

# Bank wrestling for control of climate finance

**With much awaited climate talks in Copenhagen in December, the World Bank and its supporters position the institution to play a significant, if not dominant, role in future climate finance.**

While interim UN climate negotiation meetings took place in Bangkok in October, senior Bank officials at the Bank's annual meetings in Istanbul emphasised that they would wait to see the outcome of the Copenhagen climate talks before deciding what role the Bank would play. However, in a panel discussion, Michele de Nevers, senior manager of the Bank's environment group, asserted that the institution is best placed to manage climate finance because of its ability to leverage funding and its strong fiduciary, procurement and safeguard policies.

G77 countries and civil society organisations argue that all funding should be under the authority of the UN process and the Conference of Parties (COP) responsible for climate negotiations to be made in Copenhagen in December. De Nevers took a different view. "Lawyers have to look over what 'under the authority' of the COP really means. However, we would be happy to be 'under the guidance' of the COP."

Regardless, NGO reports cast doubt over whether the Bank is up to the job. A new report from the World Resources Institute argues that, "the structure of the Bank remains unchanged, and this will shape the relationship between [Bank administered] funds and recipients. If these funds are to meet new standards of legitimacy, then the Bank's governance will also need to be reformed."

A report from international NGO ActionAid calls into question the competence of the Bank to manage adaptation funds. It highlights that the Bank has a poor track record on community participation, with a 2003 report by the Independent Evaluation Group of the World Bank estimating that 75 per cent of Bank



projects did not involve community participation. ActionAid highlighted studies that show poor results for the Bank's development projects even in key areas of Bank focus. "One must ask whether developed countries should continue to pour new funding into an institution that has failed to deliver in its supposed core competencies," the report concludes.

## Donors bat for the Bank

New climate finance proposals from the US and Japan in October support a central role for the Bank. The US proposal replicates the 50-50

donor-recipient governance model that has been used in the climate investment funds (CIFs) housed at the Bank. This leads many to worry that the CIFs will be extended, rather than phased out after an agreement in Copenhagen as promised (see *Update* 61).

Climate meetings in Bangkok and Barcelona in the run-up to Copenhagen have also drawn significant attendance from senior World Bank officials. "Whilst the Bank is trying hard to publicly play down its role, it is actually lobbying behind the scenes for a central role in future climate finance through its

bilateral negotiations with developed and developing countries," said Kit Vaughan of WWF-UK. "This does not play well with many of the G77 and developing countries that want finance to be entirely under the authority of the UN and for these decisions to be made by the COP in December."

## Putting forward Bank's best face

As African delegations staged a one-day walk out of climate talks in Barcelona over developed countries' failure to make firm commitments on climate finance and emissions cuts, the World Bank announced that \$1.1 billion of committed CIFs money would be channelled to Africa. This includes adaptation projects in Mozambique, Niger and Zambia provided through both grants and loans to the countries. Plans have also been approved to channel funds for energy sector projects to South Africa and Morocco through the Clean Technology Fund, the largest CIF (see *Update* 60). Further plans are under consideration for the Ukraine, Vietnam and the Middle East and North Africa.

"For low-income countries like Zambia, Niger and Mozambique to firstly receive adaptation support through a top-down institution like the World Bank, and secondly through a system that will continue to use loans, means policy and adaptation support are being driven by the priorities of donor countries at the expense of developing countries," said Humphrey Mulemba of Zambian Catholic aid agency Jesuit Centre for Theological Reflection.

With a rush to draw lessons from the CIFs and prove the capacity of the Bank to manage climate finance, a number of new projects are up for approval and a set of new reports are to be released following decisions made at CIF trust fund committee meetings at end of October.

The Bank will publish its first CIFs annual report before the Copenhagen talks. It will also finally release the criteria which were used to select countries for adaptation funding under one of the CIFs, the Pilot Program for Climate Resilience. However, the eight countries which have been selected for the programme differ from the

*continued on page 5*

**Commission calls for sweeping Bank governance reform**

—page 2

**Bank domination over climate funds in Bangladesh**

—comment, page 3

**Burning controversy over Bank and environment**

—page 4

**IFIs debate role of financial sector**

—page 6

# Expert panel calls for sweeping Bank governance reform

**Official ambitions for reform of World Bank governance remain limited, while the Zedillo Commission calls for far-reaching change. At the IMF, aside from small shifts in voting share, details of further quota reform are notably absent.**

Former Mexican president, Ernesto Zedillo's high level commission on Bank governance (see *Update* 65) released its report in October, calling for more radical reform than is currently on the table. The Zedillo report finds that the Bank's "decision-making process is widely seen as too exclusive" and "certain conventions and practices have contributed to the perception that the institution is accountable and responsive only to a handful of shareholders at best." It argues that the Bank president has too much leeway in defining the Bank's strategy, and that "mission creep is endemic".

The report recommends comprehensive reforms including parity of votes between developed and developing countries, an end to appointed chairs, a reduction in European chairs by at least four, and an end to the US veto over major changes at the Bank. The commission also called for more independent evaluations, and an end to the "revolving door" practice of Bank staff interchanging with staff of the Independent Evaluation Group.

In contrast, October's World Bank annual meetings in Istanbul produced a rubber-stamping of the September G20 commitment that there be an increase of "at least 3 per cent of [World Bank] voting power for developing and transition countries" by next year's spring meetings. However, countries like Singapore and Korea are included in the 'developing countries' category, so change to the relative voting share of low- and middle-income countries could be even smaller.

## Bank capital boost?

Meanwhile attention has shifted to increases to the capital that the Bank holds (see page 6). Countries that provide any additional capital get increased voting power at the Bank, so it is unsurprising that the biggest supporters of capital increases have so far been middle-income countries including Argentina, Brazil, India, Russia and China, who all want a bigger say at the Bank. Other richer countries, such as Korea, which see themselves as under-represented in the IFIs, are also keen to contribute.

Rich countries, strapped for cash

after propping up their economies and banks, and unwilling to see a dilution of their voting share, have been less enthusiastic about stumping up more cash for the Bank. French finance minister Christine Lagarde said, "the [World Bank] has substantial resources at its disposal to assist its members, resources that are far from being depleted."

## IMF falls at first hurdle

On IMF governance, the International Monetary and Financial Committee (IMFC), a direction-setting body of finance ministers, also repeated the wording from the September G20 communiqué, promising "a shift in quota share to dynamic emerging market and developing countries of at least 5 per cent from over-represented countries to under-represented countries using the current quota formula as the basis to work from." A developing country demand for a 7 per cent shift was ignored.

Further quota formula reform, which in 2008 was promised before any further voting changes (see *Update* 60), seems to have dropped

off the agenda.

An IMFC commitment to "an open, merit-based and transparent process for the selection of IMF management" fell at the first hurdle, with the October appointment of a new Japanese deputy managing director without such a process.

The IMFC communiqué failed to make any specific mention of civil society efforts under the so-called "fourth pillar" consultations (see *Update* 66). Its recommendations included a move to "approximate parity in the distribution of voting power between advanced and developing economies"; a combining of European chairs; the consideration of double majority voting based on both voting shares and countries; the establishment of an external ombudsman; and more IMF transparency.

Civil society organisations continued to be critical of the slow pace of reform. "Piecemeal change cannot restore the tarnished legitimacy of the Bank and the Fund," said Roberto Bissio of international NGO Social Watch. "Without fundamental change, the IFIs will continue to be seen as undemocratic, untransparent and unaccountable institutions across the South." ©

Zedillo Commission report

[www.worldbank.org/2198FYWNJO](http://www.worldbank.org/2198FYWNJO)

CSOs on IMF governance

[www.thefourthpillar.org](http://www.thefourthpillar.org)

# IFC lends a hand in great "land grab"

As the International Finance Corporation (IFC), the private sector arm of the World Bank, announces plans to increase investment in agribusiness by up to 30 per cent in the next three years, NGO reports shed light on the IFC's role in the 'land grab' and flaws in its work on the food crisis.

A report from US NGO Oakland Institute examines 'land grabbing' – the acquisition of land, often by private investors or wealthy nations, in developing countries in order to produce crops for export. The report links this increased demand for foreign farmland to the IFC and its Foreign Investment Advisory Services (FIAS), which advises borrower countries on how to attract domestic and foreign investors. It exposes a disjuncture between assumptions behind the IFC's investment in agriculture and the real effects of its policies, arguing that, "increased investment in agribusiness and high input, capital-intensive monocultures will undoubtedly have adverse effects

on rural livelihoods."

The report uses the case of Pakistan to illustrate how IFC and FIAS involvement creates food security risks. The study states that, "in line with the IFC and FIAS philosophy, the government has changed laws and is allowing legal favours for foreign investors willing to invest in Pakistan." These include providing land leases up to 90 years in which the investor receives a 10 year tax holiday and the right to export 100 per cent of the produce. It estimates that 25,000 villages will be displaced as a result of upcoming land deals. Investment continues despite protests from farmers.

In August, a post on the IFC's private sector development blog announced that FIAS was in the process of developing a new benchmark, to be ready in early 2010, modelled on the Bank's discredited *Doing Business* indicators (see *Update* 67, 66). The 'investment across borders' benchmark, will include an indicator on 'accessing land' that will measure how easily

foreign investors can lease land and what protections are in place for investors, countries and citizens.

## Growing investment

In 2008, responding to the food crisis, World Bank president Robert Zoellick called for a New Deal on Global Food Policy, centred on an increase in agricultural production. The IFC is working to bring the private sector into the bargain (see *Update* 67). In the financial year up to June, the IFC had invested \$2 billion in agribusiness and agrofuels, the fifth consecutive year of growth.

In the lead up to the annual meetings in Istanbul, proposals were floated for a Financial Coordination Mechanism (FCM), a multilateral trust fund to scale up agricultural assistance to low-income countries, overseen by the World Bank. An Oxfam briefing on global food security states that, "The exclusion of developing country governments and civil society from the governance of the proposed World Bank fund ... suggests that this is business-

as-usual, rather than the necessary radical reform."

In February, a letter from US NGO the Center for International Environmental Law (CIEL) to Zoellick focussed on the IFC agribusiness department's interference in a complaint concerning an IFC-funded ethanol plant in Nicaragua (see *Update* 61). It claimed that the IFC acts as if it has a "greater interest in protecting its own reputation and the interests of IFC clients than in achieving IFC's mission to help people escape poverty and improve their lives." CIEL accuses the IFC's behaviour of being "symptomatic of a larger pattern in which IFC staff do not support the Compliance Advisor Ombudsman (CAO) process". In response, Zoellick insisted that the IFC is supporting fully the CAO's efforts in this case. The case is still pending with the CAO.

The great land grab, Oakland Institute

[tinyurl.com/OaklandInst](http://tinyurl.com/OaklandInst)

Bridging the divide, Oxfam

[www.oxfam.org/en/policy/bridging-divide](http://www.oxfam.org/en/policy/bridging-divide)

Given the patterns of differentiated, historical responsibilities for addressing climate change, the costs for developing country adaptation should be seen as debts to be borne by the still largely responsible industrialised world, debts that cannot be repaid by loans, or even by 'grants'. The notion of climate debt is beyond the so called donor-recipient or patron-client relationship.

With this in mind, the management and governance of climate funds in a transparent and accountable manner is a critical area of concern. The Multi-Donor Trust Fund (MDTF) in Bangladesh adopts a donor driven framework; its policies are quite bureaucratic and strongly controlled by the World Bank. Furthermore, there are no logical grounds to accept the Bank's authoritative role over the MDTF.

Following the massive destruction of cyclone Sidr, international financial institutions and developed countries said explicitly that helping Bangladesh on climate change-related issues was on their list of priorities, and, they would consider the creation of a Multi-Donor Trust Fund for Bangladesh to support climate change adaptation.

The 'draft concept note' prepared by the government of Bangladesh on the MDTF suggested that the secretariat be based in the World Bank office in Dhaka. The Bank would co-chair the management committee, and administer, manage, supervise and monitor implementation of the MDTF's projects and programmes. For this job, the Bank will charge a fee of \$8 million. All implementing agencies would follow the Bank's guidelines and policies on project implementation and procurement.

In addition to the role of fund management, the Bank will execute parts of the MDTF, including analytical work and capacity building activities, which include review and revision of government policies and development planning. The Bank will therefore be both administrator and executor. Such a dual role of the Bank will create unlawful space for the Bank to influence project design and approval. It's a hypocritical

## Unjustifiable Bank domination over climate funds in Bangladesh

COMMENT

by Md. Shamsuddoha and Rezaul Karim Chowdhury,  
Equity and Justice Working Group, Bangladesh

by developed countries in addition to their existing aid commitment of 0.7 per cent of GDP, as compensation for their historical responsibility as the main drivers of current global climate change. Thus UK financial support for Bangladesh's effort to tackle the consequences of climate change should not come at the expense of existing UK-funded aid programmes.

There are major civil society criticisms of Bank-financed projects in Bangladesh which have often created ecological hazards and destroyed ecological goods and services. One Bank-financed project caused the wholesale destruction of a natural forest, Chokoria Sunderban, the oldest mangrove forest in the subcontinent. The Chakaria Sunderban lost all its 20 species of trees with the expansion of a shrimp cultivation project supported by the Bank and Asian Development Bank (ADB).

Chokoria Sunderban was a part of the global public commons which once provided 'public goods', such as the capacity of the atmosphere to absorb CO<sub>2</sub>. On the other hand, the goods and services of Chokoria Sunderban, to which we all have an innately equal claim, have been destroyed by the World Bank and ADB credit.

Here the pertinent question is: what mandate does the World Bank have to implement climate funds given its background of destroying ecological goods and services in Bangladesh, as well as in many other countries around the world?

Md Shamshuddoha [✉ doha\\_shams@hotmail.com](mailto:doha_shams@hotmail.com)

Rezaul Karim Chowdhury [✉ reza@coastbd.org](mailto:reza@coastbd.org)

Equity and Justice Working Group [🌐 www.equitybd.org](http://www.equitybd.org)

position for the Bank and in terms of auditing, it's an offence.

Donors have so far promised \$98 million over five years for the MDTF; \$96 million from the British government and \$2 million from the Danish government.

It has been clearly stated in many policy documents and multi-lateral discussions that climate financing should be provided

## Progress on Bank transparency?

The World Bank's draft disclosure policy, published in October, marks a significant step forward in Bank transparency, but was criticised for excluding key information from public access.

The draft policy on the disclosure of information follows a consultation process that began early this year (see *Update* 65). In mid-November the Bank's board approved the proposals, which will be effective from July 2010.

Transparency campaigners welcomed the recognition of the principle of maximum access to information, subject to limited exceptions. This signals an important shift from the current system of a limited list of available documents to the presumption that all documents will be disclosed, apart from those covered by specific exceptions.

Under the draft policy, board procedures will become more open,

with summaries of their meetings published and most papers (including strategy papers and project appraisal documents) disclosed publicly when distributed to the board. Minutes and annual reports of board committees will be made available. The draft policy also promises proper procedures to handle requests for information, including an independent appeals body.

### Sweeping exceptions

The Global Transparency Initiative (GTI), an international network of civil society organisations, issued a detailed critique of the draft policy, highlighting a number of shortcomings.

It warned that the exclusion of almost all information relating to the Bank's "deliberative process" could place major limitations on public participation in decision-making processes.

Board meetings will remain closed. Third parties, including countries and contractors, will have the power to veto the release of any information they provide to the Bank. Draft country assistance strategies will not be disclosed routinely and details of corporate expenses are likewise exempt. Only three of the proposed exceptions (deliberative matters; financial information; and corporate administrative matters) could be overridden in the public interest.

The GTI called for exceptions to the transparency policy to be far more limited and clearly defined. Campaigners also noted that details that will determine the practical impact of the policy - such as fees, timings for the release of information, and translation - were lacking. Proper implementation will be vital: 42 per cent of cases brought to the Bank's

Inspection Panel have included alleged violations of the existing disclosure policy, according to NGO [freedominfo.org](http://freedominfo.org).

The policy covers only the World Bank bodies that lend to developing country governments. The GTI wants the Bank's other arms, such as the International Finance Corporation, to amend their policies to at least these standards.

Valeria Enriquez of Fundar, a Mexican research institute, said that the systematic procedures and a right to appeal to an independent organisation were "an achievement." However, "the section of exceptions is wide enough that it may stop attempts to access information."

GTI response

[www.ifitransparency.org/resources.shtml?x=67898](http://www.ifitransparency.org/resources.shtml?x=67898)

Transparency violations common theme for World Bank Inspection Panel

[www.freedominfo.org/ifti/20090421a.htm](http://www.freedominfo.org/ifti/20090421a.htm)

# Burning controversy over Bank and environment

**Hot on the heels of its new energy strategy review (see Update 67) the Bank has launched a review of its 2001 environment strategy, but continues to come under fire over its record on green issues.**

In October, the Bank launched a consultation process for its new environment strategy, with a concept note on its website and a series of meetings planned around the world. Critics of the Bank's environmental record (see Update 65) will be disappointed to learn that "a starting hypothesis for the new strategy is that the strategic objectives of the 2001 strategy (see Update 24) remain valid today." The Bank proposes to follow a "twin track" approach. First it will assess internal and client demand and expectations. The second track will look at "cross-cutting priorities" including environmental sustainability; environmental institutions and governance; safeguards; and knowledge.

The first phase of consultation will run until February 2010, when a draft policy will be produced. This will then be subject to a second phase of consultation, before a final strategy is produced in advance of the Bank's autumn meetings.

Kathy Sierra, World Bank vice-president for sustainable development angered environmentalists by making it clear that the Bank's existing approach was unlikely to change. "For most large countries," she said, "you need a base level, from hydropower, fossil fuels or nuclear technology." Göran Ek from the Swedish Society for Nature Conservation countered that, "the basic assumption [of the Bank] is that traditional growth, rather than

sustaining ecosystem services, is the major tool to fight poverty, and in that view the environment is not a priority."

## Environment integration "weak"

In October, the Bank's Independent Evaluation Group (IEG) released its *Annual Review of Development Effectiveness*, which found that "the Bank's record in implementing the 2001 environment strategy and advancing the results agenda is quite mixed." The IEG reserved its strongest criticism for the Bank's "weak" efforts to mainstream environmental work across other sectors. Similar to last year (see Update 62), they found that "internal knowledge gaps, inadequate technical and operational skills to integrate environmental considerations into investment and policy reform projects, and poor dissemination of evidence on effectiveness within the Bank impede effectiveness." One key conclusion was that "internal staff and management incentives favour large projects, such as infrastructure or power, which disadvantages the typically smaller environmental projects."

## Fossil fuel addiction?

In September, the World Bank announced that renewable energy

and energy efficiency commitments in the 2009 fiscal year amounted to \$3.3 billion or 40 per cent of total energy sector commitments, more than double the previous year.

NGOs raised concerns about how the Bank measures its energy spending. Controversial large hydropower projects are included in the Bank's renewables figures, and by not counting fossil fuel extraction projects as energy projects, the proportion of renewable projects appears larger. Janet Redman from US-based Institute for Policy Studies argued that making a new coal plant more efficient should not be counted as work that helps poor countries to transition away from "dirty" energy sources.

Further complexities of measuring the Bank's true commitment to renewable energy were highlighted in September, when the Bank's private sector lending arm, the International Finance Corporation (IFC), approved a \$1 billion loan to Powergrid Corporation of India (PGCIL) to strengthen India's electricity transmission system. This brings the total borrowed by PGCIL from the World Bank to \$5 billion. The project is explicitly linked to the Indian government's plan for providing "energy for all" by 2012, which is heavily focussed on coal-

fired power plants, with nine currently planned or in the pipeline. This means that the IFC loan will, in effect, facilitate a massive expansion of coal-powered energy.

At the Bank's annual meetings in Istanbul in October, the Bank came under fire from a coalition of NGOs for its "fossil fuel addiction". The NGOs, including CEE Bankwatch, WWF Turkey and Greenpeace, analysed the Bank's own figures, and found that between 2007 and 2009, the Bank's annual average lending for fossil fuel projects was \$2.2 billion, including \$470 million annually for coal, compared with \$780 million a year for renewables.

Greenpeace's analysis of World Bank figures showed that fossil fuel investments remained high in 2009, at \$1.9 billion.

## Bank and CSS

Meanwhile, newspapers reported in October that Norway and the World Bank are planning a new trust fund to help developing countries develop controversial carbon capture and storage (CCS) technology for fossil fuel energy plants. At a World Bank workshop on the topic in September, Norwegian officials reportedly said they would give around \$6 million to such a trust fund. Karen Orenstein of Friends of the Earth said, "it's difficult to understand why the World Bank or Norway would be pouring money into an unproven technology ... rather than pour money into renewable technologies." ©

Bank environment strategy consultations  
[go.worldbank.org/KOBH790E50](http://go.worldbank.org/KOBH790E50)

IEG ARDE 2009

[worldbank.org/ieg/arde09](http://worldbank.org/ieg/arde09)

NGO's claim Bank "addicted" to fossil fuels

[www.bankwatch.org/newsroom/release.shtml?x=2200075](http://www.bankwatch.org/newsroom/release.shtml?x=2200075)



## Egyptian NGO appeals against Bank project

The \$145 million World Bank West Delta project has come under fire. Egyptian NGO, Land Centre for Human Rights (LHCR) has filed an appeal on behalf of farmers in the Egyptian delta and they want to change the course of the planned irrigation scheme. Under the joint World Bank and Egyptian government project, water will be diverted from the Nile to the project area, which is owned by large-scale investors. LHCR claims that the constitutional rights of small farmers would be violated should the project go ahead as planned, and small-scale Egyptian farmers would suffer from water shortages and land confiscations.

[www.lchr-eg.org](http://www.lchr-eg.org)

## Bank Inspection Panel leadership changes

Roberto Lenton succeeded Werner Kiene as chair of the World Bank's Inspection Panel in early November, and Eimi Watanabe was appointed as a panel member. The Inspection Panel is a three-member body which investigates alleged violations of Bank policies or procedures. Lenton, an Argentinian specialist in water resources, first joined the Panel in September 2007. He was previously the director of the sustainable energy and environment division of the United Nations Development Programme (UNDP). Watanabe, a Japanese national, has formerly held roles at the UNDP and UN Children's Fund (UNICEF), including in India and Bangladesh.

## Palm oil plantation perpetuates poverty

A study by NGO Rainforest Action Network of a World Bank-funded oil palm plantation in Papua New Guinea (PNG) reports violations of Bank performance standards. The Bank funded plantations of agribusiness giant Cargill, with no record of a consultation process. Among the concerns raised is Bank support, through start-up loans, of a 'price taker' system that pushes production costs such as seeds, and transport, onto the smallholders. CELCOR, a non-profit law group in PNG, says farmers are victims of "structural injustices by transnational corporations such as Cargill", that entrap them "in vicious cycles of debts to the milling companies."

[tinyurl.com/RANpalmoil](http://tinyurl.com/RANpalmoil)

## Human rights landmark in ICSID tribunal

For the first time ever, a tribunal of the World Bank's International Centre for Settlement of Investment Disputes (ICSID) will hear human rights arguments. Arbitrating between South Africa and a foreign mining company, in a dispute over national legislation for black empowerment, the tribunal has ordered that key legal filings be disclosed, enabling human rights groups to make public interest submissions. The groups argue that bilateral investment treaties should be interpreted in accordance with South Africa's human rights obligations. Hearings are scheduled for April 2010; the tribunal is yet to decide whether they will be public.

[escr-net.org/news/news\\_show.htm?doc\\_id=1060257](http://escr-net.org/news/news_show.htm?doc_id=1060257)

## Inside the institutions **The role of the World Bank in climate finance**

**The World Bank currently plays four different roles in the distribution of finance to developing countries for mitigation and adaptation to climate change. In addition, its overall lending portfolio can have significant environmental impacts.**

First, the World Bank can serve as *trustee* for a climate trust fund, as it does currently for the UN's Adaptation Fund (AF). The AF board acts under the authority and guidance of the parties to the Kyoto Protocol. The World Bank holds the money, and manages and disburses the funds according to the rules prescribed by the board, to which, as trustee, it is accountable.

Secondly, the World Bank can serve as a *secretariat* for a trust fund, as it does for the climate investment funds (CIFs, see *Update* 66). The legal documents which established the governance and policies of the CIFs gave certain powers to the Bank in its role as secretariat, enabling it to make recommendations on the scope and objectives of programmes to be established, programme criteria and priorities for funding. In addition, any Bank projects funded by the CIFs are subject to the Bank's own operational policies. The committees which govern the CIFs have an equal balance of representatives from donor countries and recipient countries with two additional non-voting representatives, one from the World Bank and one from another multilateral development bank.

The two major climate investment funds at the World Bank are the Strategic Climate Fund (SCF) and the Clean Technology Fund (CTF). The SCF encompasses three dedicated programmes: the Pilot Program for Climate Resilience (PPCR), the Forest Investment Program (FIP), and the Program for Scaling-Up Renewable Energy in Low Income Countries (SREP).

Thirdly, the Bank can serve as an *implementing agency* of UN funds. The Bank's middle-income lending arm, the International Bank for Reconstruction and Development (IBRD), is one of three implementing agencies, along with the UN Development Programme (UNDP) and the UN Environment Programme (UNEP), of the Global Environment Facility (GEF). The GEF is currently the only

designated operating entity for UN Framework Convention on Climate Change (UNFCCC) funds. From the inception of the GEF in March 2001 until the end of fiscal year 2008 it had disbursed a total of \$2.3 billion, distributing \$280 million in fiscal year 2008. Because the amounts of money are relatively small, the Bank tends to include a GEF component in its portfolio projects, which can be a small, environmentally friendly component in a bigger energy project. The Bank then subjects this money to its own operating procedures and policies, as well as those of the GEF.

Fourthly, the World Bank Group provides *direct financing* for adaptation and mitigation projects. An example of an adaptation project is funding agribusiness to develop plans to cope with climate change. An example of a mitigation project is retrofitting a coal-fired power plant so that it emits less greenhouse gases. This financing can come in the form of market-value IBRD loans, highly subsidised International Development Association (IDA) loans to low-income governments, or private sector finance through the International Finance Corporation (IFC). The World Bank executive board holds the sole authority for these financing decisions.

In addition to these four roles, other Bank activities can have significant climate impacts. For example, energy sector lending amounted to more than \$8 billion in 2009 (see *Update* 56). The Bank does not currently measure the greenhouse gas emissions of its overall portfolio, but independent assessments produce very high estimates (see *Update* 62). The Bank is now developing a methodology for estimating a project's greenhouse gas emissions (see *Update* 67).

In addition to direct loans, the Bank has an influence in leveraging additional financing for energy and other projects it invests in. For example, the Multilateral Investment Guarantee Agency (MIGA), another World Bank arm, insures private investments in developing countries. ©

www.worldbank.org/climatechange/financing

## Faulty systems at the Bank's Forest Carbon Partnership Facility

As the Bank seeks to position itself as the vehicle of choice for future climate finance, the experience of the Forest Carbon Partnership Facility (FCPF) calls its competence into question.

The FCPF is a trust fund for providing grants to enable countries to reduce emissions from deforestation and land degradation (REDD, see *Update* 65). The World Bank serves as a trustee and secretariat for the FCPF. Funding through the FCPF requires recipients to write readiness preparation proposals (R-PPs), which should be subject to two streams of due diligence; those of the Bank as well as those of the FCPF (see *Update* 65, 60). However, political pressure to ensure that funding is disbursed quickly has left civil society observers concerned that the application of the Bank's internal safeguards will be patchy and that affected communities will be denied the opportunity to influence the proposals.

The FCPF is bound by its charter to meet both its own internal policies and procedures, and to respect the rights of indigenous peoples in accordance with a given country's international obligations. A new briefing by UK NGO Forest Peoples Programme (FPP) suggests that internal due diligence and the effective application of Bank environ-

mental and social safeguards to readiness planning under the FCPF has proven extraordinarily difficult. These have yet to successfully materialise in any proposed recipient country after 18 months of operations. Additionally, according to Helen Tugendhat of FPP, "The Bank has no review process in place to check FCPF compliance with international rights obligations to indigenous peoples, so it seems near impossible that this will actually happen."

In theory R-PPs would go to the FCPF's decision making body, the Participants Committee (PC), which on finding them satisfactory would move them on to the Bank for due diligence. Finally, they would go to the Bank executive board to be approved. In June the PC reviewed the first R-PPs from Guyana, Indonesia and Panama. Despite an advisory panel finding areas of weakness that should be revised, the PC authorised the Bank to complete its due diligence on the proposals with the aim of entering into grant agreements with these countries. Without an agreed process for handling flawed plans, there is concern that there will be no second sign-off by the PC and the plans will only be reviewed by the Bank before disbursement of up to \$3.6 million per country.

Twelve NGOs sent a letter to the PC ahead of its October meeting calling for clear standards and criteria to be developed to assess the progress on addressing the weaknesses of the R-PPs, and for progress to be clearly linked to grant dis-

bursement. They also called for the PC to only approve proposals that meet the World Bank's environmental and social safeguards. ©

Moving the goal posts? Accountability failures of the World Bank's FCPF

tinyurl.com/FPPbriefing

## Wrestling for climate finance

*continued from page 1*

countries put forth as the most vulnerable by an expert panel, according to civil society sources. Civil society observers in the trust fund committee meetings expressed concerns over the lack of independent reporting and disclosure of multilateral development banks activities in the pilot countries and budgets for the pilots. This has led to worries that policy conditionality will be applied without the public's knowledge.

In March 2010, a second Partnership Forum is to be held in Manila to facilitate civil society inputs into the CIFs, despite initial criticism that no clear links were made between the recommendations of the forum and revisions to the climate funds. A report is to be published before the forum to highlight lessons learned from the CIFs.

However, concerns remain as to how lessons outlined in this report, will translate into concrete reforms.

"Failing to take into account the adaptation implementation expertise of national and international organisations in CIF planning, risks seriously undermining both its effectiveness and the accountability to the most vulnerable and severely affected," said Richard Ewbank of international NGO Christian Aid. "We have no indication that, despite the Bank highlighting the importance of civil society involvement, any consultation has actually taken place in country." ©

Equitable adaptation finance, ActionAid  
tinyurl.com/equitableadaptation

Re-thinking the legitimacy of institutions for climate change, WRI

www.wri.org/publication/power-responsibility-accountability

CIFs committee meeting notes  
tinyurl.com/CIFmeetings

# Bank accused of neglecting poorest countries

**The World Bank is under fire for failing to focus on low-income countries in its lending, and concentrating instead on the demands of rich and middle-income countries.**

At the annual meetings in Istanbul, a spat developed between donors including the UK and the Bank over its failure to substantially increase funding to low-income countries, as it had done for middle-income countries. Douglas Alexander, the UK development minister, publicly expressed concern that the Bank had reduced disbursements of cash to Sub-Saharan Africa by \$500 million in the last financial year.

In October, a report by María José Romero, of the Uruguay-based NGO ITEM, highlighted “a significant difference between the committed amounts and those actually disbursed” by the Bank. The record lending figures announced by the Bank in July (see *Update 66*) were only commitments – actual disbursements have been far lower, particularly from IDA, the Bank’s low-income country lending arm. The report notes that while IDA commitments increased from \$11.2 billion to \$14 billion in the 2009 fiscal year, actual disbursements remained virtually static at around \$9.2 billion.

The Bank’s attempts to boost lending to the poorest countries by front-loading IDA money allocated for future years also appear to be happening at a sluggish pace. Only \$990 million of IDA commitments were front-loaded in the 2009 finan-

cial year, and the indications are that front-loaded expenditure in the current financial year will be at a similarly low level. The total three-year IDA pot is \$42 billion.

Meanwhile, although the Bank claims to have raised an extra \$8.3 billion from external donors for its various new crisis-related funds (see *Update 65*), the composition of that number is unavailable. Publicly available figures of new donor money given to IDA and IBRD are well under \$1 billion.

The Bank’s record commitment levels in 2009 were almost entirely thanks to a trebling of lending to middle-income countries through the IBRD (see *Update 66*). A background paper released by the Bank in advance of the annual meetings confirmed that IBRD lending is likely to rise to \$40 billion in fiscal year 2010, and \$55 billion to \$60 billion over the following two years.

## Bank seeks more cash

To maintain this massive increase in lending to middle-income countries, the Bank is seeking donations from member countries to increase its capital base by between \$4 billion and \$11 billion (see page 2). In a paper, the Bank claims that without a capital top-up, its loans-to-capital ratio would be stretched to its limit

so that IBRD lending after 2012 would have to be purely financed by repayments. This would mean a fall in IBRD lending to around \$15 billion a year.

Meanwhile, lending by the International Finance Corporation (IFC), the Bank’s private sector arm, is set to flatline at around \$12 billion annually for the next few years. Future lending has been constrained by the fact that IFC capital actually declined in 2009 as a result of falls in the value of its investments. However the Bank is also seeking to boost IFC lending by asking for between \$1.8 billion and \$2.4 billion additional capital from shareholder governments, which would boost annual lending levels by an estimated \$5.4 billion to \$7.2 billion.

Meanwhile, the mid-term review of the current IDA funding window for low-income countries took place in Washington in mid-November. Donors discussed initial priorities for IDA replenishment talks, scheduled to conclude next year (see *Update 67*), and plans for an IDA ‘crisis-response’ mechanism, which was agreed at the annual meetings.

NGOs, however, questioned whether the Bank needs more money. Caroline Pearce, of NGO Oxfam International said, “poor countries need a lot more money to

get through the crisis – but this does not necessarily mean more money through the World Bank.”

## Bank’s model under fire

The Bank’s excessive focus on rich and middle-income countries was subject to a stinging critique from Harvard academic Alnoor Ebrahim. He argued that the Bank is shifting its lending to middle-income countries which are reliable re-payers. “This growing dependence on large loans undermines the Bank’s anti-poverty mission by shifting its focus away from the poorest countries, while also eroding protections for the most marginalised,” he said.

Ebrahim also argued that reliance on rich donors to finance IDA undermines the Bank’s accountability to the poorest countries and the people it is meant to serve. The Bank’s “governance model has been widely criticised for creating a moral hazard problem,” he argues. “The countries that wield the most voting power are not accountable to citizens who are affected by their decisions.”

The Bank finally released its 2009 *Development Policy Lending Retrospective*, an uncritical internal review of its budget support lending between 2006-2009 (see *Update 66*). Unsurprisingly, it found few problems and recommended few changes, highlighting the Zedillo Commission’s call for greater use of independent reviews (see page 2). ©

ITEM review of Bank lending 2009

🌐 [ifis.choike.org/informes/1115.html](http://ifis.choike.org/informes/1115.html)

The World Bank must fix its business model, Alnoor Ebrahim

🌐 [tinyurl.com/EbrahimWB](http://tinyurl.com/EbrahimWB)

# Leopard about to change its spots?

## IFIs debate role of financial sector

**The financial crisis has divided perceptions within the IFIs about the role of the financial sector in development. While some parts of the World Bank and IMF highlight the merits of small banks, others continue to push globalised finance.**

An article by World Bank chief economist Justin Lin in *The Economist* in June stirred the waters, arguing that East Asian countries were successful in avoiding financial crises because “they adhered to simple banking systems (rather than rushing to develop their stock markets and integrate into international financial networks).” He insisted that “gigantic banks are not the way to go” and “smaller domestic banks are much better suited to providing finance to small businesses.”

In sharp contrast, World Bank researchers Asli Demirgüç-Kunt,

George Clarke, and Robert Cull, have made a career of using cross-country regression and microeconomic research about bank efficiency to justify the view, often pushed through World Bank and IMF conditionality and advice, that foreign banks should be allowed to operate in developing countries and that the public sector should divest itself of bank ownership.

The Growth Commission, a high-powered group of academics and developing country policy makers partially funded by the World Bank (see *Update 61, 51*), entered the

debate in early October. Its forthcoming special report on the crisis, which was discussed in Istanbul, is expected to argue that developing countries should ensure that some banks remain domestically owned, going expressly against decades of advice from the IMF and the private sector development department of the Bank.

Dr YV Reddy, the former governor of the Reserve Bank of India, expressed the view of some emerging market policy makers when he told a G20 counter conference in London in early November that

“moderating and where necessary rolling back the globalisation of finance would be essential for both growth and stability of the global economy.”

## IFC’s toxic plan

The World Bank’s private sector arm, the International Financial Corporation (IFC), seems intent on introducing complexities into developing country financial systems. More than a quarter of outstanding IFC investment has been channelled through financial intermediaries – traditionally banks, but increasingly unregulated and opaque investment vehicles such as private equity and hedge funds (see *Update 66*). This puts the IFC at odds with the increased transparency promised by the World Bank (see page 3) and the G20’s calls for more transparent finance.

Through its new Debt and Asset Recovery Program (DARP), announced in early October, the IFC

# IMF lending programmes: Old wolf in sheep's clothing?

**The debate over IMF conditionality heats up as data comes in about IMF programmes; economic turmoil continues in countries such as Latvia and Ukraine, which face stern IMF demands.**

While the IMF claims it has been cleaning up its austere reputation over the last year, an October study by US-based think tank Center for Economic and Policy Research (CEPR) found that 31 of 41 recent IMF agreements require 'pro-cyclical' macroeconomic policies – restrictive, demand-reducing monetary and fiscal policies during a downturn, which would push countries further into recession.

The IMF defended its programmes, claiming that it has pursued 'counter-cyclical' policies. IMF staffer James Roaf argued that fiscal deficits were allowed to expand in 14 of the 15 countries reviewed in a September IMF study, and that the reason for initially overly restrictive macro-economic policies was that IMF growth forecasts for many borrowing countries were too optimistic.

CEPR issued a rapid counter-response, arguing that the IMF's definition of counter-cyclical fiscal policy, which is limited to expanded fiscal deficits, is too narrow as it ignores the effects of automatic stabilisers – government spending such as income support and unemployment benefits which automatically increase during a recession.

Additionally, the IMF study only looks at fiscal policies, and not monetary policies, which CEPR argues

have been pro-cyclical in many low-income countries, and can be as harmful as fiscal restrictions. CEPR's Mark Weisbrot warns that, there should be a "strong bias towards waiting until the world recession has passed" before attempting to reduce deficits and cut social spending.

Worryingly, in a separate IMF study on conditionality in low-income countries, its programme projections for 2010 envisage cuts in fiscal spending to levels near or below pre-crisis times. This is in sharp contrast to the 'exit strategies' that rich countries will follow, where deficits are not projected to tighten as early as next year, so as not to jeopardise a recovery.

## Eastern European quagmires

In Ukraine, the IMF has stepped into a domestic political dispute between prime minister Yulia Tymoshenko and president Victor Yushchenko over increasing the minimum wage (see *Update 67*). Yushchenko signed a law passed by parliament but opposed by Tymoshenko, even though the IMF had demanded that he veto the bill. The IMF immediately suspended the fourth tranche of its \$16.4 billion

standby programme and the prime minister is asking the Constitutional Court to overturn the law.

Roman Kravchuk, of the Federation of Trade Unions of Ukraine states, "with the October monthly pre-tax minimum wage at €52, the IMF requirement to cancel the minimum wage law is unacceptable. High inflation and depreciation of the local currency have already pushed large numbers of workers and pensioners below the poverty line." Kravchuk argues that, "there are enough resources within Ukraine to increase wages and take other counter-cyclical measures, but the main problem is unfair distribution of generated wealth, corruption and a weak taxation system, which allows avoiding taxes and transferring money to tax havens."

In Latvia, where the economy has suffered an 18.4 per cent annual decline, parliament met IMF and EU demands and gave preliminary approval for a 2010 budget with \$1 billion in spending cuts and revenue increases (see *Update 67*). It is expected that the cuts in spending will result in the closure of schools and hospitals and the government has also pledged to reduce maternity benefits, salaries

and pensions, and to raise taxes.

Romania is under IMF pressure to pass a series of laws, including spending cuts and labour-unfriendly reforms likely to result in the loss of more than 100,000 state jobs, in a short space of time between the presidential election, scheduled for 6 December and the IMF's 10 December deadline. The Fund has delayed access to its money after the Romanian coalition government collapsed in mid-October, following a vote of no confidence. The political crisis erupted days after 800,000 workers went on strike against the IMF-demanded austerity package.

Almost a year after disbursing the first \$827 million instalment of the \$2.2 billion loan for Iceland, the IMF agreed in late October to release a further \$167.5 million to the country (see *Update 67*), after the parliament agreed to guarantee \$3.5 billion of compensation to British and Dutch foreign depositors for the collapse of an Icelandic bank. Critics said the repayment plan would force Iceland to make payments it could not afford, and in September health minister Ogmundur Jonasson resigned over budget cuts. ©

IMF-supported macroeconomic policies and the world recession

🌐 [www.cepr.net/documents/publications/imf-2009-10.pdf](http://www.cepr.net/documents/publications/imf-2009-10.pdf)

Review of recent crisis programs

🌐 [www.imf.org/external/np/pp/eng/2009/091409.pdf](http://www.imf.org/external/np/pp/eng/2009/091409.pdf)

Responsive design and streamlined conditionality in recent LIC programs

🌐 [www.imf.org/external/np/pp/eng/2009/091009a.pdf](http://www.imf.org/external/np/pp/eng/2009/091009a.pdf)

CEPR responds to the IMF's reply

🌐 [www.cepr.net/documents/publications/imf-response-2009-10.pdf](http://www.cepr.net/documents/publications/imf-response-2009-10.pdf)

will invest \$1.55 billion "directly in businesses that need to restructure debt and in pools of distressed assets and indirectly via investment funds targeting pools of distressed assets and companies." The programme will channel money to hedge funds and private equity groups that focus on Europe and Central Asia, Latin America and the Caribbean, and East Asia.

A similar domestic programme in the United States, the Troubled Asset Relief Program (TARP), has been critiqued by the Congressional Oversight Panel, an independent body appointed to monitor the TARP. Its numerous reports criticised the programme's design, citing lack of information about the assets and the risk of market instability.

Effective design would be even more complicated at the international level where there is no global regulatory body to force publication of detailed information about the

underlying assets, making true valuations of the distressed assets unlikely. The assets are expected to be bought at fire sale prices, meaning the IFC, hedge funds and private equity vehicles will be making profits from developing country companies and banks that have been damaged as a result of a financial crisis that began in the US.

The IFC programme will help the kind of vulture fund that buys up private sector and household debt in developing countries. Sargon Nissan, of the UK-based new economics foundation, likens these distressed asset investors to loan-sharks. "While some will justify this on the grounds that businesses and people in developing countries need to restructure their debts, the real question is, at what cost? This is especially important to ask when their financial distress was caused by bad policies in the US and made worse by pro-cyclical IMF policies

in response to the crisis."

## Mixed ideas on public banks

The IMF loan to Belarus (see *Update 63*) included conditions on fully or partially privatising state-owned banks, as did the 2009 loan to Togo. In Latvia and Sri Lanka, the IMF is requiring governments to begin selling rescued banks back to the private sector.

However, the IMF loan to Ukraine (see page 7) included provisions for strengthening the stability of state banks, without reference to privatisation. A \$2 billion World Bank loan for capital injections into public sector banks in India was finalised in October, with no mention of privatisation.

Worrying, though, is the World Bank's continued work on financialising developing countries. For example, a \$300 million loan to Egypt, approved in June, aims to reduce public spending on housing, and instead

expand the role of private mortgage finance with government subsidies. Similar policies fuelled speculative housing bubbles in Eastern Europe (see *Update 63*) that burst in the financial crisis, causing enormous economic damage.

In a candid moment at a seminar in Istanbul, IMF staffer Tam Bayoumi admitted that in the past the Fund had just accepted the common wisdom that rich countries were well regulated, and that the financial crisis would force the IFIs' approach to the financial sector and regulation to change. Lin's thinking on the financial sector may open the first cracks in Bank support for unfettered financial globalisation. ©

'Walk, don't run', Justin Lin  
🌐 [tinyurl.com/Lin-Economist](http://tinyurl.com/Lin-Economist)

The continued risk of troubled assets, Congressional Oversight Panel  
🌐 [cop.senate.gov/reports/library/report-081109-cop.cfm](http://cop.senate.gov/reports/library/report-081109-cop.cfm)

## IMF pours cold water on monetary reform

As academics and NGOs call for reform of the international financial architecture, the international monetary system is the focus of scrutiny. Support for capital controls and a financial transaction tax has met resistance from the IMF.

Amid recent discussions on replacing the dollar as the currency of choice for central bank reserves and commercial trade, World Bank president Robert Zoellick said, "the United States would be mistaken to take for granted the dollar's place as the world's predominant reserve currency."

Cracks in the dollar's dominance are beginning to appear. British newspaper *The Independent* reported in early October that, "Arab states have launched secret moves with China, Russia and France to stop using the US currency for oil trading." Iran has already started invoicing for oil in euros. The ALBA grouping of countries in Latin America firmed up plans to launch a regional electronic currency called the SUCRE in 2010, and set up a working group to explore options for regional reserve pooling.

The New York-based think tank Initiative on Policy Dialogue (IPD) hosted a meeting in early November on moves toward a world reserve system. The participants agreed that a shift away from the dollar must happen, but differed on how to do it. In a speech in London, former Indian central bank governor Dr. YV Reddy argued that, "One needs to take a less dogmatic and more pragmatic view of the merits of managed exchange rates among all countries."

In October, the IMF's direction-setting body of finance ministers called on the Fund to "study the policy options to promote long-term global stability and the proper functioning of the international monetary system." The IMF finally broke its silence on this issue (see *Update* 66) in a mid-November staff position note, which is not official Fund policy. It lays out the debates and options on the international monetary system but then the authors dismiss the idea of a new global reserve currency. They argue instead for "making the best of the current system," in an attempt to "nudge the system toward lasting stability."

### Capital controls, taxes in vogue

Both Brazil and Taiwan have implemented new regulations on capital inflows, bringing the debate about capital controls back to the forefront of policy discussion. Academics Arvind Subramaniam and John Williamson of the US-based Peterson Institute argued in the *Financial Times* that Brazil's move

was of great importance and then called the IMF's disapproval "disappointing ... because it reflects business as usual in terms of the IMF's intellectual approach to financial globalisation." They suggest that, "the world needs a less doctrinaire approach to foreign capital flows."

The IMF continues to avoid recommending capital controls (see *Update* 58), instead suggesting tighter monetary policy and exchange rate appreciation in several publications, just what most emerging markets fear will choke off a recovery and increase the risk of sudden reversals of capital flows.

A financial transactions tax (FTT), inspired by the proposal for a tax on currencies made by economist James Tobin, has also been put forward to slow down speculative flows. The G20 leaders' summit in Pittsburgh in late September called on the IMF to report on "how the financial sector could make a fair and substantial contribution toward paying for any burdens associated with government interventions to repair the banking system."

European leaders made it explicitly clear that they wanted the IMF to make a thorough analysis of the FTT proposal. UK prime minister Gordon Brown came out in favour of the idea in early November, uniting most of Europe in support of the idea. The media generally ignored developing country points of view on the issue. On the same day that Brown announced his support, Dr. Reddy warmly welcomed the proposals for an FTT, saying "the significance of this initiative lies in exploring the possibilities of moderating the unfettered freedom of global financial markets."

IMF managing director Dominique Strauss-Kahn, however, called the idea unworkable in early November and pre-empted the report saying, "we're not working on a Tobin tax at the IMF," suggesting an insurance levy instead. The IMF resistance prompted 60 NGOs from around the world to write to Strauss-Kahn demanding a more open process for the report, including proper consideration of an FTT. By mid-November Strauss-Kahn was backtracking on his statements after outrage over his stance. The IMF is due to deliver its report to the next G20 leaders meeting scheduled for June 2010 in Canada. ©

Toward a world reserve system, IPD

🌐 [tinyurl.com/IPD-reserve](http://tinyurl.com/IPD-reserve)

Debate on the international monetary system

🌐 [tinyurl.com/IMFnote](http://tinyurl.com/IMFnote)

NGO letter to the IMF on FTT study

🌐 [www.ifWATCHnet.org/node/32905](http://www.ifWATCHnet.org/node/32905)

## IFI financial sector assessments of limited use

An internal evaluation of 10 years of the joint World Bank-IMF Financial Sector Assessment Program (FSAP) has shown that it failed to reflect reality. The report states that the assessments have ignored individual institutions of systemic importance and cross-border linkages, and relied "excessively on market discipline for prudential purposes". Even more problematic, the voluntary nature of the programme means that countries that "might have benefited from an assessment" were not covered, as the US failed to undergo an assessment before the crisis. Considering the report, the IMF board did not adequately address these flaws, and highlighted their belief that the programme "enriched surveillance and policy dialogue with member countries".

The Financial Sector Assessment Program after ten years experience

🌐 [www.imf.org/external/np/pp/eng/2009/082809B.pdf](http://www.imf.org/external/np/pp/eng/2009/082809B.pdf)

IMF board discussion summary

🌐 [www.imf.org/external/np/sec/pn/2009/pn09123.htm](http://www.imf.org/external/np/sec/pn/2009/pn09123.htm)

## Your support for the Bretton Woods Project is crucial

After a year of helping to coordinate civil society responses to the financial crisis, we at the Bretton Woods Project are more committed than ever to a global economic system that puts at its heart ending poverty, guaranteeing human rights and protecting the environment.

We know you value our work and we need your support to ensure that we can continue as a networker, information provider and watchdog of the international financial institutions, which are becoming more powerful than ever.

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.

## Please nominate 2009 best Bankspeak and resources

As per long-standing convention, the first issue of the *Bretton Woods Update* in the new year will feature 'Bankspeak of the year' - the most incomprehensible or absurd use of words in a World Bank or IMF document or speech. 2009 should elicit many nominations given the resurgence of the IFIs. 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 2009. Suggestions from readers for both features are requested.

Send your suggestions to:

📧 [bankspeak@brettonwoodsproject.org](mailto:bankspeak@brettonwoodsproject.org)



Published by **Bretton Woods Project**  
*Critical voices on the World Bank and IMF*

No permission needed to reproduce articles. Please pass to colleagues interested in the Bank and Fund, and let us know of other groups interested in getting the Update. The Update is available in print, on the web and by e-mail.

Subscriptions: [www.brettonwoodsproject.org/subs](http://www.brettonwoodsproject.org/subs)  
Spanish: [www.brettonwoodsproject.org/es/boletin](http://www.brettonwoodsproject.org/es/boletin)

**Bretton Woods Project**  
Hamlyn House, Macdonald Road, London N19 5PG, UK

📞 +44 (0)20 7561 7610

📞 +44 (0)20 7272 0899

📧 [info@brettonwoodsproject.org](mailto:info@brettonwoodsproject.org)

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

The Bretton Woods Project is an ActionAid-hosted project. This publication is supported by a network of UK NGOs, the C.S. Mott Foundation and Oxfam Novib.

Designed by mcreative and printed by RAP Spiderweb on recycled paper.