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Dates: 01/01/1984 - 07/31/1985

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ISAD Reference Code: WB IBRD/IDA EXC-09-3957S

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THE WORLD BANK

Washington, D.C.

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The World Bank

1818 H Street NW

Washington DC 20433

Telephone: 202-473-1000

Internet: www.worldbank.org

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CLAUSEN'S: National Resources Defense Council - Sierra Club Correspondence
[Natural]

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Clausen Papers - National Resource Defence Council - Sierra Club Correspondence -
Correspondence 01



Record Removal Notice

File Title Clausen Papers - National Resource Defense Council - Sierra Club Correspondence - Correspondence 01		Barcode No. 1631495		
Document Date 02 July, 1985	Document Type Letter			
Correspondents / Participants Hugh W. Foster (US Alternate Executive Director) to Bruce M. Rich (National Resources Defense Council, Inc)				
Subject / Title Indonesian Transmigration Program				
Exception(s) Communications of Governors and/or Executive Directors' Offices				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.		
		<table border="1"><tr><td>Withdrawn by Vlada Alekankina</td><td>Date April 12, 2011</td></tr></table>	Withdrawn by Vlada Alekankina	Date April 12, 2011
Withdrawn by Vlada Alekankina	Date April 12, 2011			

June 17, 1985

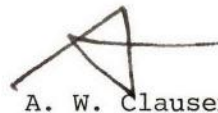
Dear Mr. Rich:

Thank you for the letters of June 7 and 10 from you and your colleagues. Both of them were awaiting my return from a trip overseas.

Concerning the June 7th letter, I, too, appreciated the opportunity to meet with you and to exchange views on the Polonoeste program and other environmental issues. As to the follow-up to this meeting, Mr. Burnham's office informs me that they are in contact with you to make the appropriate arrangements.

We have also passed your letter concerning the Indonesia Transmigration program to Mr. Burnham. He will be in touch with you shortly on the issues you have raised.

Sincerely,



A. W. Clausen

Mr. Bruce M. Rich, Attorney
International Program
Natural Resources Defense Council, Inc.
1350 New York Avenue, N.W., Suite 300
Washington, D. C. 20005

cc: Mr. James B. Burnham
Executive Director

bcc: Messrs. E. Stern
D. Knox
A. Karaosmanoglu

VRS: sbp

(Logs #737 & 738)

Natural Resources Defense Council, Inc.

1350 NEW YORK AVENUE, N.W.

SUITE 300

WASHINGTON, D.C. 20005

202 783-7800

June 7, 1985

New York Office

122 EAST 42ND STREET
NEW YORK, N.Y. 10168

212 949-0049

Mr. A. W. Clausen
President, World Bank
1818 H Street, N.W.
Washington, D.C. 20433

Western Office

25 KEARNY STREET
SAN FRANCISCO, CALIF. 94108
415 421-6561

Dear Mr. Clausen,

We were most grateful for the opportunity to meet with you and other senior Bank management last May 22nd concerning the Brazil Polonoroeste Program and other environmental issues. We thank you for the time and attention that you and the other Bank staff present at the meeting devoted to discussing with us and Senator Kasten these matters of shared concern. Your and other Bank staff's assurances of commitment to ecologically sound development, to protection of the rights of indigenous peoples and to increasing the role of energy conservation and efficiency in Bank lending were greatly appreciated. The meeting was a constructive step towards promoting the goal of environmentally sustainable development we all share and strengthened our view that we should continue to support full appropriations for the World Bank.

At the meeting last month a number of issues were raised which we agreed would require more in depth discussions at a later date. In particular, we wish to pursue the following matters:

1) We would wish to have a separate follow-up discussion with the Bank's Senior Vice-President for Operations, Mr. Ernest Stern, concerning the adequacy of the resources and organizational approach of the Bank to implement and monitor its environmental policies. As you know, this is a matter of key concern to us and a number of Congressional Subcommittees, and it was not possible to discuss in depth this important matter at our meeting.

2) We also wish to have a separate meeting with Mr. Stern concerning the Bank's approach to lending in the energy sector to pursue the discussion on this subject that was opened at the meeting.

3) Pursuant to the concerns set forth in our letter of October 12, 1984, we would wish to meet with the Vice-President for the Latin American and Caribbean Region to discuss in more

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Public Lands Institute: 1720 RACE STREET • DENVER, CO. 80206 • 303 377-9740



detail the conditions under which the Bank will recommence loan disbursements for the Polonoroeste Program.

4) We expressed our concerns at the meeting about two prospective projects of the Bank--the Fifth Indonesia Transmigration Project and the India Narmada Irrigation Project--which present tremendous risks for the environment and indigenous peoples in their respective regions. We wish to have separate meetings in the future with the Bank's regional staff to discuss the implications of these projects. We are sending you a separate letter concerning the Fifth Indonesia Transmigration Project, which, we understand, will come before the Bank's Board of Executive Directors on June 11.

We have discussed these follow-up activities with the U.S. Executive Director, Mr. James Burnham, whose office will handle the arrangements for future meetings.

Thank you again for your attention and concern.

Sincerely,

Bruce M. Rich, Attorney
International Program
Natural Resources Defense Council

Barbara Bramble, Director
International Program
National Wildlife Federation

David Maybury-Lewis,
Professor, Anthropology
Department
Harvard University; President,
Cultural Survival

Brent Blackwelder, Director
International Resources Program
Environmental Policy Institute

RECEIVED

1985 JUN 10 PM 4:10

RECEIVED

Copy given to Mr. Kerasmonoglu
6/11

Natural Resources Defense Council, Inc.

1350 NEW YORK AVENUE, N.W.

SUITE 300

WASHINGTON, D.C. 20005

202 783-7800

June 10, 1985

New York Office

122 EAST 42ND STREET
NEW YORK, N.Y. 10168

212 949-0049

Mr. A. W. Clausen
President, World Bank
1818 H Street, N.W.
Washington, D.C. 20433

Western Office

25 KEARNY STREET
SAN FRANCISCO, CALIF. 94108
415 421-6561

A

Dear Mr. Clausen,

We are writing because a most serious matter has come to our attention. This Tuesday, June 11, the loan for the Indonesia Transmigration Program will come before the Bank's Board of Executive Directors for approval. A careful analysis of this undertaking reveals that it is beset with enormous social and environmental risks. The Bank will be financing mapping and site selection for the resettlement of about 300,000 families in Irian Jaya, Borneo and Sumatra in many areas which are pristine tropical forests inhabited by extremely vulnerable indigenous peoples.

A number of experts familiar with both Indonesia and the Transmigration Program have expressed their alarm to us that the prospective areas where settlement sites are to be selected in the Fifth Transmigration Project are for the most part characterized by poor soils that offer little hope of environmentally sustainable, economically sound agricultural development. We understand that the general areas where prospective sites are to be identified in the Fifth Project are less promising agriculturally than the areas of earlier Bank-financed Transmigration projects, some of which have encountered serious, widespread failures due to ecologically unsuitable conditions.

You are surely aware that the Indonesia Transmigration Program has been characterized by Indonesia area experts in several countries as well as in Indonesia as a politically motivated national security program to Javanize the outer islands of New Guinea, Borneo and Sumatra. In light of the ongoing insurgency of indigenous peoples in Irian Jaya, and the enormous social and environmental risks compared with alternative investments, it is clear that this is more a national security program than a legitimate development effort. The Bank's involvement in a Fifth Transmigration Project can only undermine its image and credibility as a development institution in many of its most important donor countries. Proceeding with this Project will directly contradict the Bank's policies on development,

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Public Lands Institute: 1720 RACE STREET • DENVER, CO. 80206 • 303 377-9740



environmental, and indigenous peoples' issues. Furthermore, it flies in the face of the assurances which you and other senior management of the Bank made last May 22nd concerning these issues.

There are grave risks that the ultimate adverse impacts on the environment and on vulnerable indigenous peoples of the Fifth Transmigration Project will be even greater than the Polonoroeste Program, which has been the source of so much international criticism of the Bank. The Bank's continued financing of large-scale agricultural resettlement schemes in environmentally fragile tropical forest areas inhabited by indigenous peoples is eroding the Bank's credibility and image in many of its most important donor countries and the basis of public support for its replenishments and capital increases.

We urge you to postpone action on this loan until there has been an opportunity for more careful scrutiny and discussion of the environmental and anthropological implications of the Bank's continued funding of the Indonesia Transmigration Program.

Sincerely,

Bruce M. Rich, Attorney
International Program
Natural Resources Defense Council

David Maybury-Lewis,
Professor, Anthropology
Department
Harvard University; President,
Cultural Survival

Barbara Bramble, Director
International Program
National Wildlife Federation

Brent Blackwelder, Director
International Resources Program
Environmental Policy Institute

OFFICE OF THE ATTORNEY GENERAL

1985 JUN 10 PM 4:10

RECEIVED

ROUTING SLIP

DATE

5/31/84

FROM THE REGIONAL VICE PRESIDENT

NAME

ROOM NO.

Mr. Southworth

APPROPRIATE DISPOSITION

NOTE AND RETURN

APPROVAL

NOTE AND SEND ON

COMMENT

PER OUR CONVERSATION

FOR ACTION

PER YOUR REQUEST

INFORMATION

PREPARE REPLY

INITIAL

RECOMMENDATION

NOTE AND FILE

SIGNATURE

REMARKS



FROM

W. David Hopper

Natural Resources Defense Council, Inc.

1725 I STREET, N.W.
SUITE 600
WASHINGTON, D.C. 20006
202 223-8210

New York Office
122 EAST 42ND STREET
NEW YORK, N.Y. 10168
212 949-0049

Western Office
25 KEARNY STREET
SAN FRANCISCO, CALIF. 94108
415 421-6561

May 16, 1984

Mr. W. David Hopper
Vice President
World Bank - South Asia
Regional Office
1818 H Street, N.W.
Washington, D.C. 20433



Dear Mr. Hopper:

We are very pleased to have had the opportunity to meet with you to discuss matters of common concern and interest relating to management of natural resources and development in the South Asia Region. We thank you for your attention and time.

We think that your suggestions for getting a clearer idea of how the Bank is addressing natural resource concerns in its projects are a significant step in broadening the dialogue between U.S. national environmental groups and the Bank. Pursuant to your recent recommendation, we have contacted Mr. Blinkhorn of the Information and Public Affairs Department, who is assisting us in our research.

We are also glad to accept your suggestion that we broaden our dialogue with the Bank by meeting with the Division Chiefs for the South Asia Region; we will be contacting your office concerning this matter in the near future.

Please do not hesitate to call upon us, when you think it appropriate, to assist and support the Bank in promoting our common goal of ecologically sustainable development.

Thank you again for your interest and assistance.

Sincerely,

Ambassador Robert O. Blake
Barbara Bramble, Director
International Program
National Wildlife Federation

Thomas B. Stoel, Jr., Director
International Program
Natural Resources Defense Council,
Inc.

Brent Blackwelder, Director
Water Resources Policy Project
Environmental Policy Institute

Bruce M. Rich, Attorney
International Program
Natural Resources Defense Council,
Inc.



R1 cc. Messrs. Stern, Husain, Hopper.

Natural Resources Defense Council, Inc.

1725 I STREET, N.W.
SUITE 600
WASHINGTON, D.C. 20006
202 223-8210

New York Office
122 EAST 42ND STREET
NEW YORK, N.Y. 10168
212 949-0049

Western Office
25 KEARNY STREET
SAN FRANCISCO, CALIF. 94108
415 421-6561

March 30, 1984

Mr. A.W. Clausen
President
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433

T.B. Stoel, Jr.

Dear President Clausen:

Thanks very much for your letter of March 27. I would like to take this occasion to express my personal appreciation to you for taking the time and trouble to meet with us, and for your courteous response to our suggestions.

When I was an assistant to George Shultz, he used to say that every organization has to have a "last word man." You have the "last word" in managing the World Bank, and it is an awesome and complex responsibility. Our meeting made us even more aware of the difficulties you face.

We share your belief in the Bank's vital mission, as demonstrated by our congressional testimony on behalf of the IDA appropriation. I know that you likewise share our concerns about the environment and natural resources -- as shown, for example, by your 1981 speech and your continuing dialogue with my law school classmate, Bill Reilly.

We are grateful for your willingness to facilitate a broader dialogue between environmentalists and Bank officials. Mr. Southworth has been most helpful in arranging meetings with the Bank's Vice Presidents. We look forward to cordial, productive discussions with them. We also appreciate the Bank's willingness to discuss the issues raised by the Bank's Sector Policy Paper on Fisheries. I can assure you that in all of these discussions, our approach will be professional and constructive.

Sincerely,
Thomas B. Stoel, Jr.
Thomas B. Stoel, Jr.
Director
International Program

TBS/jab

New England Office: 16 PRESCOTT STREET • WELLESLEY HILLS, MA. 02181 • 617 237-0472
Public Lands Institute: 1720 RACE STREET • DENVER, CO. 80206 • 303 377-9740

RECEIVED
1901 APR - 2 PM 6 37
OFFICE OF THE PRESIDENT

THE WORLD BANK
Washington, D. C. 20433
U. S. A.

A. W. CLAUSEN
President

March 27, 1984

Dear Mr. Stoel:

Thank you and your colleagues for your thoughtful and detailed letter relating to our recent meeting in which we discussed the support of the environmental and population organizations for the Seventh IDA Replenishment; and, more generally, the important issues of natural resource management and population growth.

I share your views and those of your associates that it was a useful and productive meeting. It initiated what I hope will be useful discussions with our senior management on these matters of mutual interest and concern to our respective organizations.

As was agreed, I have asked my Administrative Assistant, Mr. Roy Southworth, to serve as the principal point of contact for arranging and otherwise coordinating the meetings. I look forward to hearing from my senior staff and you on the results of these discussions.

I note your continuing concern that the Sector Policy Paper on Fisheries is inadequate. Mr. Shahid Husain, Vice President, Operations Policy, and his associates will be happy to discuss with you the issues raised by the paper and the Bank's environmental concerns in general.

Finally, let me again reiterate that we genuinely welcome the support of the environmental community for the important work of the Bank, and, indeed, that of the multilateral development institutions. Your expression of support for the Seventh IDA Replenishment is greatly appreciated.

Sincerely,



Mr. Thomas B. Stoel, Jr.
Director, International Project
Natural Resources Defense Council, Inc.
1725 I Street, N.W.
Suite 600
Washington, D.C. 20006

BC - S. Husain

Natural Resources Defense Council, Inc.

1725 I STREET, N.W.
SUITE 600
WASHINGTON, D.C. 20006
202 223-8210

New York Office
122 EAST 42ND STREET
NEW YORK, N.Y. 10168
212 949-0049

Western Office
25 KEARNY STREET
SAN FRANCISCO, CALIF. 94108
415 421-6561

March 30, 1984

Mr. A.W. Clausen
President
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433

Dear President Clausen:

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Sincerely,

Thomas B. Stoel, Jr.

Thomas B. Stoel, Jr.
Director
International Program

TBS/jab

New England Office: 16 PRESCOTT STREET • WELLESLEY HILLS, MA. 02181 • 617 237-0472
Public Lands Institute: 1720 RACE STREET • DENVER, CO. 80206 • 303 377-9740

3-27-84

OK: Roy

The well in your
court - to

improve the
relationship!

2

THE WORLD BANK
Washington, D. C. 20433
U S A

A W CLAUSEN
President

March 27, 1984

Dear Mr. Stoel:

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Finally, let me again reiterate that we genuinely welcome the support of the environmental community for the important work of the Bank, and, indeed, that of the multilateral development institutions. Your expression of support for the Seventh IDA Replenishment is greatly appreciated.

Sincerely,



Mr. Thomas B. Stoel, Jr.
Director, International Project
Natural Resources Defense Council, Inc.
1725 I Street, N.W.
Suite 600
Washington, D.C. 20006

BC: S. Husain

THE WORLD BANK

ROUTING SLIP

Date

March 12, 1984

OFFICE OF THE PRESIDENT

Name

Room No.

Mr. Husain

E-1023

cc: Mr. Stern

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

Remarks

Would you please prepare a reply
for Mr. Clausen's signature by March 26?

Roy Southworth

From

THE WORLD BANK

ROUTING SLIP

DATE: March 23, 1984

FROM THE VICE PRESIDENT
OPERATIONS POLICY

NAME

ROOM NO.

(1) ~~Mr. Stern~~

ES.

(2) Mr. Clausen

A

APPROPRIATE DISPOSITION

NOTE AND RETURN

APPROVAL

NOTE AND SEND ON

COMMENT

PER OUR CONVERSATION

FOR ACTION

PER YOUR REQUEST

INFORMATION

PREPARE REPLY

INITIAL

RECOMMENDATION

NOTE AND FILE

SIGNATURE

REMARKS:

*Tom -
I have no problem with
this letter - but we are
getting these fellows
awfully deep into the specifics
of Bank operations.*

[Signature]

FROM:

S. Shahid Husain

[Signature]

ROOM NO.:

E-1023

EXTENSION:

72283

Tom:

Thomas Steel's office has been in touch. We are arranging the first meeting, on Ernie's recommendation, with Dave Hopper.

Roy

3-27-84

P.S. The meeting on the Fisheries Paper with Shabir will take place later.

Natural Resources Defense Council, Inc.

1725 I STREET, N.W.
SUITE 600
WASHINGTON, D.C. 20006
202 223-8210

New York Office

122 EAST 42ND STREET
NEW YORK, N.Y. 10168
212 949-0049

Western Office

25 KEARNY STREET
SAN FRANCISCO, CALIF. 94108
415 421-6561

March 7, 1984

Mr. A. W. Clausen, President
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433

Dear Mr. Clausen:

We are very pleased to have had the opportunity to meet with you to discuss our ongoing activities before the Congress concerning the World Bank, particularly the Seventh Replenishment of the International Development Association. We thank you for taking, on such short notice, more than an hour out of your schedule to talk over matters of common concern and interest.

Collectively, as you know, the undersigned organizations represent over five million members and supporters, which is potentially a new constituency in this country of considerable importance for multilateral development assistance. Our groups have successfully entered the legislative arena on numerous occasions in the past to promote or defend issues of concern to our memberships; this is the first of what may be many times that we are supporting legislation to fund the World Bank.

We share the same development goals as IDA and the rest of the Bank. Our concerns go to the heart of the development process itself, since poverty and environmental deterioration in large parts of the developing world are inextricably related. Sustainable economic development is not possible without concrete measures at all stages of the project cycle to ensure sound management of natural resources and biological systems.

We were pleased to be able to report back to our members your statement that the Bank and its staff need to focus more on natural resource management issues. Your strong expression of the need for a direct, broadened and in-depth dialogue with our organizations on these issues is welcome. We were encouraged by your acknowledgement that more attention needs to be given to natural resources and environmental management in the Bank's

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Public Lands Institute: 1720 RACE STREET • DENVER, CO. 80206 • 303 377-9740



Mr. A. W. Clausen
March 7, 1984
Page 2

policy documents. A case in point is the Fisheries Sector Policy Paper, which you acknowledged was seriously inadequate. We reported to the other signers of the Fisheries Paper critique your statement that you found our comments to be constructive, and that you subscribed to the suggestions we made to the Bank. We therefore were looking forward to the Bank's response to our analysis and to an outline of specific actions the Bank would take to remedy the serious deficiencies which you agreed characterize the Fisheries Sector Paper.

We are disturbed and perplexed, however, by the reply we have just received from Mr. Husain, Vice President for Operations Policy. The letter indicates that the Bank has no plans--and does not consider it necessary--to remedy the deficiencies we identified in our comments. It contradicts directly the unambiguous sense of our discussion with you.

Since we submitted our fisheries comments for the record at the House IDA authorization hearings--and plan to do so in our scheduled appearances at the Senate IDA authorization and appropriations hearings--the Bank's reply already puts at risk our credibility in supporting IDA, not only with our own constituencies but with the U.S. Congress. It serves as an example of the very concerns we expressed to you at our meeting, that the Bank is not implementing its official statements on natural resources management in its policy and project work.

At the time of our meeting with you we were pleased to hear you express the desire of the Bank to pursue a dialogue at the highest level on natural resources issues. The first step, as you agreed, is setting up meetings between representatives of our groups and the vice presidents of the Bank. We agree with you that such discussions should be of a substantive nature to provide more detailed information on what the bank is doing at the operational level in the area of natural resources management and environmental planning. As you suggested, we will be in touch with your assistant, Mr. Southwark, about the scheduling of the first meetings with the Bank's vice-presidents.

We have prepared an outline, which is attached, of actions the Bank could initiate to remedy some of the most serious deficiencies we perceive in its programs and policies with respect to natural resource management. Many of these actions could be undertaken promptly, with little or no expense for the Bank. For example, steps could be taken immediately to begin the preparation of policy papers and directives to implement III B (Incorporation of natural resources concerns and expertise in country dialogues), IV A (career incentives for increased consideration of natural resources management) and IV B (periodic progress reports from the regions).

Mr. A. W. Clausen
March 7, 1984
Page 3

We wish to thank you again for the time and consideration you personally gave us to initiate a direct dialogue on management concerns which we all have agreed publically are essential for the realization of sustainable, successful economic development.

In closing, we must emphasize that we await some indication in the near future that the Bank's management takes its own policy statements on environment seriously enough to undertake concrete actions to remedy substantiated, major deficiencies, as set out in the attached "Outline". As we stated, the very basis of the credibility of our continued public support for the Bank is at stake. The most immediate example of such deficiencies--as you yourself acknowledged--is the inadequate treatment of resource management in the Fisheries Sector Paper. With respect to that document, we await from the Bank an indication of what it plans to do and when. The response we have just received clearly does not reflect either the substance or the spirit of the comments you made to us concerning this matter.

We thank you for your attention and concern.

Sincerely,

Thomas B. Stoel, Jr.
Director, International Project
Natural Resources Defense
Council

Bruce M. Rich, Attorney
International Project
Natural Resources Defense
Council

Barbara Bramble
Director, International Program
National Wildlife Federation

Brent Blackwelder
Director, Water Resources
Policy Center
Environmental Policy Center

Enclosures

OFFICE OF THE PRESIDENT

1984 MAR -9 PM 2:01

RECEIVED

Outline of Actions to Bring About
Improved Natural Resources Management and Conservation
in World Bank Programs and Projects

I. INCREASE STAFFING

- A. Add qualified staff to the Office of Environmental and Scientific Affairs (OESA) which does not have adequate personnel to handle its current responsibilities.
- B. Increase qualified personnel trained in natural resources management in the regional offices and in both country projects and programs departments.
- C. Streamline procedures to ensure that qualified experts are hired out of project budgets when OESA or regional office staff identify the need for natural resources specialists.

II. GIVE GREATER PRIORITY TO FINANCING SOUND NATURAL RESOURCES MANAGEMENT PROJECTS AND PROJECT COMPONENTS SUCH AS:

- A. Watershed management for all projects that depend on it, including hydroelectric and agricultural schemes.
- B. Small-scale forestry, including fuelwood lots, village forestry and agroforestry.
- C. Restoration of productivity of lands degraded by deforestation, waterlogging and salinization.
- D. Population and family planning.
- E. Sanitation and public health.
- F. Inclusion of forestry and integrated pest management in agriculture and rural development projects when feasible, with particular attention to safeguards to prevent pesticide misuse.
- G. Conservation of wetlands, estuaries, mangrove swamps, coral reefs and other important fish breeding habitats in all projects affecting coastal zones.
- H. Conservation of pristine natural areas in national parks and other protected areas to prevent the loss of genetic diversity and preserve the future biological capital of borrower countries.
- I. Investment in alternative energy such as solar and geothermal projects.

III. ENSURE GREATER ATTENTION TO LONG-TERM NATURAL RESOURCES CONSERVATION AND MANAGEMENT IN ECONOMIC AND SECTOR POLICY AND RESEARCH

- A. Include natural resources expertise in preparation of sector policy papers, country economic memoranda, CPPs and other policy documents.
- B. Incorporate natural resources concerns and expertise in each stage in the Bank's policy dialogues with borrowing countries.
- C. Conduct operational research to revise the analytical framework used to calculate benefits and costs of use and management of natural resources.

IV. IMPROVE INSTITUTIONAL INCENTIVES FOR GREATER ATTENTION TO SOUND NATURAL RESOURCES MANAGEMENT

- A. Add, as a significant factor in evaluation of job performance of Bank staff and in their career advancement, the demonstration of full consideration of natural resources conservation and management.
- B. Require Vice Presidents of the Regions and of the Operations Policy Staff (OPS) to prepare regular reports (e.g., bi-monthly) on their progress in implementing all of the above.

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

(202) 477-1234
Cable Address: INTBAFRAD
Cable Address: INDEVAS

February 27, 1984

Mr. Thomas B. Stoel, Jr.
Director, International Project
Natural Resources Defense Council, Inc.
1725 I Street, N.W., Suite 600
Washington, D.C. 20006

Dear Mr. Stoel:

Mr. Clausen has asked me to thank you for your letter of January 24, 1984, and to confirm the Bank's appreciation of your keen interest and concern regarding the proper management of natural resources in developing countries.

Let me assure you that the Bank is fully aware of the potential effects that economic development can have on the environment. Our long and continuing concern with the management of natural resources applies as much to the fishery sector as to any other. This recognition has been well documented and reflected in the Bank's policy statements, as you are aware. I therefore note with concern your comments on the Fishery Sector Policy Paper.

In this respect it seems surprising, however, that you choose to consider this paper in isolation from the various complementary documents which outline the Bank position on environmental issues and natural resources management. We in the Bank certainly do not view the paper in this way.

Sector policy papers have many uses and many limitations. They are global in nature and must of necessity address a broad range of issues relating to development of the sector. This is true of the fisheries paper which deals with a very complex sector and has as a primary concern the well being of literally millions of poor fishermen and their families. Clearly, there is no way that their long-run welfare can be separated from issues of resource management, and this recognition is reflected throughout the paper.

While it is clear that the Fishery Sector Policy Paper does not review in detail the natural resource management issues outlined in the various reports you have cited, this does not mean that the Bank is or was unaware of them. Rather, the opposite was true. I believe a careful reading will show that the sector management issues are discussed throughout the sector paper in a way wholly consistent with the principles embodied in the World Conservation Strategy and in the Law of the Sea Treaty. Your reader will have noted that some of the information used in the Fishery Sector Policy Paper was taken from the World Conservation Strategy paper.

Rather than reviewing or criticizing the documents you cite, the Fishery Sector Policy Paper sought to address the issues in operational terms. In this respect a major concern of the paper is with the development of sector management institutions. The Bank has found consistently in its activities that improved management principles and criteria can only be adopted if the institutional arrangements and trained manpower are in place to implement them. Once a country reaches the implementation stage the principles and criteria laid out in general terms in the World Conservation Strategy and various other documents, need to be evaluated and adjusted to fit the particular circumstances pertaining in that country, and then passed into law, before they can be enforced. This process of policy formulation and implementation is a complex and difficult one, which explains why the Fishery Sector Paper puts its emphasis on country capacity for sector management and the Bank's means and ability to help them in this.

It is difficult to discuss these matters in detail in a letter of this kind. We value your views and would welcome a greater exchange with you should you wish it. The Bank's Fishery Adviser and the staff of the Environmental Unit will be pleased to discuss these matters further with you and your colleagues.

May I conclude by assuring you of the Bank's continuing interest and concern regarding environmental and resource management issues in developing countries. The Bank recognizes these as being of increasingly pressing importance as economic growth and development proceed. Because of this we welcome your support and encouragement in addressing these issues to greater effect in the future.

Yours sincerely,

S. Shahid Husain
Vice President
Operations Policy

THE WORLD BANK
Washington, D. C. 20433
U. S. A.

A W CLAUSEN
President

March 27, 1984

Dear Mr. Stoel:

Thank you and your colleagues for your thoughtful and detailed letter relating to our recent meeting in which we discussed the support of the environmental and population organizations for the Seventh IDA Replenishment; and, more generally, the important issues of natural resource management and population growth.

I share your views and those of your associates that it was a useful and productive meeting. It initiated what I hope will be useful discussions with our senior management on these matters of mutual interest and concern to our respective organizations.

As was agreed, I have asked my Administrative Assistant, Mr. Roy Southworth, to serve as the principal point of contact for arranging and otherwise coordinating the meetings. I look forward to hearing from my senior staff and you on the results of these discussions.

I note your continuing concern that the Sector Policy Paper on Fisheries is inadequate. Mr. Shahid Husain, Vice President, Operations Policy, and his associates will be happy to discuss with you the issues raised by the paper and the Bank's environmental concerns in general.

Finally, let me again reiterate that we genuinely welcome the support of the environmental community for the important work of the Bank, and, indeed, that of the multilateral development institutions. Your expression of support for the Seventh IDA Replenishment is greatly appreciated.

Sincerely,



Mr. Thomas B. Stoel, Jr.
Director, International Project
Natural Resources Defense Council, Inc.
1725 I Street, N.W.
Suite 600
Washington, D.C. 20006

BC - S. Husain

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

(202) 477-1234
Cable Address: INTBAFRAD
Cable Address: INDEVAS

March 13, 1984

Mr. J. Gary Taylor, Ph.D.
Senior Policy Advisor
Sierra Club International
Earthcare Center
New York, New York 10017

Dear Mr. Taylor:

Mr. Clausen has asked me to thank you for your letter of February 3, 1984, and to confirm the Bank's appreciation of your keen interest and concern regarding the proper management of natural resources in developing countries.

Let me assure you that the Bank is fully aware of the potential effects that economic development can have on the environment. Our long and continuing concern with the management of natural resources applies as much to the fishery sector as to any other. This recognition has been well documented and reflected in the Bank's policy statements, as you are aware. I therefore note with concern your comments on the Fishery Sector Policy Paper.

In this respect it seems surprising, however, that you consider this paper to be in isolation from the various complementary documents which outline the Bank position on environmental issues and natural resources management. We in the Bank certainly do not view the paper in this way.

Nor do we see environmental concerns as being in conflict with development. In this case the paper has as a basic tenet that the small-scale fisherman is an integral part of a fragile environment.

Part of the problem comes from the nature of sector policy papers which have many uses and many limitations. They are global in nature and must of necessity address a broad range of issues relating to development of the sector. This is true of the fisheries paper which deals with a very complex sector and has as a primary concern the well being of literally millions of poor fishermen and their families. Clearly, there is no way that their long-run welfare can be separated from issues of resource management, and this recognition is reflected throughout the paper. I believe a careful reading of the Fishery Sector Policy Paper will show that the sector management issues are discussed throughout the paper in a way wholly consistent with principles of environment and resource management which you would support.

In this respect, a major concern of the paper is with the development of sector management institutions. The Bank has found consistently in its activities that improved management principles and criteria can only be adopted if the institutional arrangements and trained manpower are in place to implement them. Once a country reaches the implementation stage the principles and criteria laid out in general terms in the World Conservation Strategy and various other documents, need to be evaluated and adjusted to fit the particular circumstances pertaining in that country, and then passed into law, before they can be enforced. This process of policy formulation and implementation is a complex and difficult one, which explains why the Fishery Sector Paper puts its emphasis on country capacity for sector management and the Bank's means and ability to help them in this.

It is difficult to discuss these matters in detail in a letter of this kind. We value your views and would welcome a greater exchange with you should you wish it. The Bank's Fishery Adviser and the staff of the Environmental Unit will be pleased to discuss these matters further with you and your colleagues.

May I conclude by assuring you of the Bank's continuing interest and concern regarding environmental and resource management issues in developing countries. The Bank recognizes these as being of increasingly pressing importance as economic growth and development proceed. Because of this we welcome your support and encouragement in addressing these issues to greater effect in the future.

Yours sincerely,



Montague Yudelman

Director

Agriculture and Rural Development Department

February 9, 1984.

Dear Dr. Taylor:

Thank you for writing with your concerns about our Fishery Sector Policy Paper. You have joined other organizations who have raised such issues and we welcome the opportunity to clarify our position. I have passed your letter to Shahid Husain, our Vice President for Operations Policy. He or one of his colleagues will be in touch shortly with a response to the points you have raised.

Sincerely,



A. W. Clausen

J. Gary Taylor, Ph.D.
Senior Policy Advisor
Sierra Club International
Earthcare Center
228 East 45th Street
New York, New York 10017

cc: Mr. S. Shahid Husain
(w/inc. #79)

VRS:sb



79
February 3, 1984

Mr. A. W. Clausen
President
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433

Dear Mr. Clausen:

A number of our fellow organizations have called our attention to the recent World Bank Sector Policy Paper, "Fishery", prepared in 1982 for presentation to the Executive Directors, and also to a collective NGO response urging a stronger focus on conservation goals in the development and management of fisheries. While we concur with many of the points raised in the NGO response, especially those which call attention to certain principles set forth in IUCN's World Conservation Strategy, we would prefer to shift our emphasis to other aspects of the paper.

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Although there are a number of encouraging points raised, we believe the paper is flawed in its central premise: it treats environment as a separate sector, and the result is that it comes to the surface of the discussion almost as an afterthought. This confusion is not unique to the World Bank, but it leads to a formulation in which "environment" is placed in conflict with "development".

It is our view, and that of a growing number of professionals involved in development, that if development is to be sustained over time, this perceived conflict needs to be discarded and replaced with an institutional recognition that no development activity can be considered successful which does not recognize the importance of maintaining ecosystem functioning. We believe, further, that the World Bank is in an unusually powerful position to articulate this perspective to host governments.

On the positive side, our members and an increasing number of NGOs around the world with whom we are in contact, are developing a keener interest in and understanding of international conservation issues. We believe they would be encouraged with the extent to which Bank policy papers are beginning to reflect environmental values. In particular, we felt the statement, that "bank-supported projects will, whenever possible ... develop environmental policy," was a significant advance, though still somewhat vague. We were also pleased to note that one of the four development objectives (p.39) is "Conservation of the Resource". In view of the fact that the world is faced with a long list

of depleted fish stocks, brought about by advanced fishing techniques, increased world demand and degradation of coastal habitats, this development objective is, in our view, absolutely essential. We hope that the Bank will aggressively promote natural resource conservation programs and institutions and consistently advise host governments of the Bank's interest in those matters.

In terms of future projects, we agree that the shift of strategy toward the development of small-scale in-shore coastal fisheries is important, particularly since the indigenous fishermen have evolved a knowledge of the local marine ecology which has permitted sustainable exploitation over time.

It is precisely in these in-shore coastal fisheries, however, where we believe the sector paper does not fully address a central conservation issue, i.e., the absolute requirement to establish inviolate reserves which will permit the preservation of biological diversity and natural evolution of species over time. If fisheries are to make as complete a transition to domestication as crop production has done, the genetic base of this industry must be preserved. The World Bank is ideally situated to encourage countries to review their protected area system and to add marine ecosystems, including the upland sources of nutrients and other essentials on which habitat depends. The Bank should also seriously consider preparing a comprehensive inventory of living resources of such areas looking toward development of a total "ecosystem" approach to harvesting marine living resources, as was called for, for the first time, in the Convention for the Conservation of Antarctic Marine Living Resources.

Beyond the establishment of new reserves, the World Conservation Strategy calls for the recognition that the principal management goal for estuaries, mangrove swamps and other coastal wetlands and shallows is the maintenance of the processes on which the fisheries depend. The Sierra Club is now completing a project in cooperation with host governments and UNEP, which identifies management guidelines for mangrove ecosystems in Venezuela and Trinidad and Tobago. We will be pleased to share the results with World Bank personnel when they are available.


Finally, we are concerned that the World Bank will not be able to implement the bold policy statements promulgated at the highest level without putting substantially more resources toward bringing in the expertise necessary to analyze development opportunities in the light of ecological constraints, and structuring the project process to allow insights from the biological sciences to illuminate the decisions made during the planning process.

Polls in the United States have consistently shown that a majority of the American people believe in the importance of a healthy and functioning natural environment. We believe that many of these people

represent a potential constituency for foreign aid programs provided the World Bank and other development assistance institutions bring conservation more strongly into focus in their work.

In view of the increasing interest in these matters, we are taking the liberty of sending copies of this letter to a few other people. We would welcome an opportunity to discuss these points with appropriate Bank officials in the near future.

Very truly yours,


J. Gary Taylor, Ph.D.
Senior Policy Advisor
Sierra Club International
Earthcare Center

JGT:rb

cc: Marc E. Leland, U.S. Dept. of Treasury
Rep. Jerry M. Patterson
Patricia J. Scharlin, Chairman, ACIC
Kenton Miller, Director General, IUCN

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Mr. Gudelman /
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February 6, 1984

Dear Mr. Stoel:

Just a note to thank you for the letter from you and your colleagues on our Fishery Sector Policy Paper. I have passed it on to my colleagues in our Operations Policy Staff. They will review the issues you raised and will get in touch with you shortly with their response.

Sincerely,



A. W. Clausen

Mr. Thomas B. Stoel, Jr.
Director, International Project
Natural Resources Defense Council, Inc.
1725 I Street, N.W., Suite 600
Washington, D.C. 20006

cc: Mr. Husain

VRSouthworth:sb

Mr. Huson

Natural Resources Defense Council, Inc.

1725 I STREET, N.W.
SUITE 600
WASHINGTON, D.C. 20006
202 223-8210

New York Office
122 EAST 42ND STREET
NEW YORK, N.Y. 10168
212 949-0049

Western Office
25 KEARNY STREET
SAN FRANCISCO, CALIF. 94108
415 421-6561

January 24, 1984

Mr. A.W. Clausen, President
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433

GD We are going to get several more copies of this (see dist. list) and be required to reply - as we should. I suggest Alfredo & EL, and perhaps others (Goodland who probably drafted this) should prepare a draft response for consideration by, say, 2/17.

Dear Mr. Clausen:

We are writing on behalf of eight national and international environmental organizations with over five million members in North America and the Developing World. Our concern is the World Bank Fishery Sector Policy Paper issued in December, 1982.

Bank sector policy papers have great importance for the sustainable management of natural resources, on which successful long term economic development depends. This is not only because of the very large scale of Bank lending, but also because of the policy influence the Bank exercises in borrower countries. The Bank is rightly viewed to be, in most instances, a leader among international development agencies in formulating and implementing ecologically sound policies and procedures.

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Thus, we are disappointed that the Fishery Sector Policy Paper fails to mention a number of key and widely accepted principles of fisheries management or refers to them only in an indirect or overly general way. The crisis in world fisheries caused by widespread overexploitation is not addressed, and concepts such as maximum sustainable yield and an ecosystem conservation standard are not mentioned. The paper lacks the rigor which we have come to expect from official Bank statements on technical matters.

We find particularly disturbing the lack of any reference to most of the fisheries management principles set out in the World Conservation Strategy, endorsed by the President of the Bank in 1980, and in the Law of the Sea Treaty, which embodies the arduously developed consensus of almost all Bank member countries on a number of issues critical to sustainable fisheries management.

Most importantly, the paper expresses no clearly stated commitment on the Bank's part to taking specific actions in its project, country, and sector planning, and policy dialogue with

New England Office: 16 PRESCOTT STREET • WELLESLEY HILLS, MA. 02181 • 617 237-0472
Public Lands Institute: 1720 RACE STREET • DENVER, CO. 80206 • 303 377-9740

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member governments to ensure that ecologically sound management measures needed to assure sustained fishery production are effectively carried out. The Fishery Sector Policy Paper lacks the vigorous and systematic commitment to conservation set forth in policy speeches by the Bank's two most recent presidents and in the Bank signed 1980 Declaration on Environmental Policies and Procedures Relating to Development.

We respectfully request that the Bank revise the Fishery Sector Paper to incorporate these concerns. We are offering the attached comments, with specific chapter and page references, in the hope that they will be considered in such a revision. In addition, organizations with in-house fisheries expertise, such as the National Wildlife Federation, would be willing to offer more detailed comments once a revision is begun.

We suggest that in the future, draft policy papers concerning important natural resource issues be circulated more widely among environmental specialists and organizations to provide a forum for timely communication on critical ecological concerns.

Thank you very much for your attention to this matter.

Sincerely,

Thomas B. Stoel, Jr.
Director, International Project
Natural Resources Defense Council

Michael Bean
Director, Wildlife Project
Environmental Defense Fund

Bruce M. Rich, Attorney
International Project
Natural Resources Defense Council

Fran Lipscomb
Director, International Activities
National Audubon Society

Barbara Bramble
Director, International Program
National Wildlife Foundation

Roque Sevilla Larrea
President, Fundacion Natura
Quito, Ecuador

Jack Lorenz
Executive Director
Izaak Walton League of America

Liz Raisbeck
Legislative Director
Friends of the Earth, U.S.

Brent Blackwelder
Director, Water Resources Policy Center
Environmental Policy Center

cc: Katherine Fuller, World Wildlife Fund U.S.
Tom Lovejoy, World Wildlife Fund U.S.
Michael Wright, World Wildlife Fund U.S.
1601 Connecticut Avenue, N.W.
Washington, D.C. 20009

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Mr. Ernest Stern, Senior Vice President, Operations
Mr. S. Shahid Husain, Vice President, Operational Policy Staff
Mr. Montague Yudelman, Director, Agriculture and Rural Development
Mr. Visvanathan Rajagopalan, Director, Projects Policy Department
Dr. James A. Lee, Environmental Advisor

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433

Mr. James Conrow
Office of Multilateral Development Banks
Robert T. Banque
Office of Multilateral Development Banks
U. S. Treasury Department
15th & Pennsylvania Avenues, N.W.
Washington, D.C. 20002

The Honorable Jerry Patterson, Chairman
Subcommittee on International Development Institutions
and Finance
Committee on Banking, Finance and Urban Affairs
U.S. House of Representatives
Washington, D.C. 20515

Lynne Corn
The Honorable Mike Lowry
Member of Congress
1206 Longworth Building
Washington, D.C. 20515

Chapter I: Status and prospects of World Fisheries.

This chapter fails to mention what we believe to be the two most important factors and policy issues concerning the status and prospects of world fisheries during the past decade: overexploitation and habitat destruction. According to the World Conservation Strategy (prepared by IUCN in collaboration with FAO and UNESCO with assistance and advice from UNEP and WWF),^{1/} "Overfishing is the main threat to marine living resources and a significant threat to fresh-water ones" (WCS 4.4). The Strategy also notes that coastal wetlands and shallows, which provide essential habitats for two thirds of the world's fisheries, "are being destroyed the world over, with severe effects on the economies that depend on them most closely." (WCS 2.10)

Overfishing is mentioned only twice, in other chapters in the Paper, as a cause of either full exploitation of stocks or of declines in the total catch of some species (pp. 25, 40), but the real magnitude and policy implications of the problem are never addressed. Again, according to the World Conservation Strategy, "because much utilization of fisheries is not sustainable, their

^{1/} IUCN: International Union for the Conservation of Nature and Natural Resources, Gland, Switzerland; FAO: Food and Agriculture Organization of the United Nations, Rome, Italy; UNESCO: United Nations Educational, Scientific and Cultural Organization, Paris, France; UNEP: United Nations Environment Programme, Nairobi, Kenya; WWF: World Wildlife Fund, International, Gland, Switzerland.

contribution to national diets and incomes is likely to diminish. The result of past and present overfishing is that the annual world marine catch is 15-20 million tons (or about 20%-24%) lower than it might otherwise have been, and at least 25 of the world's most valuable fisheries are seriously depleted." (WCS 4.3)

Chapter I of the Paper attributes the decline in growth of world fisheries supply in the 1970's to "the dramatic drop in the catch of anchoveta in the Pacific Ocean, off Peru and Chile." (p. 13) It does not mention the consensus expressed in the reputable scientific literature on the reasons for this fisheries debacle: overfishing and insufficient attention to ecological data (such as effects of the El Nino current) in determining and enforcing allowable yields. (see Idyll, 1973; Payne, 1977 p. 452) The chapter makes a passing reference to the possibility that "rebuilding and better management of currently depleted or heavily fished stocks (especially anchoveta and herring)" could increase world fisheries production up to 25 million metric tons (p. 12), again without either mentioning the overfishing and lack of sustained yield management which has decimated fisheries worldwide (especially anchoveta and herring). (See Payne, 1977; Idyll, 1973; May et al., 1979). More importantly, this statement and the rest of the Paper ignore growing scientific evidence that many depleted fisheries may never be rehabilitated because seriously overfished marine ecosystems often become permanently altered so that species of commercial importance are replaced in their ecological niches by other species of limited use to humans

(May et al, 1979; Payne, 1977; Idyll, 1973).

Moreover, harvesting of multi-species ecosystems such as fisheries may lead to discontinuous, "catastrophic" collapses which are counter-intuitive and irreversible. (May et al, 1979; May, 1977) "Since these catastrophic changes are seldom, if ever, predictable in a quantitative sense, and since they can be expected to occur in almost any severely exploited ecosystem, the need for conservation and contingency planning is emphasized." (May et al., 1979).

Chapter II: Changing Conditions for World Fisheries.

The second chapter mainly focuses on issues and implications associated with establishment of 200 mile Exclusive Economic Zones (EEZs) in international law. Thus, it is all the more surprising that the Fisheries Sector Policy Paper -- a major policy document of a United Nations family institution -- should so completely ignore the relevant provisions of the Law of the Sea Treaty concerning management of fisheries in the EEZ. The United Nations Convention on the Law of the Sea (UNCLOS) represents the codification of more than a decade of high-level policy discussions concerning the management and exploitation of marine fisheries by nearly all of the participating members of the World Bank. In all probability, this treaty will have entered into force by the time many new Bank fisheries projects are ready for implementation, making the Policy Paper's disregard

of its provisions all the more distressing.

UNCLOS contains 320 articles and annexes. Two articles (56 and 57) define the EEZ and set forth the sovereign rights that pertain to it, codifying what has already become a fact under customary international law: control by coastal states of most of the fish resources of the world. More than forty additional articles, however, set forth agreed policies directly and indirectly relating to management of fisheries resources in the EEZ. Significantly, most of these provisions address environmental and ecological concerns.

In particular, Article 61 addresses the major management issues associated with exploitation of EEZ fisheries. Article 61.2 provides that each coastal state is to ensure, through proper conservation and management measures, the prevention of overexploitation of living resources in its EEZ; and Article 61.3 specifically states that coastal states shall take measures to maintain or restore populations of harvested species at levels which can produce the maximum sustainable yield (MSY). Article 61.3 includes a list of qualifying factors which coastal states can take into account in addition to MSY in setting allowable catch limits; some of these factors are economic (e.g., particular needs of coastal fishing communities) and others are environmental, such as the interdependence of stocks. Article 61.4 requires that the coastal state take into account effects on species associated with or dependent on the harvested species -- with the view that populations of dependent or associated species be maintained or restored -- at a level where their reproduction

is not seriously threatened.

The principle set forth in Article 61.4 -- sometimes referred to as an "ecosystem conservation standard" -- was incorporated into the most recent major regional fisheries convention, the Convention for the Conservation of Antarctic Marine Living Resources (CCAMLR), which regulates fishing in the Southern Ocean surrounding Antarctica. This Convention has as signatories many of the world's leading fishing nations, including Japan, Chile, the USSR and Norway. With respect to Article 61, one international legal commentator noted that "What is of particular importance in these provisions is that they apply to all species, whether they are the subject of a commercial fishery or of no economic importance, and that they contain the obligation to regulate direct or indirect effects of fishing on these species so that their populations be maintained at sufficiently high a level to make their extinction impossible....(states are) bound to preserve species not for their immediate economic value but because of the role they play in the ecosystem" (de Klemm, 1981).

In as much as Article 61 sets forth management principles to prevent overexploitation, Article 62 sets forth the principle of "optimum utilization" of living resources in the EEZ so as to avoid underexploitation of resources in a hungry world. Under 62.1, states are to determine what part of the allowable catch of target species they wish to harvest in their respective EEZs, and then allow other states to harvest the remainder, provided, of course, that all states follow the strict conservation principles

set forth in Article 61.

In UNCLOS, as in the World Conservation Strategy, conservation (including conservation of non-commercial species) and optimum utilization are inextricably dependent on one another and linked: conservation is the prerequisite for rational utilization. Incredibly, this critical policy principle is never articulated in the Bank's Fishery Sector Policy Paper; conservation is mentioned only once, in Chapter 4, as a "benefit" of fisheries development rather than its sine qua non.

Moreover, an entire part of UNCLOS -- part XII -- deals with "Protection of the Marine Environment." Article 192 establishes a general obligation of states to protect the marine environment, and Article 197 obliges states to cooperate in formulating international standards, rules and practices to bring about that end. Article 194.5 provides that states take measures to protect and preserve fragile or rare marine ecosystems and the habitats of depleted or endangered marine species. Nowhere in the 79 pages of the Sector Policy Paper are these universally recognized marine ecological concerns mentioned.

In addition, both UNCLOS (Article 206) and the World Conservation Strategy emphasize the importance of environmental assessment by coastal states of all activities, land-based or marine, which may have harmful effects on the marine environment. Article 205 of UNCLOS obliges states to communicate reports of these assessments "to the competent international organizations which should make them available to all States." The Policy Paper does include (p. 45, Chapter 4) a full paragraph

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on the need for a cross-sectoral approach in planning so as to take into account impacts of industrial, energy or agricultural activities on fisheries resources. However, exactly how the Bank plans to ensure this -- mandatory early environmental assessment is one of the more commonly accepted means worldwide -- is neither made clear here, nor later in the Policy Paper in Chapter 5, "The Role of the World Bank."

Finally, the Fishery Sector Policy Paper makes no mention of the growing number of Regional Seas treaties and Action Plans associated with the Regional Seas Programme of the United Nations Environment Programme (UNEP). This program has promoted a number of international agreements and protocols to address problems of environmental management and assessment in the world's major regional seas including problems associated with management and conservation of fisheries stocks and their habitats. Seas for which the littoral countries have adopted Action Plans and signed regional marine environmental management treaties include the Mediterranean, the Caribbean, the Arabian-Persian Gulf, the Red Sea and Gulf of Aden, West Africa, and the East Asian Seas.

To summarize: Chapter Two -- and the entire Fishery Sector Policy Paper -- ignores many of the major resource management issues associated with extension of the EEZ, issues which have been identified and agreed upon by the vast majority of Bank member states in UNCLOS, in regional agreements, and by the President of the Bank in 1980. These issues include adoption of a modified standard of Maximum Sustainable Yield, and/or of an "ecosystem conservation standard" to maintain or restore

harvested populations, conservation of non-target, non-harvested species dependent on marine ecosystems, optimum utilization (on a conservation base) of EEZs; and protection of habitats of depleted, rare or endangered marine species. The issues discussed in Chapter Two are limited mainly to questions of micro-economics ("the type of industry to employ; the amount to invest in supporting infrastructure," etc.) (p. 24) Reference is made to devising and enforcing regulations (p. 25) without ever mentioning the principles on which such regulations must be based. Overfishing is mentioned (pp. 24-25) as a constraint to potential development of stocks, rather than as the catastrophic consequence of past development and management based on short term micro-economic considerations instead of on scientific, biologically sustainable principles. These principles have been incorporated into the more recent international fisheries agreements such as UNCLOS and CCAMLR.

Chapter 3: Structure and Dynamics of the Industry.

Nowhere in this chapter or in the rest of the Paper is there mention of the critical importance of intact coastal wetlands and shallows--especially mangroves and estuaries--for the economic sustainability of world fisheries, both off-shore and coastal. According to the World Conservation Strategy, the life cycles of species utilized by two-thirds of the world's fisheries are dependent on the ecological integrity of these endangered coastal

ecosystems which serve as spawning, nursery and foraging grounds (2.10). In some tropical and semi-tropical areas, such as the Gulf of Mexico, up to 97% of commercially exploited species are dependent on these habitats. The Paper's vague reference to the need for cross-sectoral planning on p. 45 is neither explicit enough nor sufficiently focused to indicate any serious and meaningful consideration of this crucial policy issue. Surely, a major objective of World Bank fisheries policy should be to ensure that non-fisheries sector projects do not destroy or harm the biological underpinnings of future fishery development.

Chapter 4: Development Objective, Constraints and Options.

Conservation of marine resources is described as a development objective (pp. 39-40) or benefit (p. 6) among others, along with such economic and social goals as increasing incomes and foreign exchange, and improving nutrition. But conservation is not, especially in the case of management of living resources, a post hoc benefit, nor is it only one objective among, or equivalent to, others. It is, in the words of the World Conservation Strategy, "that aspect of management which ensures that utilization is sustainable and which safeguards the ecological processes and genetic diversity -- essential for the maintenance of the resources concerned." (WCS 1.6, emphasis added)

Conservation has been recognized worldwide as the

prerequisite and first principle of natural resource development, which makes possible the sustainable realization of other objectives such as increased foreign exchange, improved nutrition, or increased incomes.

According to the World Conservation Strategy, conservation of living resources is to be achieved through the realization of three principal objectives:

1. The maintenance of essential ecological processes and life support systems (it has already been noted that, for fisheries, coastal wetlands and shallows are particularly critical habitats);
2. The preservation of genetic diversity (addressed by Articles 194.5, and 61.4 of UNCLOS);
3. Sustainable utilization of species and ecosystems (for whichMSY and an "ecosystem conservation standard" are particularly important).

It is surprising and disappointing to find no mention of these three principles in the Chapter dealing with development objectives or anywhere else in the paper.

Moreover, the problem of incidental capture of non-target species is never raised nor addressed. Incidental take is responsible for the destruction and waste of over 7 million metric tons of fish a year (more than 10% of total world annual

fish harvests in recent years) (WCS 4.5). Several species of sea turtles are threatened with extinction through incidental catch, and incidental catch of cetaceans, especially dolphins and porpoises, is greater than intentional harvesting. Surely, the Bank should make a commitment to ensure that measures to deal with this problem be considered in its fisheries projects. These measures include modifications of fishing gear and methods, and establishment of closed seasons or protected areas for some fisheries. International agreements such as the Inter-American Tropical Tuna Convention already require the adoption of such methods.

The discussion in Chapter 4 on constraints to fisheries development also gives little consideration to the enormous importance of conservation. Mention is made only that "aggressive fishing practices can...alter the reproductive cycles of species" and that overfishing can cause problems in fisheries dealing with migratory or mobile species.

This discussion fails to point out the following fundamental constraints to fisheries development, constraints which are threats to the resource itself: overexploitation, habitat destruction, and pollution.

The options and strategy that should follow from these conservation objectives and constraints (which the paper omits) should therefore include: assurance "that the principal management goal for estuaries, mangrove swamps and other coastal wetlands and shallows critical for fisheries is the maintenance of the processes on which the fisheries depend (WCS, 5.7);

"adoption of conservative management objectives for the utilization of species and ecosystems (WCS, 7.41);" and reduction of "incidental take" as much as possible (WCS, 7.5)."

Chapter 5: The Role of the World Bank.

This chapter notes that the Bank will rely heavily on outside agencies -- especially FAO -- to provide technical assistance in the fisheries sector. In light of this statement, it is especially surprising that no mention is made of the World Conservation Strategy and its principles, since the WCS was prepared in collaboration with FAO, as well as endorsed by the President of the World Bank.

On the very last page there is a single paragraph which refers in very general terms to the possibility that the Bank "can" or "may" play a role in disseminating information on the environmental consequences of development projects and in promoting natural resource conservation programs or institutions. This is not the systematic and substantive commitment to the essential role of conservation in the development of natural resources that has been set forth in the speeches of the two most recent Bank presidents, the World Conservation Strategy, UNCLOS, and the 1980 New York Declaration on Environmental Policies and Procedures Relating to Development. In the recent words of the Bank's president, "... in order to be sustainable, development must include vigorous and

studied attention to resource management" (Clausen, p.10). "For sustainable development and wise conservation are, in the end, mutually reinforcing--and absolutely inseparable--goals."

(Clausen, p. 19)

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