

**Background Briefing on NGO concerns over the revision of the
World Bank's Resettlement Policy**
issued by the Forest Peoples Programme

After being involved in lengthy public consultations about revisions to the World Bank's resettlement policy from 1997 until 1999, NGOs got virtually no news at all about how their input had affected the policy throughout 2000. The black box was opened on 16 March 2001 when the latest draft guidelines were posted on the Bank's web site. NGOs, community organisations and academics are incensed that the draft policy ignores their common call for improved standards for resettlement and is actually *weaker* than the existing policy operated by the Bank. Human rights advocacy groups warn that if the policy is approved in its current form it will fall short of fundamental human rights guarantees. Activists stress that the World Bank must operate high standards for development because its policies directly affect the lives of millions of people whose lives are altered each year by the projects it underwrites in developing countries. In their bid to stop the Bank moving backwards and jeopardising the livelihoods of millions of people world-wide, activists are now engaged in a last-minute campaign to urge the Bank's President and Board of Directors to reject the draft policy. They demand that any new policy is consistent with international human rights and that it incorporates new standards on resettlement like those established by the World Commission on Dams in its consensus report published in November 2000.

Policy reforms at the World Bank

Changes to the Bank's Resettlement Policy are part of a Bankwide process of "converting" its operational guidelines for its loan operations to a new standard format. The streamlining process affects key social and environmental policies that are intended to protect the environment and vulnerable groups from the adverse impacts of Bank-financed operations. Managers assure the Bank Board and the public that policy changes simply involve reformatting to make guidelines clearer and more operational for staff, borrowers and implementing agencies. In line with the Bank's drive for improved transparency, its policy revisions have included external public consultations in each of the six regions where the Bank operates. These consultations

are supposed to enable citizens to make recommendations on how policies can be revised to improve the social and environmental performance of the World Bank. After the round of public comments, policies are then finalised by Bank technical staff before they go to the various policy committees and the Bank's Board for final approval.

Backsliding on Standards

Civil society groups and campaigners who participated in these external consultations have been dismayed to learn that key recommendations for improving standards and strengthening policies have been largely disregarded by Bank policy makers. Faith is particularly soured as scrutiny of proposed guidelines shows that they will introduce *lower* standards than existing policies.

The push within the Bank to lower standards may in part stem from a backlash resulting from the public controversy which forced the Bank to shelve its China Western Poverty Reduction Project in July 2000 after it was shown to have violated key safeguard policies including its Resettlement Policy and its Indigenous Peoples Policy. NGOs suspect that those redrafting policies have come under pressure from influential borrower governments to reclassify once tough mandatory requirements as optional extras, and establish a wide margin of discretion on how to apply guidelines. These erosive forces have reportedly been fuelled by complaints by some borrowers and senior management that adhering to current policy standards required by the World Bank is too expensive and too time-consuming. The recent changes in Bank draft policies suggest that these regressive forces have influenced some of those involved in Bank policy-making.

NGOs emphasise that the net result of these damaging and flawed arguments is that Bank standards are in danger of being compromised. This means that mechanisms for accountability that are already weak will be further undermined. In the case of the draft Resettlement Policy, its critics point out that it introduces a discriminatory approach that will deny displaced people without recognised legal rights to land and assets the right to proper consultation and compensation. The policy is also ambiguous about how to deal with people adversely by parks and protected areas, who, according to parts of the draft policy, do not have to be consulted until a project has already started. The policy also excludes those deemed to be using natural

resources “illegally”. This clause threatens to exclude the millions of indigenous peoples whose use of natural resources is not recognised by national parks and environmental legislation in borrower countries. Careful examination reveals that the policy also features serious loopholes that permit the forcible relocation of indigenous peoples even where it will threaten their “cultural survival”.

Activists stress that the draft policy is consequently at odds with key human rights instruments like the Convention on the Elimination of All Forms of Racial Discrimination (CERD) and ILO Convention 169 Concerning Indigenous and Tribal Peoples. The provisions also contravene multiple standards for resettlement set by the UN Commission on Human Rights. The policy does not even meet the standards of other multilateral development banks like the Inter-American Development Bank that recognises the right of prior informed consent for indigenous communities threatened with relocation. NGOs are also bitterly disappointed that the Bank’s proposed guidelines on resettlement fail to take on board the recommendations made in the consensus report of the World Commission on Dams (WCD) - a body that was itself set up with World Bank support. Among its numerous proposals, the WCD recommends that resettlement plans must be based on detailed social and poverty risks assessments that take account of both the direct and indirect impacts of resettlement. The WCD proposes that vulnerable groups like indigenous peoples must be empowered with full respect for their right to prior, free and informed consent. Crucially, resettlement should be the product of joint negotiation with affected communities backed by mutually agreed and enforceable entitlements to compensation and an *improved* standard of living after relocation.

Pressure on the Bank to respect human rights and international standards

In the general meetings in Prague last year President James Wolfensohn asserted that he is “a great believer in human rights”. Seven years ago the Bank’s own review of resettlement recognized that the potential for violating human rights in resettlement projects exceeds that of any other development activity and that respect for the rights of affected persons is required to both abide by the law and to adhere to sound development practice.

Civil society is now pressing the Bank to live up to these claims. They argue it is high time the Bank adopted a rights-based approach to development like that applied by the UN and bilateral aid agencies like the UK's Department for International Development. A first step in this direction would be to revise the Resettlement, Indigenous Peoples, Forests and other policies in ways that produce strengthened instruments consistent with international human rights law and agreed social and environmental standards for development. NGOs say that this step must be accompanied by sweeping reforms in the World Bank that encourage staff and clients to apply the new standards properly on the ground. Only in this way they argue will the Bank begin to comply with its mandate of poverty reduction and sustainable development. If the Bank chooses to sidestep this challenge it will lose its (already waning) credibility among citizens of the world: North and South.

Examples of Controversial Bank projects involving resettlement

(i) **Singrauli, India.** Since 1977, the World Bank has provided loans to coal mines, power plants and transmission lines that have transformed this area that was once rich and biodiversity into an industrial wasteland, where three hundred thousand people have been displaced, often multiple times in one generation to make way for a dam, power plants, ash dikes, coal mines and associated industrial development. Singrauli provides a telling case study of the social dislocation that comes from badly-implemented resettlement on a massive scale. Contact Dana Clark, danaclark7@mindspring.com, +1.510.527.5246, or Madhu Kohli at bineet@del3.vsnl.net.in

(ii) **Sardar Sarovar Dam, India:** A massive hydroelectric dam project in the Narmada valley states of Gujarat, Madhya Pradesh and Maharashtra in India. The project threatens to flood the homes of two hundred thousand people, including sixty thousand indigenous peoples. The resettlement programme for the project denied the rights of those oustees without individual land titles and was found to be in contravention of ILO Convention 107 on tribal peoples. There has been a major popular mobilisation against the project, with people pointing out that their rights under the World Bank's resettlement policy have not been respected. The World Bank eventually withdrew its support for the project in 1993 following an independent review, which found that the Bank had badly violated its involuntary resettlement and environmental assessment policies. See: www.narmada.org/sardarsarovar.html

(iii) **Ecodevelopment Project, India** (1996-present): A conservation project jointly funded by the World Bank and the Global Environment Facility that involves seven national parks in India. The project confirms the dangers of assuming that "voluntary" resettlement is benign and unproblematic. While the Bank and government officials claim relocation activities have only involved those who moved voluntarily, affected people in Nagarhole National Park claim they have been coerced and forced to move. In 1999, Somayamma, an indigenous Adivasi woman and elder in a village affected by the project observed: "The government men said "If you don't leave the forest, we'll throw you out, we'll shoot you down". Meanwhile, inside the park, people remain impoverished and starving due to restrictions on land and resource use imposed under the project. In 1998, the World Bank Inspection Panel upheld complaints made by local people at Nagarhole that the Bank had failed to properly consult with them about project design. Contact: Roy David at david@giasbg01.vsnl.net.in or Tom Griffiths at tom@fppwrn.gn.apc.org. Tel: 44 1608 652893

(iv) **Minera Yanacocha Gold Mine, Peru** (1998-present): This gold-mining project is part funded by the International Finance Corporation - the private sector arm of the World Bank. The project has displaced numerous peasant families in a process that featured no resettlement plan and failed to involve local people in project preparation -many of whom have since been forced to sell their land

against their wishes. A local Peasant federation (FEROCAFENOP) has now lodged a formal complaint with the IFC's new ombudsman office regarding violations of multiple safeguard policies including the World Bank's Involuntary Resettlement Policy. Contact: Ferocafe@terra.com.pe or Erica Etelson, erica@moles.org, tel: +1.510.705.8981.

(v) **Bayano Dam, Panama (1968-1976)**: The Bayano Dam in Panama displaced 2500 Kuna and Embera Indians who have since endured impoverishment and have not received adequate compensation. The affected communities who lost their fertile cocoa and coffee fields under the dam have been embroiled in three decades of land disputes. A Kuna leader in one affected community in Akua Yala on the edge of the reservoir complained in 2000 "in the agreement in 1968, they promised they would replace our orchards and provide us with drinking water, but they never fulfilled their promises: we are still waiting for compensation thirty years later...we still have no electric light while this dam lights the whole of Panama city!". In their fight for compensation, the Kuna have recently taken the case to the Human Rights Commission of the Organisation of American States (OAS). Contact: Hector Huertas: <ubili@LatinMail.com> or Atencio López: tel: (507)225-8294(507)2275886 /2272024; Celular: (507)691-1708 Email: atenciolopez@hotmail.com

(vi) **Forest Rehabilitation Project, Uganda (1987-1993)**: A major forest conservation project jointly funded with the European Commission that involved the eviction of 130,000 people from areas intended for a biological corridor between two national parks. A 1987 Bank appraisal of the project failed to detect the likelihood of large-scale resettlement. Years after the project ended, displaced people remain worse off in resettlement villages that lack basic services. The resettled populations suffer increased infant mortality and infectious diseases like malaria pose a serious problem. In 2000, the Ugandan courts found that the relocation had been illegal. Contact : Tricia Feeney, Oxfam, UK: 01865/311311.Email:tfeeney@oxfam.org.uk

The World Commission on Dams

The World Commission on Dams was a multi-stakeholder exercise that was created, with World Bank support, in 1997. In November 2000, the WCD issued a comprehensive report that contained key policy recommendations for improving performance of dams and other large-scale development projects, drawing from comprehensive consultations and case studies and seeking to operationalise existing international human rights standards. These recommendations have particular relevance for the World Bank's policies on Involuntary Resettlement and Indigenous Peoples, both of which are currently being revised. However, the Bank is refusing to incorporate the WCD findings into these policies. To view the WCD report, go to www.dams.org.

Documents available upon request:

- 1) Clark, Dana (2001) "World Bank attempts to weaken resettlement policy" *World Rivers Review* 16(1)February 2001
- 2) March 2001 model NGO letter to World Bank Executive Directors expressing concern over the draft Resettlement policy
- 3) March 2001 NGO sign-on letter calling on the World Bank to adopt a rights-based approach to development
- 4) Parasuraman, S (2001) "WCD Raises Bar on Resettlement" *World Rivers Review* 16(1)February 2001

Other relevant documents:

World Bank (1994) *Resettlement and Development, The Bankwide Review of Projects Involving Involuntary Resettlement 1986-93*, World Bank Environment Department, April 1994

Clark, D (2000) *Resettlement: the World Bank's Assault on the Poor* CIEL Brief, May 2000

Wilks, A and Hildyard, N (1994) "Evicted! The World Bank and Forced Resettlement" *The Ecologist* 24(6)(1994):225-229

World Commission on Dams (2000) *Dams and Development: a new framework for decision-making* Earthscan, London

