

# Failing small farmers: The World Bank and agriculture

**Stinging from a critique from its own evaluation unit on its work on agriculture in Sub-Saharan Africa, the World Bank released its flagship annual report on agriculture in October to heavy criticism from civil society.**

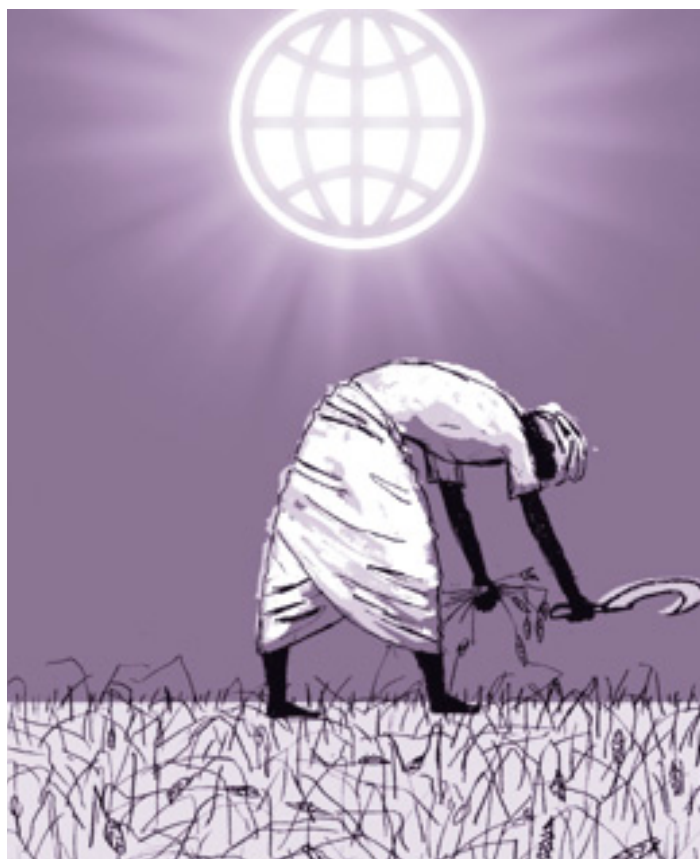
The central finding of the Independent Evaluation Group (IEG) report on the Bank's agricultural programmes in Sub-Saharan Africa between 1991 and 2006 was that the Bank, donors and governments have neglected agriculture. What limited Bank activity there has been has performed "below par". In the period studied, the Bank channelled \$2.8 billion in investment lending to agriculture, constituting just 8 per cent of its investment lending to the region.

The authors level a series of withering critiques at the Bank's work, including:

- *On inputs: Having encouraged governments to close their public seed companies, "Bank projects have not been very successful in promoting private sector participation in seed production";*
- *On land reform: The Bank has shown "inadequate appreciation of the time that is required to build consensus around sensitive issues such as land reform"; and*
- *On marketing reform: "In most reforming countries the private sector did not step in to fill the vacuum when the public sector withdrew." Results fell short of expectations due to "inadequate background analytical work, weak political support, and insufficient appreciation of the system's incentives".*

The evaluators conclude that "despite its presence for more than two decades in several countries, Bank support has so far not been able to help countries increase agricultural productivity sufficiently to arrest declining per capita food availability".

Management slated the IEG report. Noting that the evaluation serves as a pilot for a planned review of Bank assistance to agri-



RENE HECHAVARRIA / THE WOODS

culture worldwide, they called on the IEG to ensure that the next evaluation "should be based on the strongest possible analysis". In the board discussion of the evaluation, a request was made for an update on the Bank's rural development sector strategy, last revised in 2002.

Interest in the October release of the *World Development Report* (WDR) on agriculture was high. Donors, researchers and civil society groups anticipate that the document will play a central role in determining the direction of the Bank's 'return' to agriculture. All parties agree that agriculture plays

a key role in reducing poverty. The Bank estimates that "GDP growth originating in agriculture is at least twice as effective in reducing poverty as GDP growth originating outside agriculture".

From this common starting point however, civil society briefings on the report reveal starkly different understandings of what role agriculture should play in development. The WDR authors take an instrumental approach, focusing on how agribusiness can best be developed to increase incomes. Their framework divides the world in three – agriculture-

based, transforming and urbanised – emphasising the declining role of agriculture in GDP and employment as countries get richer. In contrast, NGOs have stressed food security and food policy. In a paper for German NGO Misereor, Murphy and Santarius use a framework of three rural worlds – industrialised, family-owned and subsistence – emphasising the way the worlds interact with one another.

A key divide is over the roles to be played by the state and the market. WDR authors concede that market failures are "pervasive" in agriculture-based countries. They encourage market regulation to ensure competition and allow for situations where state intervention in providing inputs or guaranteeing markets is warranted. In research for NGO Norwegian Church Aid, Mark Curtis captures the dilemma that many African countries find themselves in: "they have the worst of two worlds – government intervention is not good enough to really benefit the poor, but it is sufficient to crowd out badly needed growth in private sector development".

ActionAid asserts that the Bank's admission of market failures does not recognise the severe constraints placed on the state's abilities to tackle market power due to the "globally dominant position of major agribusiness conglomerates". Market concentration has distorted relationships between farmers and buyers. It has also resulted in a "pronounced gender bias against women", assigning women to unskilled, labour-intensive tasks. This is indicative, says NGO Oxfam, of the WDR's "lack of a comprehensive gender perspective".

A second key divide is over the role of science and technology. WDR authors appeal for sharply increased investments in research and development and public-private partnerships. Answers to increased productivity lie in both ecological processes minimising the use of external inputs, and in "revolutionary advances in biotechnology", including increased support for genetically-

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# Climate contradictions: World Bank sets up shop in Bali

*The key role that the World Bank is preparing to play in December's international climate change conference in Bali sits uncomfortably with its continued commitment to fossil fuel funding and failure to make a meaningful shift in its energy portfolio towards clean, renewable energy options.*

At the annual meetings, President Zoellick announced his intention for the Bank to act as a clearing house on carbon trading and a source of expertise on technology, including carbon sequestration and 'clean coal'. A statement released on the same day and signed by more than 200 organisations from 56 countries called on the Bank and other IFIs to end subsidies to the oil industry. The groups assert that 'oil aid' is one of the most glaring barriers to fighting climate change and addressing energy access in developing countries.

Instead of rapidly scaling up its commitment to 'new renewable' energy, as recommended in the 2004 extractive industries review, the Bank has turned increasingly towards avoided deforestation (see *Update* 56), carbon trading and carbon finance. The latter is "finance provided to a project" from the purchase of green house gas emission reductions. The Bank states that over the past seven years its carbon finance activities have grown from the Prototype Carbon Fund worth \$180 million, to nine funds worth a total of \$1.9 billion.

In October the World Bank released the latest in a series of action plans of its *Investment framework for clean energy and development* (see *Update* 55, 51), work in progress since the G8 meeting in 2005 in Gleneagles

and due for completion at the G8 in Japan in July 2008. The framework will rely heavily on private sector participation and finance through investment support, barrier removal and competitive markets, though specific details have yet to be confirmed. It also lists the Global Environment Facility, the UN Framework Convention on Climate Change adaptation fund and the forthcoming IDA replenishment (see page 6) as key sources of concessional financing.

Civil society was quick to refute the paper's claims that "substantial progress has been made since the spring meetings". The Bank asserts that it will "exceed the forecast for overall energy lending of \$10 billion over the FY 06-08 period, compared to \$7 billion in the FY 03-05 period". However in 2006 oil, gas and power commitments accounted for 77 per cent of the Bank's total energy programme, while 'new renewables' accounted for only 5 per cent.

Bank financing for the energy sector in Sub-Saharan Africa "increased significantly in 2007 in line with the Africa Action Plan". This is mostly due to the approval of funding for two controversial mega dams: \$360 million for the Bujagali dam in Uganda and \$297 million for the Inga dam in the Democratic Republic of Congo (see *Update* 56 ).

"'Low-carbon' represented 40 per cent of Bank energy lending in FY 07, and support for hydropower was the highest since 1996 with the approval of nine projects for \$748 million, and \$66 million in carbon finance". Eighty per cent of the Bank's 'low-carbon lending' is for large hydropower and carbon finance.

"The action plan includes two new carbon facilities to scale up the use of carbon finance for climate change mitigation: the Carbon Partnership Facility and the Forest Carbon Partnership Facility" (the latter will be launched at Bali, see *Update* 57). Many forestry experts fear the FCPF may benefit industrial scale logging and are cautious in light of previous IFI-induced forestry disasters. An NGO statement was sent to the World Bank in November articulating these concerns.

Also of note is that since spring 2007 four low carbon country growth case studies – India, China, Mexico and Brazil – were initiated, with plans for a fifth one in South Africa in 2008. Apparently these aim to help countries identify: "the carbon emissions-reduction potential, the incremental costs and benefits of 'lower-carbon' growth strategies and policy support requirements".

## IFC offsets own lending

The Bank prepared a paper on climate change for the IDA 15 replenishment meeting in October. Estimates based on scenarios from the Stern review – a November 2006 report on the economics of climate change – predict that the increase in IDA funding that would be required to maintain the net level of benefits to recipient countries at their 'without climate change' level range from 6 to 21 per cent of total IDA credits per year. The document states that "the negative potential impacts of climate change in IDA countries require appropriate adaptive measures", yet donors have failed so far to use the political space offered by the negotiations to influence the Bank to shift its energy investment towards renewable solutions.

Critics point to the irony of increased IFC donations to IDA, given the impacts that the \$645 mil-

lion that the IFC has provided for oil and gas projects so far in 2007 – an increase of at least 40 per cent since 2006 – are likely to have on climate change and poverty. In effect the IFC could be mitigating the impacts of its own lending.

## Power and poverty

A recent report by UK NGO Christian Aid, *Power and poverty* provides a critical examination of the World Bank's energy sector lending, focussing on Nicaragua and Nigeria. It finds that the Bank is still prioritising a privatised and centralised model to reforming countries' energy sectors. This threatens to perpetuate energy poverty and lock in high-carbon energy infrastructure. Moreover, power sector liberalisation continues in advance of full impact assessments and essential preparatory work on regulation. Full-cost recovery models are unlikely to deliver quality, affordable services to a large number of poor users, especially those formerly excluded.

Christian Aid finds that in Nicaragua the process of energy sector privatisation has reduced poor people's access to energy through increased tariffs, and locked the country into high oil imports and high carbon emissions in its power generation. In Nigeria it concludes that the current energy privatisation process is unlikely to ensure that poor people benefit, or yield a progressive system fit for a low-carbon global economy. Christian Aid recommends that UK and European governments should:

- link IDA funding to a phasing out of economic policy conditions and funding for fossil fuel projects;
- critically evaluate the Bank's model of development to ensure it is compatible with pro-poor development in a world where green house gas emissions must now be severely restricted;
- push the Bank to adopt criteria for energy sector reform projects to ensure that they operate within a finite carbon budget; and
- work with the Bank to ensure its policy advice and technical assistance include proper debate on the arrangements under a privatised model. ©

End oil aid statement

🌐 [www.priceofoil.org/endoilaid/](http://www.priceofoil.org/endoilaid/)

Energy investment framework

🌐 [tinyurl.com/2s8c3g](http://tinyurl.com/2s8c3g)

NGO statement on FCPF

🌐 [tinyurl.com/36ly6x](http://tinyurl.com/36ly6x)

Power and poverty, Christian Aid

🌐 [www.christianaid.org.uk/stoppoverty/trade/resources/povertyandpower.aspx](http://www.christianaid.org.uk/stoppoverty/trade/resources/povertyandpower.aspx)

## IMF calls for renewable subsidies

The IMF has addressed the issue of climate change for the first time in an annex to its flagship publication, the *World Economic Outlook*. The section addresses the macroeconomic challenges posed by climate change, though largely confines itself to an explanation of the background to the issues, a list of the potential economic effects and a theoretical discussion comparing the appropriateness of carbon taxes to a cap-and-trade system for controlling emissions.

Of note is the IMF's admission that there may be a place for public subsidies of renewable energy solutions: "public subsidies to develop new, immature, or strategically important energy efficiency, energy storage, renewables, nuclear, and carbon sequestration technologies may be a useful supplement to emissions taxes and cap-and-trade schemes if there are significant positive externalities related to their development and production. Private developers of new technologies may not reap the full social returns from developing new technologies (perhaps because they can be easily copied), which leads to underinvestment in the absence of subsidies."

The Fund foresees that adaptation "is likely to occur through private market decisions, with no need for public policy interventions. ... Policy support is likely to be needed, however, in response to extensive market failures that impede efficient adaptation."

Former IMF managing director Rodrigo de Rato indicated at the annual meetings that the Fund was going produce more in-depth analysis on this topic in the future.

**B**ANGLADESH got its independence in 1971 and started negotiations with the IMF in 1972. It was in 1973 when Bangladesh had its first experience with policy dialogue with the IMF.

In the early 70s, while there were no structural adjustment loans from the Bank or the Fund, there were loans tied to domestic policy reform. In the 1980s the formal Structural Adjustment Programme (SAP) arrived. In 1986 Bangladesh had been one of the first countries to resort to the Structural Adjustment Facility set up by the IMF. Bangladesh was also among the forerunners to make use of the Enhanced Structural Adjustment Facility launched by the same. For the following years, the country's economy was subordinated to the guidelines and targets laid down in the Policy Framework Paper prepared by the IMF and the World Bank. In the late 1990s the Poverty Reduction Strategy Paper was initiated by these twin powers. It was nothing but a sugar-coated SAP that declared to reduce poverty by keeping or even strengthening some of its root causes.

In all these phases these institutions carried a common agenda that was crucial for global capital to have: a market economy, an extraordinary return on investment and an open space to do whatever it liked. These included: (a) dismantling public institutions and public enterprises depriving people but giving immense authority to big business; (b) removing all support and protection for local industries and agriculture by liberalising imports; (c) supporting export-oriented activities to meet the needs of western markets by supplying cheap products at the expense of the economy and environment; (d) withdrawing the state's responsibility of providing health care and education to the people; and (e) raising the prices of fuel, gas and electricity as well as raising the fees for education and healthcare to create good business opportunities for global companies.

With the implementation of these prescriptions, Bangladesh, like many others, had to swallow all disastrous contracts with multinational companies that paved the way for their plundering natural resources and witnessed the silent erosion of national capabilities. In the last two

## IMF flees Bangladesh

COMMENT

by Anu Mohammad, Department of Economics,  
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decades Bangladesh saw the growth of resources, the rise of a corrupt criminal hidden economy, and the affluence of a few but also deprivation for many. In fact the process of reproduction, not reduction, of poverty and inequality was strengthened.

During the last ten years, people living under the poverty line increased from 51 million to 61 million. Only 10 per cent of the population have gained in their share of GDP, while for 90 per cent of people it shrunk.

The IMF's latest invention is the Policy Support Instrument (PSI). Their version of the new instrument says that while low-income countries may no longer require financial assistance, "they might still seek ongoing IMF advice, monitoring and endorsement of their economic policies—what is called policy support and signalling..."

One can easily find this a desperate attempt of the IMF to keep and extend its control over the countries where their 'good guys' are in power. This 'control without funds' phase is critical for them.

After getting success in countries like Nigeria, a test case of huge resources and high poverty, an IMF mission visited Dhaka in September 2007 to sign a PSI and put another chain around the country's neck. But the people of Bangladesh did not behave as the mission expected. With the world calling for a change, the people of Bangladesh also wanted change. They said a loud "NO" to the IMF mission. People from all sections of society joined together to register their protest against the IMF's moves. The IMF mission found their allies shaken and literally fled from the country.

But their missions and meetings are continuing; the disastrous projects are on or in the making. Therefore, in November, academics and activists have made a declaration to form a public tribunal on projects and policies of the World Bank, IMF and Asian Development Bank. Different thematic groups have been formed to proceed with the work. These global lords survive on the existence of a fragile ruling system and corrupt local lords. If people rise, their exit becomes imminent. ©

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## IFC: carbon cowboys in the Amazon

A September report by NGO Amazon Watch warns the International Finance Corporation (IFC) and the Inter-American Development Bank (IDB) that they risk breaching their own social and environmental safeguards if they provide funding for the Peru liquefied natural gas project, or Camisea II. Both banks are considering support for the gas liquification plant on the Peruvian coast and the 400 km pipeline from the Andes to the coast. Together they would provide \$1.1 billion for the \$3.8 billion mega-hydrocarbon project in the Peruvian Amazon. The IFC is to decide in early January.

Camisea II is an expansion of the controversial Camisea I, or Camisea gas project. It was criticised for negative impacts on indigenous communities and the rainforest, and for multiple violations of national and

international standards. These criticisms have been upheld by the Peruvian human rights ombudsman. Peru's energy regulatory agency has also fined the Camisea consortia millions of dollars for a number of oil spills but has yet to collect most of the money.

Camisea II, already under construction, is to be managed by a consortium of Hunt Oil (USA), Repsol (Spain), SK Corporation (South Korea) and Marubeni Corporation (Japan). It would transport gas from the Amazon across the Andes and to the Pacific coast for export to US, Mexican and other markets.

The NGO report, *Holding the IDB and IFC to account for Camisea II* finds serious shortcomings with the environmental impact assessment for the upstream gas fields connected with the project. Other concerns over Camisea II include: legality of

demarcation and the sale of concession rights, inadequate consultation and compensation, intimidation of indigenous and civil society leaders, and contravention of the rights of indigenous peoples including to prior consent.

The IFC has now confirmed that its environmental and social lending standards would apply only to the IFC funded components of the project, not to the Amazon gas fields that would supply the liquid natural gas plant. IFC president Lars Thunell stated at a meeting with NGOs that IFC involvement would help to protect the critical biodiversity of the Amazon region. "Many of these projects would happen anyway and would be worse without our involvement," he said. "We can add value". Amazon Watch has urged the IFC to adhere to its own environmental policy by

considering the harmful impacts of Camisea's upstream "associated facilities" as part of the loan due diligence process.

Civil society groups have urged the banks to delay their decision of project funding, to allow enough time for public scrutiny of the multitude of complex documents prepared by the consortium. Atossa Soltani of Amazon Watch said: "Camisea is a test case of the environmental and social policies of the IDB and World Bank. If these banks finance Camisea II, then their safeguards are not worth the paper they are written on." ©

Camisea gas project, Amazon Watch  
[www.amazonwatch.org/amazon/PE/camisea/](http://www.amazonwatch.org/amazon/PE/camisea/)

# Fund fights capital controls, not turbulent capital markets

*Despite concerns about the consequences of the credit market breakdown in rich countries spilling over into other countries, the IMF is nagging developing countries to open their capital accounts and planning to regulate sovereign wealth funds.*

The October communiqué of the body of finance ministers that sets strategy for the IMF recognised the risks of the credit market breakdown. Given that the IMF's first multilateral consultations failed to lead to concrete action to resolve global imbalances (see *Update 54*), there seems to be little appetite to make the IMF the locus of any new initiative on market volatility.

At the meetings the deputy governor of the People's Bank of China, Wu Xiaoling, called for the Fund to do more surveillance over industrialised countries and spend less time telling developing countries what to do. "As the turbulence in the global financial markets caused by the US sub-prime mortgage market developments has adversely affected global growth prospects, it is all the more urgent a priority to strengthen surveillance of the systemically important advanced economies in order to safeguard global financial stability and economic prosperity."

The situation in global markets has started pushing portfolio, equity and speculative capital towards developing countries, with India bearing the brunt of the influx. In the midst of the IMF and World Bank meetings in October, India was setting new records for the volume of capital inflows, even with some controls in place. Despite recognition of the dangers to financial stability of unfettered capital flows by nearly everyone, including the Fund's

former chief economist Kenneth Rogoff (see *Update 39*), the IMF seems intent on advising its members against using capital controls.

The IMF's autumn editions of both the *Global Financial Stability Report* (GFSR) and *World Economic Outlook* (WEO) discussed how emerging-market countries can deal with capital inflows. The GFSR concluded that "capital controls should be used only as a last resort" and "may have uncertain effectiveness and unintended side effects." The WEO advised central banks not to intervene and for governments to spend less money. Dominique Strauss-Kahn, the new IMF managing director, joined the debate shortly after taking office, warning India against imposing any capital controls: "I think the Indian

authorities should think over several times before implementing this kind of an instrument". The IMF is essentially arguing for dismantling the floodgates at exactly the moment when a storm surge is arriving.

This is the opposite conclusion of that reached across the road at the World Bank, which has warned against premature capital account liberalisation. In a seminar hosted by the South Asia department of the World Bank during the annual meetings in October, Thai finance minister Chalongphob Sussangkarn called for more support to countries that wanted to slow capital inflows. Former assistant director for research at the IMF Arvind Subramanian criticised market fundamentalists who opposed the

use of controls. The Korean alternate executive director at the Bank, Choi Joong-Kyung, said that his own country's capital account liberalisation occurred because policy-makers shifted from looking after national priorities to worrying solely about macroeconomic stability and that this invited the Asian financial crisis. The Bank's chief economist for South Asia Shantayanan Devarajan summed up the session saying that it seemed clear that there was no justification for any rush to liberalisation and that capital controls can be useful in certain situations.

A timely IMF working paper on capital account liberalisation in India by Amadou Sy does clearly recognise the risks of introducing fuller capital account convertibility (FCAC), a euphemism for capital account liberalisation. Sy explains what prudential and regulatory measures must be put in place in order to safely further open up India's economy to foreign money. However, the assumption is that liberalisation to foreign capital is always desirable. Yilmaz Akyüz, former chief economist at UNCTAD, instead called for the IMF to be more proactive: "Guidelines for IMF surveillance should specify circumstances in which the Fund should actually recommend the imposition or strengthening of controls over inflows." ©

## Sovereign wealth fund regulation

The US and European proposals for more regulation of sovereign wealth funds, investment pools for countries' foreign exchange reserves, have translated into Fund action despite the reservations of the IMF's chief economist (see *Update 57*). The communiqué of the Fund's advisory body of finance ministers echoed the demands of the industrial countries, welcoming "the work by the IMF to analyse issues for investors and recipients of such flows, including a dialogue on identifying best practices."

The Fund agreed to take up the task of drafting codes of conduct for the sovereign funds. IMF staff in the Middle East have claimed that the government investment institutions in that region have indicated that they are willing to abide by the new voluntary code. In mid-November the IMF hosted its first meeting of sovereign asset and reserve managers, which it plans to hold annually. Officials from 28 countries attended and Strauss-Kahn told the opening session that "a process is underway to define a role for the Fund on the issue of how sovereign wealth funds can be managed in ways that are consistent with global financial stability."

World Economic Outlook

www.imf.org/external/pubs/ft/weo/2007/02/index.htm

Capital account liberalization and risk management in India

www.imf.org/external/pubs/ft/wp/2007/wp07251.pdf

Critical issues in financing for development, Yilmaz Akyüz

www.twinside.org.sg/title2/finance/twninfofinance100708.htm

## Strauss-Kahn to make \$500,000 as IMF head

For the first time, the terms of appointment for the managing director of the IMF have been publicly released. Dominique Strauss-Kahn will earn a tax-free salary of \$420,930 and expense allowances of \$75,350 per year. This is more than the earnings of the World Bank president (\$493,940 tax-free), the US president (\$450,000 taxed) and the UN secretary general (\$403,958 tax-free). Strauss-Kahn will also participate in the staff retirement plan, a defined-benefit pension scheme, which are strictly taboo for developing countries according to IMF advice. The Fund does not publish details of its pension plan.

www.imf.org/external/np/pp/2007/eng/052907.pdf

## G7 calls for budget cut at the IMF

The major shareholders of the Fund are now calling for the IMF to severely curtail its expenses. US Treasury secretary Hank Paulson welcomed work on the Fund income model but said that it must "seriously reduce spending by re-aligning staff and expenditures to focus on the IMF's core mission." The G7 communiqué from October also called for "a serious review of its activities and consolidation of its spending." It seems unlikely that they will be satisfied with "an administrative budget that declines in real terms", but not nominal ones, as approved by the IMF board.

IMFC statement by Hank Paulson

www.imf.org/External/AM/2007/imfc/statement/eng/usa.pdf

## More IMF staff for poor countries?

In mid-October the IMF board considered the latest in a series of policy papers defining the Fund's role in low-income countries (see *Update 57*). The board was divided on whether the institution should commit more resources (meaning staff time) to work in poor countries. Though the board supported better information sharing with donors and the Bank, more outreach by IMF resident representatives, and more work on debt sustainability, this must await integration "into a summary paper describing the full range of the Fund's activities in low-income countries and the cost implications."

www.imf.org/external/np/sec/pn/2007/pn07130.htm

## Senegal joins the ranks of PSI countries

Senegal became the first francophone country to sign up to a Policy Support Instrument (PSI), a Fund programme for low-income countries that involves oversight and conditionality but no financing. So far only African countries – Nigeria, Uganda, Mozambique, Tanzania and Cape Verde – have signed PSIs. NGO ActionAid has questioned whether the PSI enables countries to pursue policies for long-term development and growth. It concludes: "the PSI has proven itself to be a continuation of the PRGF ... insist[ing] on highly restrictive monetary and fiscal policies and refusing to endorse much-needed state investments in development".

www.actionaid.org/assets/pdf/5CPSI%20FINAL.pdf

*Inside the institutions* **The IMF and financial sector reform**

**While the World Bank has done a lot of work on financial sector reform (see Inside, Update 57), the IMF is also a key actor. Since facing criticism over its lack of understanding of financial markets in the wake of the 1997 Asian financial crisis, the IMF has significantly increased its capacity for analysis of the financial sector. It focuses on both assessing the impacts of global and domestic financial markets on economies and on best practices in financial sector supervision.**

While the Fund has increased its capacity to analyse private financial markets and the financial sector, this analysis has generally been poorly integrated into the IMF's bilateral programmes and other global surveillance. To mainstream financial sector analysis, in 2006 the international capital markets (ICM) department, which handled international issues, was merged with the monetary and financial systems department (MFD), which used to work more closely with central banks and national financial supervisors.

The new department, monetary and capital markets (MCM), now employs approximately 250 people in Washington, with an additional 30 people employed as experts in different member countries. MCM is the largest functional department at the Fund.

This department is tasked with three things: providing technical assistance (TA) to IMF members, doing stand-alone analysis of global financial markets, and assisting with bilateral analysis of the financial sector of specific countries including as part of the joint Bank-Fund Financial Sector Assessment Programme (FSAP).

Technical assistance and capacity building account for almost half of the work of the MCM department. MCM provides more TA than any other department at the Fund, accounting for more than 26 per cent of IMF TA in fiscal year 2007 at more than 117 person-years. The Fund could not provide a breakdown of this assistance by region or country type. Examples of MCM's technical assistance activities include supporting Nigeria's financial sector reform programme and helping the Philippines' central bank strengthen its ability to identify the risks associated with complex domestic business groups.

In terms of global financial sector analysis, part of what the Fund calls "multi-lateral surveillance", the IMF's main output is the biannual *Global Financial Stability Report* (GFSR). The GFSR "assesses global financial market developments with a view to identifying systemic vulnerabilities" and draws policy implications from the analysis. The smallest area of MCM work is analysis of individual country financial sectors. Most of this is done through the FSAP. However, bilateral work is expected to grow as the IMF plans to incorporate more financial sector analysis into its regular economic oversight of individual countries through annual Article IV reports and lending programme reviews.

IMF advice and analysis "does not rely on a particular strategy document but focuses on ongoing research and other analytical work that help identify financial sector vulnerabilities and gauge the resilience of its member countries' financial systems to potential shocks." Operational guidance notes, documents written by IMF management to interpret board decisions on Fund policy for IMF staff, are not publicly available in relation to the financial sector.

IMF work is largely driven by the set of standards and codes that the IMF considers best practice in the areas of transparency in monetary and financial policies, banking supervision, securities, insurance, payment systems, and anti-money laundering and combating the financing of terrorism. Assessment of adherence to these global codes is done through an FSAP. IMF TA seeks to help countries meet these codes as quickly as possible regardless of the level of the country's development, though not by sacrificing the quality of implementation.

Complementary to the FSAP, the IMF statistics department led the effort to develop a set of financial soundness indicators (FSIs), inaugurated in 2001. FSIs are "indicators of the current financial health and soundness of the financial institutions in a country, and of their corporate and household counterparts", for example a bank's level of nonperforming loans compared to total gross loans. The individual institution level indicators are summed up to create aggregate indicators for the whole economy. There are two sets of FSIs, core and encouraged. The FSIs are designed to be comparable across countries to make it easier to assess whether a financial system is meeting the global norms. ©

The World Bank and financial sector reform

🌐 [brettonwoodsproject.org/inside57](http://brettonwoodsproject.org/inside57)

Financial soundness indicators and the IMF

🌐 [www.imf.org/external/np/sta/fsi/eng/fsi.htm](http://www.imf.org/external/np/sta/fsi/eng/fsi.htm)

Selected areas of MCM work	
Financial market development	Financial sector supervision
Financial sector policy and strategy	Financial sector regulation
Money and debt market development	Governance and management of financial supervisory authorities
Securities and derivatives market regulation and development	Problem bank resolution and restructuring
Forex regulations and capital controls	Supervision and regulation of offshore financial institutions
Sequencing capital account liberalisation	

**Ungovernable debate over Fund governance reform**

Dominique Strauss-Kahn took over as the managing director at the IMF in November after keeping a low profile during the October annual meetings and letting his predecessor Rodrigo de Rato stay centre-stage. On Strauss-Kahn's second day in office he started discussing his approach to governance reform: "the change in the quota question has to be significant ... but it is not enough, and so on my agenda we cannot stop."

There was no clarity on how he would implement his campaign promise to use a system of double majority decision making for some decisions at the board (see Update 57). Executive directors assumed he planned to assess agreement based on the number of directors consenting to a decision, without any recognition of the size of the constituencies. Strauss-Kahn's comments seem to confirm that suspicion: "I launched this idea ... of having a practice of double majority on some questions, which means that ... the management will have to take into

account the number of chairs supporting an idea or fighting against a proposal." This would continue to allow industrialised countries to dominate the agenda.

The new chair of the International Monetary and Finance Committee (IMFC), Italian finance minister Tommaso Padoa-Schioppa, may have angered his European colleagues by addressing an issue that has been kept out of the discussions over IMF governance so far: European dominance of the IMFC board (see Update 52). The Italian declared that European countries should combine their representation on the board to make space for developing countries: "the IMF includes the word monetary, the EU has one money, it should consolidate." Padoa-Schioppa circulated a proposal in November to set up a

*the IMF includes the word monetary, the EU has one money, it should consolidate*

clear system for rotating the IMFC chairmanship between global regions every three years, much as is done with other coveted international posts at the UN and WTO.

On the quota issue, the hard bargaining is yet to come, as there is still a gulf between European and emerging market countries over every aspect of the reform. Comparing the communiqué of developing countries in the G24 group to the IMFC statement of German finance minister Peer Steinbrück shows the disagreement over: the variables that will go into a new formula, the level of adjustment after the new formula is agreed, and whether future adjustments should be automatic.

With limited progress on staffing allowances for executive directors from developing countries (see Update 56) and nothing yet on diver-

sity of staff or the number of alternate executive directors, the items left on the governance reform agenda are transparency and accountability. The Fund had been scheduled for a transparency policy review in the first half of 2008, but it has been delayed to 2009 to lighten the workload for the executive board. The IMF's Independent Evaluation Office has started its review of the Fund's internal governance, which is likely to make recommendations on transparency and accountability. The evaluation should be presented to the board around the time of the spring meetings in April 2008. ©

Transcript of Strauss-Kahn press breakfast  
🌐 [www.imf.org/external/np/tr/2007/tr071102.htm](http://www.imf.org/external/np/tr/2007/tr071102.htm)

Transcript of IMFC press briefing  
🌐 [www.imf.org/external/np/tr/2007/tr071020b.htm](http://www.imf.org/external/np/tr/2007/tr071020b.htm)

Transparency at the IMF  
🌐 [www.ifitransparency.org/doc/Transparency\\_IMF\\_GTI.pdf](http://www.ifitransparency.org/doc/Transparency_IMF_GTI.pdf)

# Less carrot, more stick please: Disappointing reforms at IDA 15

*As negotiations close over donations to the International Development Association (IDA), the World Bank's financing arm for low income countries, civil society is disappointed over the failure of donors to force progress on conditionality, allocation and impact assessment.*

The IDA 15 policy paper will be finalised after the fifth and final talks in Berlin in mid-December which will focus on the volume of donor contributions. After the fourth round of talks in November in Dublin, the Bank described discussions of reforms of the way IDA works as “substantially concluded”.

There has been concern over IDA's diminishing role in the global aid architecture amongst a proliferation of vertical funds and private foundations. The Bank has decided that IDA will “provide a platform for development assistance”. It will, for example, strengthen health ministries so they can better manage funds for HIV/AIDS or malaria.

The Bank will continue to use ability to service repayment obligations as its primary criterion for debt sustainability. This fails to consider the resources that poor countries need to tackle poverty. African civil society groups, at the second round of IDA discussions in Maputo in June, called for the establishment of “a framework that not only incorporates the domestic debt factor in its determination, but also one that is transparent and inclusive of African governments”.

Climate change discussions have been sensitive. The report ensures that there will be no earmarking and that the priority will be adaptation “complemented by selective mitigation actions”. A separate paper outlines specific roles that IDA will play in addressing climate change: integrating adaptation and mitigation in investments; scaling up disaster preparedness; increasing access to new technology; and mainstreaming climate actions into country assistance strategies.

A key issue of interest for civil society groups has been the Bank's country-level effectiveness. Draft ‘monitorable actions’ for IDA – the only commitments that the Bank can be held accountable for – are disappointing. They include further decentralisation of staff; integration of Bank implementation units into government structures; strengthening partnerships with other actors; and improving results measurement. Missing are any concrete commitments on civil society priorities to decrease the use of conditionality, reform allocation systems, or mainstream the use of impact

assessment.

African CSOs in Maputo in June asserted that “IDA support should strengthen the domestic policy-making institutions as opposed to imposing conditionalities”. After a summer of consultation on the implementation of the good practice principles on conditionality (see *Update* 53), a final report was to be presented to the board in early December. Bank staff have already outlined the findings: the use of conditionality in sensitive policy areas is rare; the use of benchmarks was down 40 per cent; and the use of process conditions is rare.

A report by Brussels-based NGO Eurodad, which was given access to the Bank's conditions database, finds that the principles have had a positive impact in reducing the number of conditions, but there are concerns that the Bank is now ‘bundling’ conditions together under a single heading. There has also been “very limited progress in curbing the Bank's practice of attaching sensitive economic policy conditions like privatisation and liberalisation”. While the Bank claims that only 16 per cent of operations have privatisation-related conditions, Eurodad finds that 71 per cent of all grants and loans have some sensitive policy reform, more than half of which are privatisation-related. They have called for independent monitoring of the use of conditionality to be included in the final IDA indicators.

The Bank's commitment to work with other donors “towards harmonisation of performance-based allocation systems” has raised old concerns about the policy agenda that is advanced through allocation decisions (see *Update* 52). Rather than allocating IDA funds based on the implementation of policies favoured by the Bank, NGOs and academics have been calling for increased emphasis on the level of financing needed to reach national development goals, and the use of indicators which measure progress towards development outcomes. The German government has sought to eliminate the use of a measure of trade openness in the allocation system. Bank staff have resisted any substantive changes. Some minor technical changes to simplify the allocation formula and reduce

volatility have been agreed.

A coalition of NGOs led by Oxfam released a paper in October calling on donors to ensure that the final IDA 15 agreement states that “country-led poverty and social impact assessment (PSIA) be used in all IDA-supported financing with a

major distributional impact”. There are no firm commitments to do so. Instead the Bank has agreed to “carry out a stock taking exercise of its PSIA work and update the good practice note”. The Bank's evaluation unit is scheduled to examine the Bank's PSIA work in 2008. ©

Joint African civil society position paper on IDA 15, Afrodad

www.afrodad.org/downloads/CS%20position%20doc%20on%20IDA%2015.pdf

Untying the knots, Eurodad

www.eurodad.org/aid/report.aspx?id=130&item=01804

Blind spot, Oxfam

www.oxfam.org/en/files/bn0709\_blind\_spot\_world\_bank\_imf.pdf

## Failing small farmers: The World Bank and agriculture

*Continued from page 1*

modified organisms (GMOs). A major push in the report is on the need for a ‘green revolution’ in agricultural technology for Africa. The authors argue that intellectual property rights (IPRs) in the seed industry have had “little impact to date” because there are “no indications that such rules have been enforced”.

Murphy and Santarius describe the Bank's assessment of the potential of GMOs as “unjustifiably rosy”, emblematic of an over-reliance on capital-intensive technologies that are assumed to trickle down to the poor. This is mirrored by “too little discussion of low-cost, farmer-led technologies”. ActionAid questions why, despite recognising the limitations of IPRs, the Bank fails to push for publicly funded research. They caution that the enthusiasts of a new ‘green revolution’ should not overlook the environmental impacts of the Asian green revolution, and the role of yield-enhancing crops in resisting pressure for proper land reform.

The third key divide is over the role of international trade. The WDR operates on the assumption that full trade liberalisation is the objective, allowing for compensation of likely losers. In a liberalised world, the question becomes how to link small farmers to high-value

supply chains. This requires assistance with infrastructure investments, compliance with international standards, and management of price risk.

All of the NGO counter-reports take issue with the Bank's characterisation of an idealised market as set against the reality of gross power imbalances in the global supply chain. Murphy and Santarius describe the Bank's discussion of the benefits of the current round of global trade negotiations as “superficial”. Oxfam cautions that “earnings from export opportunities often only accrue to better-resourced farmers and agribusinesses”. ©

IEG evaluation

go.worldbank.org/PPY96H0E50

“Dangerous” World Bank report

www.actionaid.org/main.aspx?PageID=947

The WDR 2008: Response from a slow trade sound farming perspective

www.iatp.org/iatp/publications.cfm?refid=100483

The role of southern governments and the World Bank in the rise of hunger

english.nca.no/article/view/7270/1/449

What agenda now for agriculture?

www.oxfam.org.uk/resources/policy/trade/bn\_wdr2008.html

## WDR 2009: Spatial disparities in development

Next year's WDR will be divided in three parts. The first part will document urbanisation, and the evolution of gaps between areas within countries, and between countries within regions. The second part will analyse the forces driving these changes, looking at how movements of people and capital help to ‘realise gains from scale and concentration’. The final section will propose policies to take advantage of these transformations, addressing distributional concerns. Lead author Indemitt Gill is a labour economist who joined the Bank in 1993 and currently works for the human development unit in the Latin American and Caribbean region.

# New Bank financing instruments: Who bears the risk?

*Under pressure to maintain the World Bank's relevance and stamp his mark on the institution, two areas that president Robert Zoellick is likely to focus on are the promotion of risk management instruments and the development of local currency bond markets.*

The UN Department of Economic and Social Affairs (DESA) has for years called on the Bank to help “develop counter-cyclical instruments, both public and market-based, that would help smooth private capital flows so they can better support – and not undermine – development”.

Shortly after the Asian financial crisis in the late 90s, the Bank developed risk management tools that countries could apply to their entire debt portfolio – whether owed to the Bank or other creditors. Managed by the staff of the Bank's treasury, these tools include currency, interest rate and commodity swaps, and technical assistance with the legal and accounting systems needed to effectively use them.

Currency swaps allow countries to reduce their exposure to fluctuations in the value of a currency in which they have borrowed. Interest rate swaps allow borrowers to exchange a floating for a fixed interest rate or vice versa, insuring themselves against an unexpected rise in interest rates. Commodity swaps might, for example, allow a country which is a raw material exporter to link its debt service to the price of that raw material, paying less when prices are low, and vice versa.

The chief advantages for developing countries in going to the World Bank rather than private banks are access and cost. The Bank uses its top-notch credit rating to access larger volumes, longer matu-

rities, and lower costs than countries could get on their own. Over 40 largely middle-income countries have set up currency and interest rate swaps on their Bank debt. Only five countries have signed agreements with the Bank to manage risks on both their Bank and non-Bank debt portfolio.

Commodity swaps have not been taken up, partly due to the technical complexity in modelling the impact of commodity price changes on a country's economy. Officials may fear being blamed for signing up to costly agreements which will limit their country's profits when commodity prices are high, since conversely, low prices can be blamed on the international marketplace. A longer-term structural question is whether or not increased investment in market-based risk management will deter interest in other measures to address commodity market instability such as the creation of buffer stocks, management of commodity prices, compensatory financing or economic diversification.

In October, the Bank launched the \$5 billion Global Emerging Markets Local Currency Bond Fund (Gemloc). While about 70 per cent of emerging market debt is denominated in local currencies, institutional investors hold only around 10 per cent of their emerging market debt investments in local currencies. Gemloc aims to increase this investment, providing money for countries to fund long-term investments such

as infrastructure. It is an IBRD-IFC initiative which will use a private fund manager to solicit investments from institutional investors, sovereign wealth funds and central banks.

The initiative has the potential to decrease developing country dependency on multilateral bank finance in the long run, and has been a key ask from developing countries. At their November meeting in South Africa, the G-20 encouraged the Bank's “role in fostering lending in local currency as a means to develop domestic capital markets which will enhance better liability management.”

The development of local currency bond markets is not without risk. The pace and sustainability of the expansion of the markets will be key. A rapid increase in domestic debt must be matched by productive investment if it is not to lead to renewed debt sustainability problems. An increase in the volume of local-currency denominated domestic bonds held by foreign investors raises the spectre of sudden reverse flows if the value of the currency falls in the absence of capital controls (see page 4). In the 1994 Mexican ‘tequila crisis’ local currency bonds were dumped by domestic residents and foreign investors alike.

Unclear are the policy implications of the second part of the Gemloc initiative – the launch of a new Global Emerging Markets Bond Index. The IFC-led index will list local currency bonds and provide a statistic reflecting their value

weighted not just by size of market, “but by ‘investability’ as well, the latter adjusting for such variables as regulatory and tax regimes and market access rules”. Zoellick said: “The aim of this local currency bond fund is to establish a clear link between policy reform and investment”.

Gemloc will initially invest in 15-20 largely middle-income economies, but is expected to spread to 40 countries within five years. The expansion of the initiative to low-income countries requires caution since it raises the possibility of crowding out private credit. Many low-income countries already suffer from banks' preference to invest in the guaranteed return of treasury bonds rather than the productive sector.

Another instrument which could play a counter-cyclical role and apply to both middle and low-income borrowers would be the creation of a market for GDP-linked bonds. This would allow borrowers to pay more interest when their economies are healthy and less when they are not. Economist Stephany Griffith-Jones and then head of UN DESA José Antonio Ocampo, in a paper for the G24 group of developing countries, called on the Bank to “play the role of ‘market makers’ for GDP-linked bonds”. For the time being there are no plans for their development at the Bank, with treasury staff saying that they “can not work on products with no uptake”. ©

World Bank treasury

🌐 [treasury.worldbank.org](http://treasury.worldbank.org)

Global Emerging Markets Local Currency Bond Fund

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

GDP-indexed bonds, G24

🌐 [www.g24.org/GDPB0406.pdf](http://www.g24.org/GDPB0406.pdf)

## More Bank ‘aid for trade’

Heads of the IFIs were in Geneva in November for a WTO conference to take stock of its aid for trade taskforce. Two years since its launch, there is still no accepted definition of ‘aid for trade’, no effective monitoring and evaluation mechanisms, and little or no additional money. Bank president Zoellick announced more of the same for the Bank: resources for infrastructure, private sector support and work on tools to analyse trade obstacles. Trade NGOs have developed aid for trade principles demanding that it be provided without detrimental conditions; not serve as a *quid pro quo* for concessions in negotiations; and be additional to existing aid.

🌐 [www.tradeobservatory.org/genevaupdate.cfm](http://www.tradeobservatory.org/genevaupdate.cfm)

## Ecuador withdraws from ICSID?

Ecuador intends to prevent oil and mining disputes from going to the Bank's International Centre for the Settlement of Investment Disputes (ICSID). Bolivia announced in May that it wished to withdraw from ICSID; Venezuela and Nicaragua have said that they intend to do so (see *Update* 56). Bolivia's withdrawal is being contested by ICSID's ruling allowing a claim lodged by a subsidiary of Telecom Italia. Ecuador could either withdraw completely, or tell ICSID that it no longer wishes to allow certain categories of disputes to be arbitrated, though this might not carry legal weight. Ecuador is facing a billion dollar claim brought by US oil giant Occidental.

🌐 [www.iisd.org/pdf/2007/itn\\_nov15\\_2007.pdf](http://www.iisd.org/pdf/2007/itn_nov15_2007.pdf)

## Public campaigns to reform IDA

The World Bank Campaign Europe has called on European governments to consider redirecting funding away from the Bank unless it ends economic policy conditions and support for fossil fuels. In October, it held a public hearing where testimonies were given on topics including the West Africa gas pipeline, cotton sector liberalisation in Mali, and the Bank's role in food insecurity in Malawi. A similar hearing took place in India in September (see *Update* 57) and another is planned for Bangladesh (see *Comment*, page 3). A US campaign has backed the European demands and added a third request – improved accountability for development results.

🌐 [www.worldbankcampaigneurope.org/](http://www.worldbankcampaigneurope.org/)  
🌐 [www.bicusa.org/en/Article.3579.aspx](http://www.bicusa.org/en/Article.3579.aspx)

## Addressing the legacy of big dams

Two recent publications by NGO International Rivers find that the World Bank lacks the necessary tools to address the social and environmental legacy of its dam projects. *The World Bank's big dam legacy* examines Bank failures in relation to past and current dam projects, and makes recommendations on each. *Shattered lives and broken promises* assesses the Bank-funded Pakistan National Drainage Programme. It finds serious shortcomings in relation to the management action plan initiated following the report by the Bank's Inspection Panel, which documented violations of six safeguard policies.

🌐 [internationalrivers.org/en/south-asia/pakistan](http://internationalrivers.org/en/south-asia/pakistan)

## World Bank: head in the sand over 'peace conduit'

NGO Friends of the Earth Middle East (FoEME) has expressed concern over the World Bank's involvement in the Red Sea to Dead Sea water conveyance project (RDC) or "peace conduit", in particular the failure of the Bank and beneficiary governments to consider alternatives that would tackle the root cause of the Dead Sea's degradation.

The shared vision of the RDC is to: "save the Dead Sea from environmental degradation; desalinate water/generate energy at affordable prices for Jordan, Israel, and the Palestinian Authority; and build a symbol of peace and cooperation in the Middle East". It would involve channelling water into the Dead Sea from the Red Sea via the largest seawater pumping plant in the world at the Gulf of Aqaba and a 200km long conduit. The Dead Sea has been devastated over the past 50 years by increased sewage disposal into its sole tributary, the Jordan River, and by the diversion of water from the river by Israel, Jordan and Syria. The sea's water levels are dropping by approximately one metre per year.

The project is being promoted by the governments of Jordan, Israel and the Palestinian Authority. The World Bank is organising donor financing and managing the study programme, which is estimated at \$15.5 million. It has provided technical assistance and oversight of the terms of reference for the feasibility study and the environmental and social assessment. The Bank has also set up a multi-donor trust fund into which France, Greece, Japan, the Netherlands and the USA have agreed to contribute. Bank staff sit on the technical steering committee of the project. The work on the study programme was to have begun in September 2007. It will last two years, at the end of which the World Bank will determine whether or not such a project is feasible.

FoEME's key critique is that though the terms of reference claim to address the declining levels of the Dead Sea, they fail to consider what constitutes the root cause and does not require the independent consultant to consider alternatives to the project. Environmentalists in the region assert that the best and most obvious solution would be to rehabilitate the heavily polluted Jordan River. Quoted in Al-Jazeera, Gidon Bromberg, Israeli director of FoEME said: "The Bank is simply refusing to listen to real alternatives that have been put on the table."

Geologists and local scientists have also stated that the project poses a threat to the ecosystems of the Gulf of Aqaba/Eliat, the Arava Valley and

the Dead Sea itself and point to the unknown dangers of mixing the waters of the Red and Dead Seas.

FoEME has put forward the Jordan River Alternative, a proposal to rehabilitate the river which was a commitment of the 1994 Jordan-Israel peace treaty. This would involve changing the nature of the region's agricultural production; focussing on crops with low water consumption; educating people to use water more effectively; pricing water more appropriately and desalination. However this has been disregarded by the World Bank, which states that "no degree of reform and change in management of freshwater resources in the region is likely to keep pace with the demand, or significantly contribute to the restoration of the Dead Sea".

According to FoEME, agriculture currently consumes "over 57 per cent of Israel's total water utilisation" and Jordan's agriculture "uses 73.9 per cent of total water consumption". The widespread misuse of one of the region's most scarce resources is due to significant government subsidies for water use in agriculture and a "lack of education and incentives for better conservation". FoEME call for an independent assessment of better water management in the region. Former Israeli water commissioner professor Dan Zaslavski has estimated that regenerating the flow of the Jordan River will cost about \$800 million, significantly less than the estimated \$5 billion required to complete the RDC project.

Public hearings held in August on the project in Amman, Ramallah and Jerusalem were apparently poorly advertised. In addition important documents had not been translated into Arabic and Hebrew.

FoEME have been told by World Bank staff that World Bank safeguard policies would not apply to the project, given that the Bank is only coordinating donor support and managing the study. The NGO concludes that "a study that claims to save the Dead Sea as its primary objective without an examination of the root causes and an investigation into whether these causes can be mitigated, in the opinion of FoEME puts the credibility of the World Bank into question".

FoE Middle East publications

[www.foeme.org/publications](http://www.foeme.org/publications)

Red Sea canal plan 'threat'

[english.aljazeera.net/NR/exeres/6BA364A5-DF59-4FDF-904D-E19862D6788A.htm](http://english.aljazeera.net/NR/exeres/6BA364A5-DF59-4FDF-904D-E19862D6788A.htm)

Bank terms of reference

<http://tinyurl.com/365fdb>

## Your support of the Bretton Woods Project is crucial

The past year saw a changeover of the heads of both the World Bank and IMF. The Bretton Woods Project played a key role within a coalition of international NGOs in calling for a transparent, merit-based leadership selection process and democratic governance reform in both institutions. BWP was given credit by Bank staff themselves for keeping pressure on former Bank president Paul Wolfowitz before he was forced to resign. Such events demonstrate why the Bretton Woods Project – networker, information provider and watchdog on a UK, European and international level – has a critical role to play.

We need your help to ensure that we can provide the same high-quality research and analysis. We know you value our work – we need your support to be able to continue it. For credit card donations or to set up a direct debit, please go to our website:

[www.brettonwoodsproject.org/donate](http://www.brettonwoodsproject.org/donate)

To donate by UK cheque please enclose a cheque/postal order made payable to 'ActionAid supporter payments – Bretton Woods Project' and return to: ActionAid, FREEPOST BS4868, Chard, Somerset TA20 1B

## A virtual World Bank to add to the real one?

Not satisfied with reforming the investment climate of bricks and mortar, the World Bank's IFC launched its annual *Doing Business* report in the virtual gaming world Second Life in October. It's unclear if the launch lived up to the billing of Activ8 Island (owned by real world company SLAgency) – "Second Life's premier entertainment destination" – though punters were warned that if the auditorium filled up, that they could meet for a drink and listen to a DJ at Sullivan's virtual night club afterwards. Our intrepid BWP reporter-avator arrived too late on the scene – all that was left were flyers from a Nestlé Nesquik graffiti art contest. Sadly this means we missed out on digital copies of the report, as well as World Bank-IFC virtual t-shirts.

[www.modernepromotions.com/activ8sl/doingbusiness/](http://www.modernepromotions.com/activ8sl/doingbusiness/)

## 2007 Bankspeak and resources

The first issue of 2008 will feature 'Bankspeak of the year' – the most incomprehensible or absurd use of words in a Bank or Fund document or speech. Also, we will present your list of recommended resources – the best of books, reports and articles written about the work of the Bank and Fund in 2007. Suggestions from readers for both features are very welcome.

Review last year's Bankspeak awards and resources of the year:

[www.brettonwoodsproject.org/bankspeak2006](http://www.brettonwoodsproject.org/bankspeak2006)

[www.brettonwoodsproject.org/resources2006](http://www.brettonwoodsproject.org/resources2006)

Send your suggestions to [bankspeak@brettonwoodsproject.org](mailto:bankspeak@brettonwoodsproject.org)



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