

## World Bank–The Culprit

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World Bank is a major contributor to climate change, through its projects and policies that cause Greenhouse Gas emissions in transport, energy, industrial livestock and deforestation, according to a well-known environmental scientist who previously spent 23 years working at the Bank.

The devastating criticism was made even as the World Bank is striving to become the major source of global financing for programmes in developing countries to address climate change. It is attempting to establish climate-related funds worth a total of \$5-10 billion, a move that is criticised by developing countries at the UN Framework Convention on Climate Change (UNFCCC).

The G77 (Group of 77) and China is advocating that a multilateral climate fund be set up within the UNFCCC itself, rather than having most of the financing for climate-related programmes being diverted to the World Bank.

The environmental scientist, Robert Goodland, characterised the Bank's policies and funding practices as being destructive to the environment. He said the Bank should be doing "almost the opposite of what it has been doing."

Goodland served the Bank from 1978 to 2001 and was author of the Bank's environmental safeguard policies. He had also facilitated the establishment of the World Commission on Dams.

In an interview published in *Down to Earth*, a leading environmental magazine in India, Goodland said even the Bank's own watchdog has criticised its policies. He said that the Independent Evaluation Group (IEG) had published a devastating critique which showed "how the Bank is hurtling away from sustainability".

Goodland remarked that one arm of the Bank, the International Finance Corporation (IFC) "privatizes profits while spreading the costs of environmental damages" to society. On the other hand, the other arm of the Bank, International Bank for Reconstruction and Development (IBRD) tries to "internalize environmental costs."

Even here, said Goodland, the IEG has stated that the IBRD "has a lot to do on this front."

Goodland said that the Bank "should be doing almost the opposite of what it has been doing." Not just confining his critique to specifics, he recommended that the Bank "give up its credo of maximizing growth" at a systemic level.

He also complained about the lack of transparency at the Bank and said the Bank Group "refuses to make public the amount of Green House Gasses (GHG) emissions it finances."

Goodland also said that "green-wash and censorship is quite rife in the World Bank Group." Bank president, Robert Zoellick, appointed as his top Public Relations adviser a colleague "who staunchly defended suppression of scientific views on climate change."

He added that "this appointment is in line with news reports that the Bank's senior management censored internal reports on climate change and on logging in tropical forests."

Goodland was also sceptical about the Bank's claims that it is working on a methodology to account for GHG emissions. He said that this appeared to be years away.

Goodland said, "by continuing to finance so much coal, so much livestock and so much deforestation, I can't see the World Bank helping in mitigating climate change."

Regarding the Bank's energy policy, Goodland said that the Bank group "reversed its decade-long de facto moratorium against coal financing in 2003, as soon as an independent review recommended phasing out coal within five years."

He cited a number of projects that the Bank finances in a number of developing countries including coal export units.

The Bank has also promoted emissions through other means by financing three other top sources of GHG emissions: highways, deforestation and industrial livestock, added Goodland.

Transport accounts for 25% of global GHG emissions, and this is where the Bank funding is "most skewed." He pointed out the lopsided Bank funding of 75% for highways, against 7% for railways.

Goodland was also candid about the Bank's "year-old but still secret Amazon strategy." It seems to be to replace the forest with agri-fuels and industrial livestock production. The IFC has recently invested in the area more than \$2 billion in industrial livestock, a sector which is the second biggest emitter of GHG.

The Bank has also not conducted assessments on some projects' emissions risks. It has financed methane emissions from cows and carbon emissions from jets which, he said, was "one of the most potent combinations of exacerbating the global food crisis and climate risks."

Goodland alleged that the Bank had been reckless in supporting the production of agri-fuels, citing three examples: (1) financing of palm oil plantations in South East Asia, the leading driver of deforestation and a significant contributor to climate change; (2) two huge soy monocultures in the Amazon forest, despite a reprimand by its ombudsperson; much of the output is converted to agri-diesel; and (3) the March 2008 financing of sugar-ethanol in the Amazon, that has encouraged further private investments. □□□

*—Third World Network Features*