricultural biodiversity (since it has no policy), and there are no indications that it plans to move away from its monoculture-focused approach to agriculture. Thus, the agrobiodiversity of existing farms is bound to decrease even further as industrial agriculture with its handful of varieties grabs even more tightly at the reins of global food production. Since agrobiodiversity is not recognised as an issue by the Bank, there is little hope that its projects will do anything but accelerate the existing downward trends.

6. CONCLUSION

Despite the Bank preaching environmentally sustainable development from every skyscraper, tower and minaret around the world, its actions on the ground continue to defy the gospel. Even its most recent actions demonstrate its lack of understanding of the complex nature of biodiversity management and use, and a lack of willingness to educate itself and address the underlying causes of genetic erosion. As with most environmental issues, the Bank's activities in the arena of biodiversity are largely limited to window dressing and public relations exercises - thrown in to sugar the pill of the vast majority of its projects, which continue to suck the world's genetic pool dry.

To the Bank, biodiversity conservation is generally equated with wrapping ribbons around protected areas or transferring the world's genetic wealth into industry's coffers. Agricultural biodiversity is hardly even recognised as an issue - probably because if the Bank did recognise this, it would have to own up to its culpability in creating the problem. The Bank sees people as the problem in relation to genetic erosion, rather than the solution. It continues to be blind to the fact that local communities have the best record in biodiversity conservation, management and use, and that we need to look to them for the way forward.

Box 3 outlines some fundamental steps the Bank must take in its agricultural projects if its commitment to biodiversity management is to gain credibility. If not, the outlook for biodiversity, for peoples' livelihoods and for global food security looks very bleak. The World Bank holds great sway over policy decisions, project allocations and millions of peoples' lives. It has a serious responsibility to take its influence seriously and wake up to the realities the world faces.

BOX 3: WHAT THE BANK MUST DO FOR BIODIVERSITY

* Recognise that biodiversity conservation, management and use is a complex problem, requiring long-term commitments and widespread participation of local communities, who are the best stewards of biodiversity

* Recognise that biodiversity is a pressing issue in agriculture, and that the main cause of genetic erosion in agriculture is the very intensive, monoculture-based practices that its agriculture sector is promoting. The Bank must modify the agricultural model it promotes accordingly

* Recognise that biodiversity is important in agriculture not just because of its importance in securing the gene pool on which global food security is dependent, but also as indicator of sustainable production systems and sustainable livelihoods. Diversity is important not just in the crops grown and harvested, but also in farming systems and livelihood practices

* Introduce agrobiodiversity appraisals as a mandatory part of the environmental assessment procedure. These should assess a) the current state of biodiversity in the area, both agricultural and wild; b) explore the impact of the proposed project on existing biodiversity, both agricultural and wild; c) explore local needs and natural resource management strategies related to biodiversity

* Develop agricultural and biodiversity management projects with the full participation of the local community; any strategy drawn up must be based on their choices and priorities

* Discontinue its support for corporate bioprospecting activities, which strip communities of their resource base, livelihoods and knowledge

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