

Andean Report by Javier Almario

World Bank causes 'natural disasters'

The bank's refusal to finance essential infrastructure projects in Colombia has caused killer floods.

One can't fight nature," said Public Works Minister Luis Fernando Jaramillo Correa, referring to the ongoing tragedy afflicting the people of Córdoba department in northern Colombia. As of this writing, some 314,000 hectares of cropland have been flooded by the swollen waters of the Sinu River, destroying 99,000 tons of food and leaving more than 100,000 persons homeless and destitute.

The minister added, correctly, that the long-term solution was to achieve control over the Sinu through the construction of the Urra Dam. What he failed to mention is that it was the World Bank which was directly responsible for the suspension of that crucial project.

The Urra project consists of two scaled dams, Urra-I and Urra-II, which had been under study since 1963 and which were intended to bring the Sinu River, whose regular floodings go all the way back in Colombian memory, under control. According to the hydroelectric plans of the 1970s, the Urra-I dam was to have begun construction in 1980. Had the project gotten under way at that time, the drama of Córdoba could have been avoided.

However, in recent years, the project was promoted almost entirely from the point of view of hydroelectric generation. In 1984, four years after the repeatedly postponed starting date of the project, the World Bank ordered the project suspended, since, according to the criteria of that institution, Colombia had excess electrical capacity!

The government of Belisario Betancur accepted the World Bank's dictates as orders, and suspended the project, despite having to pay \$40 million in compensation to the Soviet company that had been contracted to build the dams.

President Virgilio Barco, a former World Bank employee, is continuing the World Bank's policy to the letter. Mines and Energy Minister Guillermo Perry has imposed an "adjustment plan for the electrical sector," designed by the World Bank, whose first "recommendation" is a moratorium on all further construction of dams. According to said plan, no new hydroelectric projects will be undertaken until the middle of the next decade.

Despite the World Bank's claims of "excess capacity," the figures tell a different story. Colombia has a mere 200 watts of installed electrical capacity per inhabitant, as compared to advanced sector figures of 1,000 watts. According to the figures of the Barco government itself, at least 40% of the Colombian population lacks electrical service!

The dramatic flooding of the Sinu River is expected to be repeated at any moment by the central Magdalena River, given the rapidly rising level of that major waterway. Such major cities as Barranquilla are immediately threatened. As with the Sinu, the Public Works and Transport Ministry has in its archives voluminous studies on water regulation and the means for conserving the Magdalena as a navigable river 365 days a year. And yet, in

the past several years, not a finger has been lifted to improve the country's most vital commercial waterway.

The Inter-American Development Bank (IADB) recently presented its official justification for why it and its big brother, the World Bank, refuse to finance these crucial projects. In a study on the problem of "absolute poverty" presented at a conference in Cartagena, Colombia, the IADB explained that infrastructure projects like highways and dams only benefited 37% of poor layers in Third World countries. On the other hand, the study asserted, tourism benefited nearly 100%!

The World Bank has also contributed to the destructive altering of the climate, both in Colombia and worldwide. The "subsistence" agricultural projects financed by that institution have meant the wholesale destruction of the ground cover in the Amazon jungle and the desertification of once arable croplands. In Colombia, these pick-and-shovel projects have been extensively applied to the now terrorist-ridden territory of Caquetá, under the name Integrated Rural Development. This consists of cutting down the jungle, burning it, and growing two or three crops—until the land gives out. This razing and burning has affected Colombia's mountain ranges, where her rivers are born.

Another step leading to eventual new "natural" catastrophes was the recent announcement by Minister Jaramillo Correa that the Barco government will not build the Atrato-Truandó sea-level canal, approved by congressional legislation in 1986 as a complement to the already congested Panama Canal, because it is "too costly." Instead, suggested the minister, the country will build a "dry canal," that is, a Pacific-Atlantic railroad and highway linkup. "We must be realistic," he insisted.