

# IFC decision pending on controversial Haiti free trade zone

**The Board of the International Finance Corporation (IFC), the World Bank's private-sector arm, may soon approve a loan for a free trade zone along the border between Haiti and the Dominican Republic. Several local NGOs have raised serious concerns over the proposed project's impact on farmers' livelihoods and the environment.**

The total cost of the project is estimated at \$43 million. The proposed IFC financing consists of a \$20 million loan for Dominican clothing manufacturer Grupo M and \$3 million to the Haiti Project Development Company. Grupo M is the largest apparel producer in the Caribbean/Central American region supplying to major US companies including Liz Claiborne, Polo, Levis, Hanes and Tommy Hilfiger.

## Expropriated lands

The Maribahoux plain, site of the development, is one of Haiti's most fertile agricultural regions with production capacity to feed half a million people. Taking this land out of food production is being questioned at a time when the Food and Agriculture Organisation says that a "silent food crisis is looming in Haiti".

In a response to the NGO Haiti Support Group (HSG), Brian McNamara of the IFC says he recognises "that some resentment and confusion has been generated as a result of the govern-

ment's acquisition of the land for the industrial zone." The Environmental Review Summary, released 12 August, states that project consultants and a local NGO are searching for land for smaller farmers and sharecroppers who want it. For those seeking financial compensation, the Social Compensation Plan maintained that payment would be made at the end of August.

## Environmental impacts

The free trade zone is to be built on the edge of an environmentally sensitive area. Haitian agronomists suggest that associated construction and development outside the site will destroy 1,200 acres of agricultural land. The IFC assures concerned residents that "many local and international NGOs, UNDP, and others are active in the region, and we are already engaged with them to support as many common and coordinated solutions as is realistically possible." HSG finds Grupo M's plans for dealing with in-migration by pursuing a local

hiring policy inadequate in the face of intense levels of unemployment nationwide. Furthermore, there is no mention in the contract of Grupo M's responsibilities when the 25-year lease expires.

## Labour rights

HSG was pleased to learn that, according to the IFC, "...all of the workers in the Zona Franca will have the right to organize unions and to collective bargaining." However, in light of similar promises broken in the past, HSG has asked for this to be "formally and clearly included in any loan agreement made with the IFC". Haiti's first free trade zone—the Industrial Park near Port-au-Prince launched under the Duvalier regime in the early 1970s—is witness to serious environmental degradation and has failed to provide the promised benefits to workers. While skilled Dominicans are paid \$24 a day Haitians receive only a tiny fraction of that (\$1.06). The International Textile, Garment and Leather Workers' Federation

has alleged that Grupo M "employed armed thugs to beat and intimidate workers who try to form independent trade unions in its factories."

## Lack of transparency

Most Haitians did not learn about the project to build free trade zones on the Maribahoux plain until President Jean-Bertrand Aristide arrived for the ceremonial ground-breaking in April 2002. Three months later, a "Trilateral Agreement" between Haiti, the Dominican Republic, and the United States was revealed which would turn a 5 km corridor along the border into industrial parks, highways, and airports. This is the prime feature of the US State Department-championed "Hispaniola Plan".

The IFC believes efforts were made to inform the affected communities, including an environmental impact assessment and an opinion survey, although they agreed that transparency "can be further improved." HSG charges that none of the local groups that are opposed to the development were consulted. Farmer Jean Eugene claims the bulldozer teams that seized his fields in March came unannounced and there has been no offer of new land. Whereas he could previously expect annual crop profits of around 70,000 Haitian Gourdes, he says the government has offered around a third of that sum as total compensation. "I don't want the money. My land is not for sale."

Project documents claim that the zone will create 2,500 jobs for Haitians—and that a further phase

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*"Such a slur on the work of the Lesotho courts is utterly repugnant."—page 4*

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# PRSPs: 'political space' at whose expense?

*The four years of experience with Poverty Reduction Strategy Papers (PRSPs) have resulted in countless reports and seminars. Some questioned from the start the capacity and willingness of donors to devolve control over economic and social policies of 'developing' countries (see Comment). There is a belief that while PRSPs have only departed from previous programmes in their increased emphasis on social spending, they are nonetheless a worthwhile exercise because of the unprecedented 'political space' they have opened for local NGOs to participate in designing public policies.*

But increasingly commentators argue that not only do PRSPs not widen the range of policy options from which governments can choose, they have the potential to hamper or undermine existing democratic structures, and consolidate the hegemony of creditors' interests in the development policy arena. This is well argued in two recent papers, *Poverty Reduction Strategy Papers: a New Convergence* by Craig and Porter, and *Merging in the Circle, the Politics of Tanzania's Poverty Reduction Strategy* by Gould and Ojanen.

## Development without enemies

As noted by Craig and Porter, an academic and an official at the Asian Development Bank respectively, PRSPs tend to ignore power issues and the political economy of poverty and inequality. They are the result of a broad consensus at the international and national level that combines economic integration, good governance and investment in human capital, a "Third-Way remorphing of neo-liberal approaches". A sign of this growing consensus is that when new governments come into power, they do not feel the need to revise their PRSP. Interestingly the supposed universal applicability of the PRSP approach to all countries contradicts pronouncements by the World Bank and the IMF that one-size-fits-all approaches do not work.

Craig and Porter argue that PRSPs are best seen as "inclusive" liberal approaches held together and legitimated by [...] apparently apolitical catchwords like participation, partnership, and community". In effect they consider the emerging convergence in policies for poverty reduction as "an attempt to generate a level of global to local integration, discipline and technical management of marginal economies, governance and populations unprecedented since colonial times".

Gould and Ojanen, in their paper for the University of Helsinki, agree that PRSPs reflect a "depoliticised mode of technocratic governance", in accordance with a tradition in the development industry of "effecting far-reaching political solutions via technocratic measures". Their case

study of Tanzania found that the PRSP resulted from a partnership between a core group of players (an 'iron triangle' of donors, state and non-state actors forming a "transnational policy elite") who share a narrow social and ideological background. This includes lifestyle and vocabulary, but also a commitment to "managerialism" (a faith in the expertise of the professionalized 'new public manager' to achieve optimal policy outcomes) and "budgetism" (a faith that the optimal allocation of public resources through official budgetary mechanisms constitutes the government's main tool for addressing social issues)". Aid industry efforts to build capacity of public institutions in Tanzania create "a corps of depoliticised budgetists" who "have made a survival strategy of adapting themselves to the roller-coaster ride of donor whims". In this context the PRSP has "deteriorated into an exercise of 'budgetism', rather than a genuine consideration of the various policy alternatives available to Tanzania".

## Opening space for whom?

Many NGOs argue that while PRSPs are not perfect and the core macroeconomic framework remains untouched, at least the new framework has created political space for local civil society actors, often pushing them to get better organized to influence political processes in their country. The assumption therefore seems to be that PRSPs can reinforce democracy and offer opportunities for the poor to get their voice heard, with NGOs playing the role of facilitators.

However a number of critics have questioned how the space opened has been filled, at what cost, and at whose expense. David Brown, of the UK's Overseas Development Institute, argues that the discretionary element inherent in this model of participation can create a "quiescent form of representation, for there are no entitlements. On the one hand, those who continue to be excluded under the discretionary arrangements have no legal right to demand representation. On the other, those who are included will be put under pressure to accept whatever they are offered, on the grounds that,

as supplicants, they could have received much less". This can be at the expense of democratic structures that are bypassed, often because they are considered corrupt or inefficient, as opposed to capable technocrats of the 'iron triangle' described in the case of Tanzania.

Despite pronouncements by the Bank and the IMF that legislators should be more involved in PRSPs, Gould and Ojanen argue that in the new consultative mode of development policy formulation, "the dominance of the public policy arena by a narrow corps of transnational development professionals occludes the possibility of deepening democratic oversight". Representative democratic structures (imperfect as they might be) are bypassed, but structures of clientelism are left intact. In what becomes a 'fast-track democracy', "legitimacy of post-SAP policies is being sought through the establishment of direct channels of communications" with NGOs used as brokers to bring the poor into the policy arena.

The actors who capitalize the most on the political space opened by PRSPs are not necessarily domestic actors but rather international NGOs, whose "well-resourced, highly professional exponents of 'global civil society' have managed, by entering into an opportunistic albeit tense alliance with public bi- and multilateral aid agencies, to co-opt the narrow political space precariously occupied by

those few domestic actors". However the authors also argue that "far from conspiring to capture political space for its own sake, transnational private aid agencies would prefer to see domestic actors taking the lead".

The incredible amount of ink and paper used to discuss the merits of PRSPs shows the unease of NGOs and academics with the recycling of the concept of participation by the World Bank and the IMF. This in turn has led to the emergence of the concept of participation as the "new tyranny". At the very least these studies show that participation is no panacea and may be a distraction or worse in the context of the steep hierarchies that operate within developing countries and the aid industry. ☺

*Poverty Reduction Strategy Papers: A New Convergence*, World Development, 31(1)  
[www1.worldbank.org/wbiep/decentralization/aflib/craig.pdf](http://www1.worldbank.org/wbiep/decentralization/aflib/craig.pdf)

*Merging in the Circle, the Politics of Tanzania's Poverty Reduction Strategy*, University of Helsinki  
[www.eurodad.org/articles/default.aspx?id=486](http://www.eurodad.org/articles/default.aspx?id=486)

Participation in poverty reduction strategies: democracy strengthened—or democracy undermined?  
 David Brown  
[idpm.man.ac.uk/rsc/events/participation03/Brown.pdf](http://idpm.man.ac.uk/rsc/events/participation03/Brown.pdf)

*Assessing Participation in Poverty Reduction Strategy Papers: A Desk-Based Synthesis of Experience in Sub-Saharan Africa*, Institute of Development Studies  
[server.ndt.co.uk/ids/bookshop/details.asp?id=677](http://server.ndt.co.uk/ids/bookshop/details.asp?id=677)

PRSPs—Participation as the new tyranny, BOND  
[www.bond.org.uk/networker/march03/opinion.htm](http://www.bond.org.uk/networker/march03/opinion.htm)

Do PRSPs Empower Poor Countries and Disempower the World Bank, or is it the Other Way Round?, University of Oxford  
[www.eurodad.org/uploadstore/cms/docs/WBevalMay03.pdf](http://www.eurodad.org/uploadstore/cms/docs/WBevalMay03.pdf)

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of the project may create up to 20,000 direct jobs and tens of thousands of indirect jobs. Camille Chalmers, leading Haitian economist and founder of one of the groups opposing the project, says that the "job creation rhetoric is propaganda. They talk about jobs being created, not the jobs that are being lost. They should work with farmers to increase agricultural productivity and feed Haiti's people, rather than destroying the country's bread basket to benefit foreign investors." HSG has argued that the plan lacks any provisions

for an estimated 2,000 farm workers who had seasonal work on the farms destroyed by the site.

The project was originally scheduled to go to the IFC Board for approval in June. A final decision is expected in the coming weeks. ☺

Quanam in the Free Trade Zone Project, Haiti Support Group  
[www.haitisupport.gn.apc.org/zonEFRanche.html](http://www.haitisupport.gn.apc.org/zonEFRanche.html)

Haiti Free Trade Zone Summary of Project Information, IFC  
[www.ifc.org/projects](http://www.ifc.org/projects)

**P**overty Reduction Strategy Papers (PRSPs), required by the IMF and the World Bank for access to debt relief and concessional assistance, are loaded with a number of myths that should be debunked.

## The myths and dangers of PRSPs

COMMENT

by Demba Moussa Dembélé

Forum des alternatives africaines, Senegal

### The myth of 'national ownership'

According to these two institutions, PRSPs are country-driven and reflect the priorities of each country in its fight against poverty. They insist that PRSPs are drafted through a large participatory process involving the government, civil society organizations (CSOs) and the private sector. But 'national ownership' is more theoretical than real. In many cases, CSOs have been frustrated by the process and have found they had been used more as an alibi, or guinea pigs, than considered as genuine partners. Democratically-elected parliaments have been bypassed. And the fact is that African governments put in PRSPs what the Bretton Woods Institutions (BWI) would like to see, rather than what the poor really want. The reason: PRSPs have to be consistent with the BWI's preferred policies in order to get their endorsement.

### The myth of 'pro-poor' policies

There is a big gap between policies that are in the interest of the poor and those that the BWI consider as sound. The privatisation of public and essential services, like water, health and education, is at the core of the BWI's policies and has contributed to spreading poverty. A case in point is Senegal where, because of water privatisation, poor groups in urban areas pay 3 to 4 times more than rich groups. The liberalisation of the country's groundnut sector, imposed by the BWI, cost more than 400 jobs following the dissolution of transport company SONAGRAINES, and led millions of peasants and their families to the brink of famine. The Government had to draw up an Emergency Relief Plan to avoid a national catastrophe. Price deregulation and the elimination of subsidies have squeezed the purchasing power of average citizens, leading more than 64 per cent of people surveyed in the Senegalese PRSP to say that their situation has deteriorated over the last five years, despite supposedly high-growth rates during the period.

### The myth of 'poverty reduction'

How, under these circumstances, can the IMF and the World Bank claim that PRSPs aim at reducing poverty? The forced liberalisation of the groundnut sector in Senegal led to a sharp fall in agricultural production in 2002. This, in turn, resulted in the decline of economic growth from 5.6 per cent in 2001 to an estimated 2.4 per cent in 2002. This translated into an income loss of roughly \$200 million for a country where two out of three citizens live under the poverty line.

In many other countries, local industries have been destroyed by cheap imports in the name of free trade imposed by the BWI. No wonder in Sub-Saha-

ran Africa about 500 million people live on less than \$2 a day. This number is projected to rise to more than 600 million in 2015, despite all the fuss about the Millennium Development Goals. So long as PRSPs, like the now discredited Structural Adjustment Programmes (SAP), are within the frame-

work of the neoliberal model, they will generate more poverty than they reduce.

After spreading poverty at an unprecedented scale in Africa, the IMF and the World Bank are trying to mislead world public opinion, especially in the North, into believing that they are really committed to poverty reduction. Their real mission is to promote the interests of global capitalism by opening Africa's economies to multinational corporations and financial speculators and by transforming them into markets for Northern countries' products.

This should be clear to everyone, especially NGOs familiar with these institutions' philosophy and policies. Yet some Northern NGOs which have been among the leading critics of SAPs and at the forefront of the struggle for debt cancellation, have bought the BWI's propaganda. They have found some merits to PRSPs and think that with an emphasis on more spending for social sectors, PRSPs could help alleviate poverty, despite the fact that they leave intact the neoliberal macroeconomic framework. The same NGOs think that the PRSPs provide an opportunity for their partners in the South to influence national policies toward more pro-poor policies. This explains why some big Northern NGOs have literally forced their Southern partners to participate in the PRSP process. This paternalistic attitude has been condemned by numerous Southern NGOs, especially African NGOs, during the last African Social Forum, in Addis Ababa, in January 2003.

A sincere partnership should be based on mutual respect and trust. African and other Southern NGOs are mature enough to know what is best for their people and what course of action to follow. Northern NGOs should respect that choice and support it rather than dictate what they think is best.

In conclusion, what the BWI are trying to achieve with the PRSPs is to:

- create the illusion of poverty reduction while continuing the same failed policies;
- promote a superficial national consensus on short-term poverty reduction programmes at the expense of a serious reflection on long-term development policies;
- drive a wedge between so-called 'reasonable' and 'radical' civil society organizations; and
- shift the blame to HIPC governments and citizens for the inevitable failure of the PRSPs.

We should not walk into this trap!

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### SAP protests still raging: Latin America examples

| Country/date                     | Sector/measure   | Protests  | IMF agreement   |
|----------------------------------|--|---|---|
| Honduras<br>August 2003          | Opening of the water sector to private companies, public sector wage freeze in efforts to secure IMF support.  | Police clashed with 10,000 demonstrators after they briefly stormed the Congress.   | Pending   |
| Dominican Republic<br>June 2003  | Capping budget deficit, freezing public sector wages, raising electricity prices, import/export tax hikes etc. | At least five people were hurt and 40 detained when police broke up a protest against the government's economic policies and the proposed deal with the IMF.  | 2-year \$600 million stand-by arrangement August 2003   |
| Peru<br>May-July 2003            | Wage freeze, fiscal austerity, tight monetary policy.  | Thousands of farmers, health workers and teachers, marched through the capital, occupied state buildings and blocked roads. President Toledo declared a state of emergency. At least one dead and dozens injured. | 2-year \$347 million stand-by arrangement February 2002 |
| Bolivia<br>January-February 2003 | Income tax hike announced as part of a package to reduce the public deficit to get access to IMF support.      | Clashes left more than thirty dead.   | 1 year \$121 million stand-by arrangement April 2003    |

Sources: Reuters, Reuters Alertnet, IMF country index ● [www.imf.org/external/country/index.htm](http://www.imf.org/external/country/index.htm)

See also: WDM States of Unrest III ● [www.wdm.org.uk/cambriefs/debt/States%20of%20Unrest%20III\\_04.03.pdf](http://www.wdm.org.uk/cambriefs/debt/States%20of%20Unrest%20III_04.03.pdf)

## Bank silent on corporate corruption in Lesotho

Controversy over the call for debarment of a Canadian contractor is proving a litmus test of the Bank's commitment to apply the same standards to corrupt Northern companies as it does to Southern companies and government officials.

In a landmark judgment on 15 August, the Court of Appeal of Lesotho rejected the major appeal of Canadian engineering firm Acres International. The company was convicted of bribing a public official to win a contract on the World Bank-funded Lesotho Highlands Water Project last year. A lesser second appeal was successful, resulting in a partial reduction in the fine to be paid. Acres' spokesperson, George Soteroff, maintained his company's innocence: "no evidence was presented in court that any of our employees knew of or authorized any of the secret payments made by our independent representative".

Pressure is now on the World Bank to debar Acres from future contracts. World Bank-hired investigators, American law firm Arnold and Porter, concluded in 2001 that "the evidence is reasonably sufficient to establish that Acres was paying [their representative] not for information, but for influence" and had "engaged in a corrupt practice." However the Bank Sanctions Committee mysteriously postponed debarment saying that there was insufficient evidence. The Bank says it is now "examining the court records of the criminal case... to determine if there is new evidence that should be brought to the attention of the Sanctions Committee." It would not give further details for this process or a deadline for its conclusion.

A Canadian government official at the office of the Canadian Executive Director to the World Bank said his country would resist any motion to debar Acres since "there is corruption with courts in the Third World". Therefore, he explained, it would be a travesty to ruin Acres on the basis of a verdict from Lesotho. Fiona Daroch, a British barrister who has been observing the trials in Lesotho, says that "such a slur on the work of the Lesotho courts in administering justice is as inappropriate as it is unfounded. Such ill informed comment must be utterly repugnant to the judges and senior lawyers from Lesotho and South Africa who have been involved in the case."

The Acres case is just the first in a long list of firms to face bribery charges in relation to the project. Lesotho's High Court has convicted and fined German company Lahmeyer International more than \$1m for bribing its way into the project. The company says it will appeal both the conviction and the fine. A representative of an Italian-led consortium has decided to plead guilty. Other trials, of France's Spie Batignolles and Dumez International, are scheduled for October. ©

Focus on Lesotho corruption trials, Odious Debts

🌐 [www.odiousdebts.org/odiousdebts/index.cfm?DSP=subcontent&ArealD=157](http://www.odiousdebts.org/odiousdebts/index.cfm?DSP=subcontent&ArealD=157)

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## Controversial extractives review nears endgame

Emil Salim, the head of the World Bank's Extractive Industry Review (EIR), has antagonised civil society groups with his August letter indicating that all stakeholders wanted the Bank "to promote extractive industries pro-actively in poverty alleviation through sustainable development". The EIR was initiated two years ago following an NGO campaign in which many NGOs said they wanted the Bank to cease supporting oil, gas and mining altogether.

The draft review's recommendations incorporate some NGO concerns, but many are loosely worded or naïve about the likelihood that they will be implemented. The report suggests introducing the principle of prior informed consent for indigenous communities in mineral areas, and says the Bank should phase out funding for coal and oil projects and do much more on natural gas and renewables. It says the Bank should stop funding projects in areas of armed conflict, and mines which dispose waste at sea.

The draft review is frank about the Bank's current approach. "The Bank Group's privatisation, liberalisation and deregulation policy agenda, has helped increase foreign direct investment by transnational corporations [but] often left local communities and the environment very vulnerable". The review recognises that the Bank's efforts to monitor projects or pressure companies or governments often go little further than issuing "politically correct rhetoric". But it then jumps to the conclusion "that the Bank Group does possess the economic, intellectual and political capacity to influence and lead" the extractives industry to internalise its

social and environmental costs and distribute benefits fairly.

It suggests that Bank management enter into binding agreements with governments, communities and companies involved in extractives projects and "fully take on board international conventions, for example on indigenous peoples, core labour standards and hazardous wastes". It proposes new approaches to security and human rights, consultation and disclosure, safety of dams, mine closure, gas flaring and oil transportation as well as upstream social and environmental analysis for structural reforms.

*"The Bank is not welcome or trusted in this role."*

It partly accepts the logic of a Bank internal evaluation that for countries with weak governance, the Bank's primary focus should be on making contracts transparent, strengthening revenue management capacities, and improving the performance of environment ministries. It also says the Bank should help strengthen civil society and community capacity, but Geoff Nettleton of Philippines Indigenous Peoples' Links rejects this, saying: "to many the Bank is not welcome or trusted in this role".

There will be two further meetings where stakeholders may comment before the final report is presented to the Bank in December. ©

Extractive Industries Review

🌐 [www.eireview.org](http://www.eireview.org)

## Bank funded Enron corruption: US Senate

A US Senate Committee found that the World Bank and US government institutions financed "questionable payments" by Enron for a Guatemalan power project. In 1993 Enron built an electricity generating plant near Puerto Quetzal and sold the power to a government-sponsored utility. The project was partially financed by an IFC loan of \$71 million. In an effort to conceal taxable income from Guatemalan authorities, payments were disguised as "add-on fuel charges" and re-routed to a bank account in Miami. Researchers for the Institute of Policy Studies have uncovered numerous allegations of fraud and corruption around Bank-financed Enron projects in Bolivia and Nigeria.

US Senate Committee report

🌐 [finance.senate.gov/press/enron.pdf](http://finance.senate.gov/press/enron.pdf)

## Coal India: minimal action

On 22 July the World Bank Board discussed the Inspection Panel report on the Coal India project. It decided that the Bank should supervise the project as long as necessary to ensure that the outstanding issues relating to resettlement and environment are "substantially resolved".

Bank management conceded that it violated Bank policies on consultation, disclosure and resettlement. Richard Harkinson of Minewatch complains that the Bank's Board has accepted the arguments of Bank management too easily and not taken adequate action given the seriousness of the findings.

Coal India slide presentation, CASS

🌐 [brettonwoodsproject.org/topic/social/s35coalindslides.ppt](http://brettonwoodsproject.org/topic/social/s35coalindslides.ppt)

## Bank pushed policies likely to cause famine

Former Bank consultant Peter Griffiths has charged the Bank with pushing policies which would have led to the starvation of a third of a million people in Sierra Leone. Bank recommendations to halt government imports of rice expecting the private sector to take over, combined with a recently liberalised exchange rate would have meant a ten-fold increase in prices overnight. Why the Bank failed to consult either the Ministry of Agriculture or Griffiths himself on the agreement could only have been explained by the logic of the Bank's "policy of imposing extreme Reaganite free market policy on every country in the world."

The Economist's Tale: A Consultant Encounters Hunger and the World Bank

🌐 [www.zedbooks.co.uk](http://www.zedbooks.co.uk)

## Argentina pleads relief from Bank tribunal

Some 20 companies have filed suits with World Bank arbitration arm, the International Center for the Settlement of Investment Disputes (ICSID), against the Argentine government for damages caused by the 'pesofication' of the economy in 2002 and the freezing of public service rates. The Argentine government has taken the first steps to allowing rate increases—in return, it has asked the firms to suspend their claims. Spokespersons for the companies argued that it wasn't clear that they could suspend a claim in an international tribunal, however the ICSID legal team clarified that they are free to do so.

ICSID list of pending cases

🌐 [www.worldbank.org/icsid/cases/pending.htm](http://www.worldbank.org/icsid/cases/pending.htm)

## INSIDE THE INSTITUTIONS

## The World Bank and conflict

While the World Bank has by nature been involved in conflict-affected countries since the very start, the scope of its interventions has evolved in recent years. A 1998 evaluation calculated that conflict-related financing amounted to 16 per cent of the Bank's total lending and it is likely to have increased since then and taken new forms, for example with support to demobilization and reintegration programmes (see Update 35). There has been much discussion recently on the potential roles for multilateral agencies in Iraq and this article sets out the ways in which the Bank operates in conflict and post-conflict situations.

One of the Bank's original functions, as spelt out in its Articles of Agreement, is "to assist in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes, including the restoration of economies destroyed or disrupted by war [and] the reconversion of productive facilities to peacetime needs."

From providing financial capital and rebuilding physical infrastructure, the Bank has progressively moved to a more comprehensive approach, from demobilization and reintegration of ex-combatants to 'good governance' reforms. The Bank says this mirrors the changing nature of contemporary conflicts, as it often finds itself in situations of potential or actual internal conflicts with no clear post-reconstruction mandate. Discussions at the Bank in the late 1990s led to a codification in 2001 of an Operational Policy on "Development Cooperation and Conflict" (OP 2.30), that sets the scope and the terms of the institution's interventions.

For countries which may be vulnerable to conflict the Bank should promote economic growth in ways that will minimize potential causes of conflict. For countries already in conflict the Bank should continue poverty reduction efforts where possible or simply provide information on the socio-economic impacts of emergency assistance and analyze the impact of conflict on economic and social development. In countries in transition from conflict the Bank should support economic and social recovery through investment and development policy advice, with particular attention to the needs of war-affected groups who are especially vulnerable by reasons of gender, age, or disability.

This policy therefore explicitly opens the door for World Bank work in conflict prevention. It complements the 1995 "Emergency Recovery Assistance" policy (OP 8.50), that regulates involvement immediately after war, civil disturbance and natural disasters. Combined with a policy on "Dealing with de facto governments" (OP 7.30), OP 2.30 clarifies the Bank's capacity to intervene in countries where it is unclear who is in power.

### "Products" and instruments: "positioning" the Bank

In countries emerging from conflict, whose Country Assistance Strategy (CAS) is outdated or irrelevant or that do not have a CAS, the World Bank prepares a Transitional Support Strategy (TSS), a short to medium-term plan for involvement in the country which precedes and prepares World Bank involvement in comprehensive reconstruction (Angola, Macedonia, Kosovo, East Timor and the Democratic Republic of Congo all currently have a TSS). Through this framework the Bank can provide emergency recovery grants and loans, as in the case of the DRC recently.

The Bank has developed new products for situations where normal instruments cannot apply. Beyond flexibility, this also allows the Bank—in its own words—to "position

itself" early on, in what critics who have seen the Bank operate in East Timor, Afghanistan or Sri Lanka will no doubt see as a way to ensure a strong role from the start in the process of reshaping a country's economy.

One of these new products is the Post-Conflict Fund (PCF), financed mostly from Bank profits. Since its inception in 1998 the PCF has approved a total of \$61.5 million for 120 grants. Recipients are diverse and include several UN agencies as well as 30 NGOs. Grants are approved by the PCF Committee that is chaired by the director of the Social Development department in the World Bank. There are also many examples of the Bank establishing and managing joint donor trust funds in countries, as in Afghanistan, Kosovo or East Timor.

The Bank has a specific unit, the Conflict Prevention and Reconstruction Unit (CPR), which is part of its Social Development department. The Unit's manager Ian Bannon has 11 staff members with different backgrounds, including handling field operations in conflict-affected countries, not only for the Bank but previously with the United Nations and NGOs.

CPR relates to Bank staff on all issues relating to conflict analysis, conflict-sensitive development, post-conflict reconstruction, PCF grants etc. They provide support with their Conflict Analysis Framework (CAF) where needed. The CAF aims to "enhance conflict sensitivity and conflict prevention potential of World Bank assistance", focusing on six areas: social and ethnic relations; governance and political institutions; human rights and security; economic structure and performance; environment and natural resources; and external factors. Assessments through this framework have been conducted in Nigeria, and are underway in other countries. The CPR unit is also working with the UK's Department for International Development to integrate more conflict analysis in Poverty Reduction Strategy Papers.

The CPR is also responsible for disseminating results of the Bank's research on conflict and development issues. In May the Bank published a Policy Research Report *Breaking the Conflict Trap* which has been widely discussed (See Update 35). It does not represent a strategy or policy approach for the Bank but it has been presented to the Board, is said to have impacted the thinking of Bank's senior officials and is being studied for its operational ramifications. As part of its reflection on the effectiveness of aid the Bank has also developed a new framework, Low Income Countries Under Stress (LICUS), which looks at how to engage in countries emerging from conflict or that have "weak government capacity".

Critics have met with scepticism Bank efforts to step up, modernise and publicise its work on conflict prevention and reconstruction. Some argue that the World Bank Group in many respects (for example through its support to extractive industries, or structural adjustment increasing inequality) fuels conflicts rather than helping prevent them. Bretton Woods Project will give an overview of these debates in an upcoming 'At Issue'. ©

Questions raised over World Bank post-conflict work

🌐 [brettonwoodsproject.org/insideconflict](http://brettonwoodsproject.org/insideconflict)

World Bank conflict page

🌐 [www.worldbank.org/conflict](http://www.worldbank.org/conflict)

*Breaking the Conflict Trap: Civil War and Development Policy*, World Bank

🌐 [econ.worldbank.org/pr/CivilWarPRR/](http://econ.worldbank.org/pr/CivilWarPRR/)

## Iraq and Afghanistan update

The World Bank relocated Iraq-based staff to Amman after one member died in the bomb attack against the UN headquarters late August, and the IMF also temporarily halted work. However the Bank hopes to complete its needs assessment in time for a donor meeting in late October. The Bank has started looking at options for privatisation of state-owned enterprises, cost-recovery in the water sector and trade liberalisation. Aid from donors could be coordinated via a joint trust fund, as in other countries in transition from open conflict. For example the Afghanistan Reconstruction Trust Fund (ARTF), administered by the World Bank, provides wide support, from government salaries and other recurrent expenses to targeted projects to rebuild infra-

structure. Prominent commentators are concerned this gives the Bank "a source of substantial leverage over a resource-starved state".

In early September an IMF mission conducted an Article IV consultation aimed at assessing Afghanistan's economy. A report should be presented at the Annual Meetings of the IMF and the Bank. The IMF says it has provided "extensive policy advice" and technical assistance to Afghanistan authorities since January 2002. Technical assistance has focused on fiscal, monetary, and statistical areas with an emphasis on capacity building in the Ministry of Finance, Da Afghanistan Bank, and the Central Statistical Office. ©

🌐 [brettonwoodsproject.org/iraqafgh](http://brettonwoodsproject.org/iraqafgh)

### Recent Bretton Woods Update features

*Inside the institutions*—guides to Bank and Fund work on specific issues:

- How the World Bank deals with fraud and corruption in its projects (Update 35)
- Citizen complaint mechanisms in the World Bank Group (Update 34)
- The World Bank and gender (Update 33)
- The IMF and poverty (Update 32)

🌐 [brettonwoodsproject.org/update](http://brettonwoodsproject.org/update)

*At issue*—analyses of complex issues in a clear, concise format:

- Harmonisation and coherence: White knights or Trojan horses?
- G-7, civil society press for IMF, World Bank transparency reforms
- The Bank, the IMF and "results": increasing dominance in development policy lending
- Indispensable or unworkable? The IMF's new approach to conditionality

🌐 [brettonwoodsproject.org/briefings](http://brettonwoodsproject.org/briefings)

*Comment by civil society actors in the Global South on BWI policies and projects:*

- IMF's critical view on financial integration: Is it real? (Update 35)
- Filomeno S. Sta. Ana III, Action for Economic Reforms, Philippines
- Chad-Cameroon: oil and poverty reduction don't mix (Update 34)
- Samuel Nguiffo, Centre for Environment and Development, Cameroon
- Argentinian groups challenge IMF pressure on utility prices (Update 33)
- Jimena Garrote and Ezequiel Nino, CELS, Argentina
- The Fund or the people? (Update 32)
- Mulima Kufekisa Akapelwa, Catholic Centre for Justice, Development & Peace, Zambia

🌐 [brettonwoodsproject.org/update](http://brettonwoodsproject.org/update)

# IMF's response to crisis "inadequate"

**A new report by the IMF Independent Evaluation Office (IEO) highlights mistakes in the handling of financial crises in Indonesia, Korea and Brazil in the late 1990s.**

The report questions the Fund's growth projections and assessment of macroeconomic conditions for these countries. Some shortcomings in the management of the crises are also identified, although in the case of Indonesia the IEO argues that failure was due to insufficient implementation of the IMF programme. However part of the blame is attributed to the Fund for the "devastating outcome" of the crisis, as its response to the failure was "inadequate in many respects". In the case of Korea the report concludes that IMF surveillance failed to identify risks and "was optimistic until virtually the last minute". The report admits that the fiscal tightening in the adjustment process was unnecessary, as IMF staff have themselves concluded.

The IEO points at IMF mistakes but this is largely limited to timing and 'dosing' issues and the extent to which policies were actually implemented, rather than the nature of these policies. However some general lessons are drawn on the shortcomings of the Fund's surveillance and projections, the lack of incentives for the staff to express frank judgments over a country's prospects, the interference of major IMF shareholders or coordination with other institutions, as in the case of the World Bank in Asia. The IEO makes a number of recommendations, including:

- Increasing the effectiveness of pre-crisis surveillance, for example through seeking dialogue beyond senior economic officials;

- Assessments of a country's situation should be made more accurate and candid, for example by seeking second opinions from outside the IMF or providing appropriate incentives and skills to staff;

- A comprehensive review of programme design in crisis situations should be carried out to allow more flexibility.

The IEO has invited comments on the 300-page report. The IMF Board supported many of the recommendations, but rejected some such as "second opinions" arguing that a great deal has already been done to translate the lessons of recent financial crises into Fund policies and practice. But Tae-Shin Kwon, South Korea's Deputy Finance Minister, said some major questions remain unanswered, such as whether the Fund has the financial resources to cope with future capital account crises and how private banks can be involved in their resolution through standstill agreements.

The IEO will be able to examine these issues in even greater depth when it studies the Fund's role in Argentina from 1991 to 2001. It has invited comments until the end of 2003. ©

IMF and Recent Capital Account Crises: Indonesia, Korea, Brazil, IEO

www.imf.org/external/np/ieo/2003/cac/index.htm

The Role of the IMF in Argentina, 1991-2002 Terms of Reference, IEO

www.imf.org/external/np/ieo/2003/arg/index.htm

## Bolivian PRGF a "blind alley"

A new report by Bolivian NGO CEDLA shows that despite a new emphasis on civil society participation and poverty alleviation, the core policies attached to IMF loans have not changed. Participation in the design of the national poverty reduction strategy excluded many non-governmental actors and did not have the supposed impact on the final document. Using evidence from past programmes, the authors conclude the Fund's Poverty Reduction and Growth Facility and the PRSP are "unlikely to change the prospects of the economy and of the majority of the people in Bolivia". They recommend social impact analysis of proposed policies and open public debate before a new letter of intent is signed.

www.cedla.org

## Draft adjustment policy not available

The World Bank is in the final stages of revising its policy on structural adjustment (see Update 29). After consultations were held on an issue paper Bank staff are now drafting the policy itself. It is expected to be discussed by a subcommittee of the Bank's Board at the end of October and finalised by the end of the year. Despite previous hints that the draft policy would be made public for comment the Bank has not yet formally committed to do so and has been vague on setting any timeline.

Rebranding adjustment: the World Bank and "development policy support lending"

brettonwoodsproject.org/rebranding

Contact Stefan Koerber

skoerber@worldbank.org

## Real World Economic Outlook challenges IMF economics

Every six months the IMF produces the *World Economic Outlook* (WEO) which presents the Fund's view on the world economy—its strengths, its weaknesses, its prospects. In the draft report for this year, the Fund took unusual swipes at Anglo-American economic management, accusing the US of drifting and the UK of over-optimistic growth forecasts.

For the first time a counter-report has been prepared by Jubilee Research at the New Economics Foundation, a UK-based thinktank. According to Romilly Greenhill of Jubilee Research, "the IMF's WEO, based on neo-liberal economic thinking, does not tell us what is really going on. By contrast, the *Real World Economic Outlook* examines the global economy from a radical perspective: that of economic and environmental justice."

The *Real World Economic Outlook* features views from economists from both North and South, including Joseph Stiglitz, Gita Sen, Jayati Ghosh, Herman Daly, Dani Rodrik and Erinc Yeldan. The theme of the book is debt and deflation. The authors argue that the finance sector is driving the productive economy rather than the other way around. The stock of financial assets in the world's major economies is now at 10 times GDP, and more than 3 times the value of the 'real' assets upon which it is supposedly based. This, says Greenhill "is not only leading to financial instability and a looming 'first world' debt crisis, but also to massive increases in inequality." ©

*Real World Economic Outlook*, Jubilee Research  
www.palgrave.com/economics/rweo.htm

## Manifesto emphasises need for global institutions

A new book challenges both global institutions and anti-globalisation activists with proposals for stronger but radically reformed global governance. George Monbiot, a UK-based author, comments that the fact that "the international institutions have been designed or captured by the dictatorship of vested interests is not an argument against the existence of international institutions, but a reason for overthrowing them". Indeed he says that global measures and institutions are vital for the public interest.

He proposes a democratically elected world parliament, a democratised UN Security Council, an Inter-

national Clearing Union to replace the IMF and a Fair Trade Organisation to replace the WTO.

Monbiot writes that the World Bank and IMF were "destined to fail, a failure predicted by many of the world's foremost economists at the time of their creation" and proposes reverting to Keynes' original proposals. This, he argues, can only be achieved if indebted countries attach conditionalities to the repayment of their debts. ©

*The Age of Consent*, George Monbiot  
www.monbiot.com

## Bank role in global funds ruled out

In preparation for the High-Level Dialogue on Financing for Development to be held in New York in October, UN, WB and IMF staff met in Pocantico, New York, in May to discuss possibilities for additional sources of development finance. This included the UK's proposed International Finance Facility, IMF special drawing rights and international taxes. One of the conclusions was that until a body to administer and allocate proceeds could be found, "no really large source of revenue is likely to be approved." "For political reasons this could probably not be the UN Secretariat or the World Bank Executive Board."

UN Financing for Development, UN

Economic and Social Affairs Council

www.un.org/esa/ffd/

## IMF chief backs Asian Monetary Fund

IMF Managing Director Horst Koehler was reported as backing an independent Asian Monetary Fund when he visited Malaysia early September. The idea emerged during the Asian crisis in the late 1990s and gained momentum in Asian capitals but was strongly opposed by the US. "I think it's stupid that when the idea first came up, there was such hostility" said Koehler who also praised Malaysia for its heterodox management of the Asian crisis, which included a currency peg to the US dollar and hotly-debated capital controls. Malaysia's recovery was quicker than its neighbours'.

IMF chief gives go ahead to AMF, *Daily Times*  
www.dailytimes.com.pk/default.asp?page=story\_4-9-2003\_pg5\_13

# World Bank announces renewed big infrastructure push

*World Bank president James Wolfensohn announced in July that “without slowing down in other important areas like education and HIV/AIDS, it is imperative that we place infrastructure front and center in our development agenda”. A new NGO report points out that the Bank’s track record in funding such projects is very controversial on economic, social and environmental grounds. The report—by Environmental Defense, Friends of the Earth and International Rivers Network—says the Bank is “still not able to adequately identify, contain and mitigate the risks of the projects it finances”.*

The difficulties of relying on private investment for infrastructure, the Bank’s favoured approach for some time, were made clear when corporate investors pulled out of the Nam Theun 2 and Bujagali Dams, two of the largest projects in the Bank’s project pipeline. Electricité de France withdrew from the Laos project and AES from the Ugandan one, following delays, difficult price negotiations and NGO campaigns over environmental and social impacts.

The Bank’s new infrastructure action plan recognises that the Bank cannot rely on finding private sector investment for services projects in developing countries and will need to be more flexible. It says targeted subsidies can be allowed and that, while cost recovery is critical, it should be at a “realistic pace”. Writing in the *Wall Street Journal* Michael Phillips commented: “World Bank officials have now decided it doesn’t matter so much whether infrastructure is in public or private hands. What matters is that it be run in a business-like manner [...] But above all, they now say, the World Bank must pay far greater attention to the fiery politics of privatization and especially to the effect of rising prices on the poor and disaffected.” The Bank plans to do more to mix analysis, loans and guarantees from all of its four funding arms. It has also introduced a new analytical

tool to assess the state of countries’ infrastructure and determine how the Bank might support it.

The NGO report argues that: “the environmental destruction, social upheaval, corruption and repression that are associated with the World Bank’s high-risk projects have created tremendous public controversy since the 1980s. This is particularly true for large dams, for projects that affect tropical forests, and for investments in the oil, gas and mining sectors. World Bank documents that advocate a return to a high-risk strategy are vague or even silent on the issue of who will be affected by higher risks, and how these risks will be mitigated.” The report complains that alternative project options with low environmental and social risks and high development rewards are invisible to the Bank because “it is not equipped to recognize and support the often slow, decentralized, participatory and democratic processes that low-risk projects entail.” They point out that “the Bank has never made an empirical case that high-risk projects such as large dams indeed produce higher rewards than low-risk, community-based alternatives”. The NGOs argue for strengthening the Bank’s do-no-harm policies and mechanisms, the active investigation of alternative projects and reparations for the unresolved legacies of past projects.

One large project which it is feared the Bank may consider supporting is an Indian government scheme to link 37 of the country’s major rivers. This would involve at least 32 large dams, cost an estimated \$200 billion and involuntarily displace about 3 million people. A presentation on it was favourably received at the World Bank in March 2003. And both the main architect of the Bank’s ‘high-risk/high-reward’ strategy and the Bank’s senior water advisor recently took up new assignments with responsibility for South Asia.

If it responds to lobbying from the government of India and others on such projects the Bank will have to be prepared to weather a storm of controversy from civil society groups. Some of these groups are starting to raise these issues in an event on 22 September at the Bank’s Dubai annual meeting. ☉

The Privatisation of Health, Education and Basic Infrastructure: From Social Contract to Private Contracts, Public Agenda (Accra)  
 ☉ [www.socialwatch.org/en/noticias/noticia\\_33.htm](http://www.socialwatch.org/en/noticias/noticia_33.htm)

World Bank Infrastructure Action Plan  
 ☉ [www.worldbank.org/infrastructure/](http://www.worldbank.org/infrastructure/)

A Civil Society Response to the World Bank’s New ‘High Risk/High Reward’ Strategy, International Rivers Network  
 ☉ [www.irn.org/](http://www.irn.org/)

## Bank review criticises power sector reforms

A recent critical evaluation of the World Bank’s approach to energy development is being selectively interpreted by Bank management. The new study by the evaluation units of the World Bank, IFC and MIGA, confirms that the Bank “mostly advocated privatisation” rather than the staged approach called for in its own 1993 policy. One of its clearest findings is that “poverty reduction and environmental mainstreaming ... have not, for the most part, been intrinsic components of designing sector reform.”

The report’s conclusions about independent power producers (privatised individual power stations—IPP) are schizophrenic. The report finds that the economic rate of return of IFC-supported IPPs was strong but also that their financial viability was often bought at the expense of the power sector as a whole which suffered from demand/supply imbalances and untenable government financial commitments.

The study undercuts its own critique by concluding that private sector electricity development “has delivered results where properly implemented and the Bank Group should continue to support such interventions.” Bank management has focused on this single statement, rather than on the body of critical evidence. Navroz Dubash of World Resources Institute commented “the Bank’s Guidance Note on future electric power lending must demonstrate how the Bank will move beyond a one-size-fits-all privatisation agenda to emphasize poverty reduction and environmental objectives”. ☉

Private Sector Power  
 ☉ [www.worldbank.org/oed](http://www.worldbank.org/oed)

## Studies to assess Bank-civil society relations

CIVICUS, in conjunction with several other civil society groups, is preparing a study assessing civil society interactions with the World Bank. The Bank is producing its own report. The reports will be discussed in late October at a meeting of civil society groups and high-level Bank staff in Washington DC. This is being organised as follow-up to the disbanded NGO World Bank Working Group. CIVICUS welcomes inputs from any civil society organisations that have undertaken assessments of World Bank-civil society relations, or who wish to share their own experiences of engagement with the Bank.

World Bank Joint Facilitation Committee, CIVICUS  
 ☉ [www.civicus.org/new/PG\\_world\\_bank-CSO\\_engagement.asp?c=FD8912](http://www.civicus.org/new/PG_world_bank-CSO_engagement.asp?c=FD8912)

## “Clarify openness to alternatives”

The World Bank’s Operations Evaluation Department released its assessment of the implementation of the Comprehensive Development Framework (CDF) in June. The CDF is an overarching framework developed by the Bank in 1998 based on “holistic development, results orientation, country ownership and country-led partnership”. The evaluation focuses on six countries—Bolivia, Burkina Faso, Ghana, Romania, Uganda and Vietnam. One of the recommendations is to “clarify the PRSP review process and the Bank’s openness to alternative PRSP-consistent development strategies.”

Evaluation of the CDF, World Bank  
 ☉ [www.worldbank.org/evaluation/cdf/cdf\\_evaluation.pdf](http://www.worldbank.org/evaluation/cdf/cdf_evaluation.pdf)

## Company withdraws from Lao dam project

Electricité de France (EDF) withdrew from the Nam Theun 2 project in Laos in mid-July citing strategic reasons and the political climate. In response, another major shareholder, the Electricity Generating Authority of Thailand said it would give the Nam Theun developers a year to move the project forward otherwise other projects would be substituted. The World Bank had not yet decided whether to provide financial backing for the project: “The Bank is considering the implications this development has for NT2 and related work in Lao PDR.”

Nam Theun 2 campaign, International Rivers Network  
 ☉ [www.irn.org/programs/mekong/namtheun.html](http://www.irn.org/programs/mekong/namtheun.html)

## Bank/Fund governance: no progress

The World Bank board held a formal meeting at the end of July to discuss proposals to rebalance the governance of the World Bank and IMF. Because the rich nations were not prepared to concede power and position, however, little was agreed. Governance is still on the agenda of the Bank/Fund annual meetings in Dubai and will also come up at UN meetings at the end of October. There is not likely to be anything significant to announce on either occasion, although some limited capacity-building measures are expected with support from European bilateral donors.

Open statement on steps to democratise the World Bank and IMF  
 ☉ [brettonwoodsproject.org/figovstat](http://brettonwoodsproject.org/figovstat)

## Gender at the World Bank: an uphill battle

When women's rights advocates met in Washington DC in April to discuss ways to promote gender equality at the World Bank, Director of the World Bank Gender Unit Karen Mason told them "if we are climbing the Himalayas then we are now at base camp two". Indeed the general feeling is that despite some progress in recent years the Bank still has a long way to go (see *Update* 33).

In October 2001 the Bank's Operations Evaluation Department (OED) concluded that internal incentives to 'mainstream' gender in Bank operations were not in place; inadequate resources had been devoted to gender; no accountability mechanisms were in place to ensure staff integrate these issues; and there was a general lack of capacity. A previous OED study, carried out in 1997, had similar conclusions. Since 2001 the Bank has adopted a 'gender mainstreaming strategy' and recently devised a new monitoring and evaluation system to track and evaluate its implementation. Elaine Zuckerman from Gender Action, who are preparing their own assessment, says the strategy should be made mandatory, as until now "non-gender staff—which includes almost everyone—hardly pay any attention".

A central part of the new strategy is the Country Gender Assessment (CGA). The CGA is to feed into the Country Assistance Strategy. It can be prepared in-house, financed by other multilateral or bilateral agencies, or can just be a poverty assessment with a special focus on gender. However, one of the Bank's own regional gender coordinators has reportedly said that poverty assessments are so gender illiterate that they could not possibly be used.

A recent *Advocate's guide* written by Carolyn Long for Women's Edge questions whether recent Bank initiatives will result in generalized incorporation of gender-responsive actions into policies and operations. The report echoes persisting problems perceived by some Southern NGOs' gender specialists, such as "the Bank's promotion of gender equality within the prevailing paradigm of economic reform and globalisation", its support of privatisations with negative impact on women's labour and well being, or the "emphasis on women as mothers, not as workers".

As for Poverty Reduction Strategy Papers (PRSPs), a review by Gender Action of 13 PRSPs written in 2002 finds that "PRSPs do not yet thoroughly mainstream gender although they are becoming more gender sensitive". The majority of Joint Staff Assessments (the

assessment of a PRSP by IMF and Bank staff) contain "superficial gender analysis" in the Bank's own view. In PRSPs studied little use was made of sex-disaggregated data, and few countries had anything near gender equal participation in their consultative processes. No PRSPs address gendered impacts of structural adjustment measures like privatisation and trade liberalisation. Another problem is that few PRSPs follow up gender commitments with monitoring indicators, implementation strategies and funding. Monitoring is crucial as often policy commitments to gender equality "evaporate" in planning and implementation processes.

A new report by Ann Whitehead for the UK Gender and Development network and Christian Aid looks at PRSPs in Tanzania, Bolivia, Malawi and Yemen and comes to similar conclusions. Gender issues are not sufficiently addressed or used in the poverty analysis in these PRSPs and even when they are raised they do not inform policy priorities. The report identifies lack of capacity for gendered poverty analysis and understanding of national economies from a gender perspective, together with lack of political will, as some of the major obstacles to overcome. Recommendations include building capacity of government and IFI officials, as well as women's groups, and more communication and trust-building between women's organisations and other CSOs that have more access to the PRSP process. This echoes recommendations of the April meeting in Washington that women's rights advocates and Bank-watchers should do more joint advocacy. ©

*The advocate's guide to promoting gender equality at the World Bank*, Women's Edge Coalition

www.womensedge.org/pages/referencematerials/reference\_material.jsp?id=19

Do Poverty Reduction Strategy Papers Address Gender? A Gender Audit of 2002 PRSPs, Gender Action

www.genderaction.org

Failing women, sustaining poverty: Gender in Poverty Reduction Strategy Papers, UK Gender and Development Network

www.christian-aid.org.uk/indepth

Inside the institutions: The World Bank and gender

brettonwoodsproject.org/insidegender

Reforming the World Bank: does the new gender strategy make a difference? Forthcoming Autumn 2003, Gender Action

www.genderaction.org

## Annual Meetings 2003

Members of the staff of the Bank and Fund, Board members, development and finance ministers will be gathering in Dubai, in the United Arab Emirates 18–24 September. 'Civil society dialogues' will include discussions of the Bank's new 'high risk/high reward' infrastructure strategy, social accountability and human rights, the long-term effects of HIV/AIDS, MDGs and the Education for All initiative.

Civil society attendance looks to be quite limited compared with previous gatherings in Washington. Contact information for groups which will be in Dubai, as well as links to documents published for the Annual Meetings, are available on IFLwatchnet.

The formal agenda should include:

- Sept 21 International Monetary and Financial Committee (IMFC) meeting  
World Economic Outlook; crisis prevention and resolution; IMF and low income countries; and progress reports on IMF quotas and governance, and activities of the IEO
- Sept 22 Development Committee meeting  
Supporting sound policies with adequate and appropriate financing; Enhancing voice and participation of developing and transition countries; and progress reports on trade, MDGs, PRSP implementation, HIPC, and the Bank's Infrastructure Implementation Action Plan.

Dates and documents for Bank/Fund annual meetings

www.iflwatchnet.org

### 2003: A Bank Oddity

At the Telluride Tech Festival in Boulder, Colorado, in August the World Bank apparently co-sponsored the participation by holographic projection of Sir Arthur C. Clarke, famed science fiction writer, in a panel discussion on the future of space exploration. Bretton Woods Project efforts to discover which Bank budget had supported this, the rationale behind it or to whom people can apply with other sponsorship suggestions were unsuccessful.

Futurists flock to Telluride to roadmap space exploration goals

www.space.com/business/technology/telluride\_preview\_030804.html

### IMF confronting critics over 'misunderstandings'

The IMF often seems to consider its lack of popularity is due to misunderstandings or misrepresentation of its role. A recent Fund publication, *Common criticisms: some responses*, in question and answer format, attempts to present its actions in a more favourable light. Questions include: "do IMF-supported programs favor bankers and elites?" and "is the IMF dominated by the G-7 (especially the US Treasury)?"

Some long-standing IMF critics (50 Years is Enough, Bretton Woods Project, Center of Concern and Halifax Initiative) have written a rebuttal of this document in time for the Annual Meetings.

Common criticisms: some responses

www.imf.org/external/np/exr/ccrit/eng/crit.htm

Reality bites—A rebuttal of the IMF

www.iflwatchnet.org/doc/realitybites.pdf



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