

# World Bank or US Bank?

## President selection debate launched

**Rumours that Robert Zoellick will not seek another term as Bank president after his term ends in June have thrown open the debate about leadership selection at the Bank.**

In November 2011, political analysts and news reports began speculating that Zoellick would not seek a second term as Bank president, but by early February he still had not said anything in public. The Bank board was also silent on the issue, as Sunil Chacko, an academic at Simon Fraser University in Canada, wrote in a January piece for the website Huffington Post: "By not producing and leading an open, merit-based selection process the World Bank board is opening the doors for machinations of all kinds frequently seen in the international system, otherwise known as horse-trading." Chacko called for the next Bank president to be selected in a transparent manner before Zoellick's term ends on 30 June.

Since October 2008, the Development Committee, a group of finance and development ministers that guides the Bank's direction, has endorsed an "open, merit-based and transparent" selection process "with nominations open to all board members and transparent board consideration of all candidates" (see *Update* 63). In April 2011, the Bank's executive board approved a paper that "regularised the selection process for the president based on the Bank's past experience and practice".

The paper lays out recommendations for nomination, shortlisting and final selection of the president, but fails to go beyond the Bank's own past practice, which has long been criticised by many civil society groups as weak and unfair due to the gentlemen's agreement that allows the US to appoint the president of the Bank, while European leaders get to choose the head of the IMF. Collins Magalasi, of the African Forum and Network on Debt and Development, argued that "it's a World Bank, not a US Bank.



It needs the best candidate to get the job with support of wide Bank membership, not just the US."

The process recommended in the paper is closed to any kind of external input and leaves many details to be decided by the board during each selection round, including the duration of the candidate nomination period. Moreover, development experience is not mentioned as a qualification criterion, even though the Bank only operates in developing countries. This fact has long prompted many civil society groups to argue that any candidate to the Bank presidency, as well as to


the IMF's top job, who is not supported by a majority of developing countries would lack legitimacy (see *Update* 75). Calls for a presidential selection that is truly competitive and rewards the best candidate available are being further discussed at [worldbankpresident.org](http://worldbankpresident.org), a blog relaunched in January 2012 to provide a space for debate around the selection process.

Other international forums are also pushing for change at the Bank. In December last year the United Nations' General Assembly adopted a resolution that called for the reform of governance struc-

tures at the Bank and IMF, including regarding the representation of developing countries in quotas and voting rights. The resolution also "reiterates that the heads and senior leadership of the international financial institutions, particularly the Bretton Woods institutions, should be appointed through open, transparent and merit-based selection processes, with due regard to gender equality and geographical and regional representation."

The G20 made this same commitment in a June 2010 communiqué that endorses "open, transparent and merit-based selection processes for the heads and senior leadership of all the international financial institutions (IFIs)" (see *Update* 71). Even Bank staff recognised the need for "merit-based" appointments to civil service posts in the Bank's new draft governance and anti-corruption strategy and implementation plan, which was published in January.

European dominance of the IMF was reinforced in June 2011 when Mexico's central bank governor, Agustín Carstens, was sidelined in the race for the Fund's top job and European candidate Christine Lagarde sailed through a hasty selection process (see *Update* 76). It seems certain that the US will push to hold its grip on the Bank presidency when Zoellick leaves. The media has reported that US Secretary of State Hillary Clinton is interested in the job, while in January the name of former Obama administration economic adviser and former Bank chief economist, Lawrence Summers, emerged as another potential US candidate.

Soren Ambrose of NGO ActionAid said: "If Bank members want a genuine reformer, the best candidates could be developing countries academics and officials, like Chilean Michelle Bachelet, Costa Rican Rebeca Grynspan or Malaysian Jomo K.S. Even if they only want to preserve the status quo, there are plenty from the South who would do as good a job as Summers or Clinton." 

[worldbankpresident.org](http://worldbankpresident.org)

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

**From Argentina to Greece: similar but different**

—comment, page 3

**Harvesting controversy: Bank's agriculture projects probed**

—page 6

**Unsafe haven? New IFC tax haven policy questioned**

—guest analysis, page 7

**The Bank and extractives: a rich seam of controversy**

—page 8

# IMF in a euromess?

*The IMF responds to calls from European leaders to get more involved in the region's debt crisis through greater lending, while the austerity policies being demanded stoke further criticism from civil society organisations.*

In early December 2011, European Union (EU) countries met yet again to discuss new efforts to bring the region's financial crisis to an end. With the exception of the UK and the Czech Republic, the rest of the EU agreed to prioritise work on a new "fiscal compact" to hard-wire fiscal policy limits into the constitutions of European countries. The IMF was present in the negotiations and eurozone countries are looking for IMF support, both rhetorical and monetary, as a means of restoring credibility to their fiscal policies (see *Update* 78, 77).

Rather than use the European Central Bank, the central bank for the eurozone, to lend directly to governments in distress, the major European national central banks would prefer to provide more resources to the IMF. They expect the IMF to then lend the money back to eurozone governments who are facing difficulty borrowing from capital markets (see box). If accepted, this plan would bring the IMF closer into the region's acrimonious internal debates about the crisis.

Wolfgang Münchau of the *Financial Times* argued that "the eurozone should change its rules before crawling to others, cap in hand." Münchau goes on: "Considering that the eurozone is economically unconstrained, and among the richest regions in the world, the request to involve the IMF in hypothetical future rescue operations is morally reprehensible."

IMF head Christine Lagarde continues to warn of the risks of spend-

ing cuts coming too quickly. Despite this, the Fund is still demanding deep cuts in countries it is lending to. In late January Lagarde outlined her prescriptions for the eurozone: "There are three imperatives—stronger growth, larger firewalls, and deeper integration." A mid January joint statement from Lagarde and the heads of other multilateral and regional institutions called for countries to "manage fiscal consolidation to promote rather than reduce prospects for growth and employment. It should be applied in a socially responsible manner."

## Programmes in trouble

However, fiscal consolidation programmes are proving contentious in European countries borrowing from the IMF precisely because of

the negative social impacts. Massive protests flared in Romania in mid January over attempts by the government to partially privatise the health service. The government eventually backed down, but nightly protests calling on it to resign continued throughout the month.

Also in January, the Greek people's movement again occupied squares across the country in protest against government policies. The Greek IMF-EU programme continues to be stalled over the depth of new austerity measures and the failure to conclude negotiations on a 'voluntary' swap of Greek sovereign bonds that will impose losses on private creditors. In early February negotiators from Greece's unelected government refused IMF-EU demands for lowering the coun-

try's minimum wage, saying they had no political backing. Lead IMF negotiator Poul Thomsen admitted that the social tensions created by austerity were undermining the economy and said the IMF wanted to "go a little slower as far as fiscal consolidation is concerned."

As Greek sovereign debt has been trading in financial markets at prices much below the write downs expected in the debt swap deal, University of Athens professor Yanis Varoufakis has called the debt swaps "an error in search of a rationale. It gives shadow banking a great new opportunity to profiteer at the expense of Greece and of Europe and escalated the latter's crisis rather than help tame it."

In Portugal, a general strike shut down the country in late November after the IMF-EU mandated austerity programme deepened the country's recession. In early September 2011 the IMF had expected a GDP decline of 1.2 per cent in 2012, but by mid November it projected a 3 per cent decline. Jorge Bateira of the University of Porto said that, given the recession and revenue shortfall, "it is all coming together so that a deflationary spiral will devastate the country making it more indebted, poor and desperate."

Ireland is facing the same dilemma. Michael Taft of the Irish Congress of Trade Unions found that five-year GDP growth projections have been revised down from 10.75 per cent to 7.7 per cent and employment growth from 4.35 per cent to -0.1 per cent. Taft asked: "So did the EU and the IMF get it wrong? There's little doubt." ©

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

Greece's PSI is dead on arrival

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

Does the EU-IMF owe Ireland an apology?, Irish Left Review

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

## IMF resources boost?

In an early December EU summit, European leaders agreed "the provision of additional resources for the IMF of up to €200 billion (\$270 billion), in the form of bilateral loans, to ensure that the IMF has adequate resources to deal with the crisis." Media reported that eurozone countries would give €150 billion, with the rest contributed by other EU member states.

With these commitments in hand, IMF head Christine Lagarde sought a mandate to try to raise more money for the Fund at a mid January IMF executive board discussion on the adequacy of the Fund's resources. Lagarde stated that "Fund management and staff will explore options for increasing the Fund's firepower" and briefed the press that she wanted an additional \$500 billion made available, including the money from Europe. The US Treasury, the largest provider of funds to the IMF (see page 5) clarified: "We have told our international partners that we have no intention to seek additional resources for the IMF." Europe and the US had blocked more resources for the IMF during the 2010 quota reform when large developing countries wanted to contribute more money in exchange for greater voting rights (see *Update* 73).

By the end of 2011, 61 per cent of the IMF's outstanding credits were for EU countries, with a further 15 per cent to non-EU countries.

## IMF loan to Egypt branded as "odious"

In January, social movement Popular Campaign to Drop Egypt's Debts (PCDED) spoke out against the country's military government agreeing to a \$3.2 billion IMF loan. Their press release argues: "the current IMF loan for Egypt is an odious one as the current government does not represent the Egyptian people ... even the donors realise that the current government is not a legitimate one". The PCDED added that the IMF's past involvement in Egypt "led to low living standards, high poverty rates, and deterioration of public services and human resources development". In early February, the Egyptian authorities asked the IMF for a \$1 billion loan.

[facebook.com/DropEgyptDebt](http://facebook.com/DropEgyptDebt)

## HIPC winds down amid controversy

The World Bank and IMF's joint Heavily Indebted Poor Countries (HIPC) initiative is winding down as its objectives "have largely been reached". A late November IMF board meeting has agreed to maintain the eligibility of only some countries currently eligible for HIPC, but essentially closed the programme to new countries and ended reporting on its implementation. Seven countries that have completed HIPC and eight low-income countries deemed ineligible are still judged to be at high risk of debt distress. Tim Jones of UK NGO Jubilee Debt Campaign did not lament the end of the programme, which he says "has helped to enhance the power of the IMF and World Bank to determine economic policies, and allowed private creditors off scot free."

## ICSID offers "impunity" for corporations

In October 2011, global civil society coalition Seattle to Brussels Network held an international week of action against bilateral investment treaties. Their final declaration calls the World Bank-housed International Centre for the Settlement of Investment Disputes (ICSID) part of "an architecture of impunity for transnational corporations (TNCs) [which] undermines the sovereignty and constitutions of both developed and developing countries, democratic governance and peoples' interests." It calls for "the withdrawal of states from ICSID and other arbitration processes." After five years of threats, Venezuela, which has almost 20 suits pending at ICSID, formally withdrew from the institution in January, claiming its membership threatened "national sovereignty".

## Bank loans linked to child mortality

A June 2011 academic paper that analysed health outcomes in Sub-Saharan Africa found that "when a country is under a World Bank structural adjustment loan it tends to have higher levels of child mortality". The analysis of 31 countries over 15 years found that the Bank requires nations to cut health provision, which leads to reduced access to health services and, over the long-term, reduces government capacity to react to public health problems. The paper called for greater debt relief and "eliminating certain macroeconomic policy reforms, especially privatisation of government assets, which often limit access to health, education, clean water, and basic sanitation via higher user fees".

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

The economic crisis in Argentina in 2001 and Greece today share both similarities and differences, so we should be wary of stretching comparisons.

The economic regimes that lead to the recession in both countries appear analogous. In the context of economic deregulation and financial and commercial liberalisation, Argentina's *convertibilidad* policy, which pegged the Argentine peso to the dollar, and the adoption of the euro in Greece, established a fixed and overvalued exchange rate regime. This helped to control inflation but with the cost of deteriorating local productive capacity.

In both cases the stability of the economy became dependent on capital inflows to stimulate domestic demand. But due to permanent balance of payment deficits, the economies became dependent on foreign debt. Therefore, the trigger of the crisis in both cases comes from the limited external financing rather than the fiscal deficits.

However, when the Argentine and Greek capital account crises deepened, with the 1998 Asian financial crisis and the 2008 crisis respectively, fiscal austerity and wage contraction became the mantra of creditors, who had an interest in maintaining the exchange rate regime in order not to experience financial losses. In Argentina, despite the context of a recession, the IMF encouraged the implementation of orthodox measures like the reduction of social spending and the easing of labour protections. In Greece, after a short period of flirting with Keynesianism, the troika (IMF, European Union and European Central Bank) imposed unpopular adjustments like the ones in Argentina to ensure the continuity of the monetary regime and protect financial sector profits.

After the outbreak of an unprecedented economic and social crisis in late 2001, Argentina devalued its currency and defaulted on over 65 per cent of total public debt. Combined with a natural resource boom, these measures subsequently contributed to a cycle of unprecedented growth.

The 2001 Argentine experience resonates in 2011 in Greece: the restructuring of an unpayable debt and improving competitiveness are key elements to the restoration of production and employment creation.

## From Argentina to Greece: similar but different

COMMENT

by Pablo Nemiña, Institute of High Social Studies at National University of San Martín, Argentina

However, the political economy of both cases makes it hard to believe in a linear reprint.

First, a return to a Greek currency depreciated against the euro will face opposition from Germany, as it will affect its export-led growth strategy. Greece's limited productive

capacity also hinders the likelihood of finding alternative international trade beyond the European Union (EU).

Second, the Greek debt is concentrated in French, German and British banks. These countries are less likely to promote a debt restructuring large enough to restore the solvency of the Greek government. Argentina, however, had its debt distributed in various individual and institutional creditors (almost 40 per cent local, which facilitated the negotiation), and its aggressive renegotiation strategy was supported by the US, which sought to reduce moral hazard in international capital markets by making an example of Argentina. Also, in 2001 the world economy was on the verge of a period of robust growth, but it is now mired in a deep international crisis.

Third and finally, IMF intervention in Greece is done with the EU and the European Central Bank (ECB), who are leading the process. Therefore, its role is limited to providing loans attached to the EU and ECB conditionality package of fiscal austerity and privatisation. In the Argentine case, the main global powers left the IMF in charge alone.

The reestablishment of a sustainable and inclusive growth path in Greece is more difficult than in Argentina and requires a strong commitment by all EU countries to reduce asymmetries in the region. The centrality of the regional dimension in the resolution of the Greek crisis means that Europe needs to re-assess whether it is willing to promote and safeguard financial interests at the cost of the social bases on which the EU is founded. ©

Alcances de la reforma de la política de financiamiento y condicionalidad del FMI, Universidad Nacional Autónoma de México

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## IFC's private equity investments cause controversy

The increasing use of private equity (PE) firms as conduits for World Bank lending continues to stoke controversy (see *Update* 76, 73).

In October last year, the International Finance Corporation (IFC, the Bank's private sector arm), signed up Emerging Capital Partners (ECP) as the first participant in the IFC's Private Equity Africa Climate Change Investment Support Program. This follows a \$25 million investment by the IFC in ECP in July 2010.

In January, a BBC report revealed that ECP hired a private investigation company to covertly monitor Dotun Oloko, a Nigerian whistleblower who had alerted ECP's institutional investors to corruption allegations against the firm. Oloko, who lives in fear of retribution and is unable to return to Nigeria said "it is absolutely outrageous that the IFC can back ECP as a partner for

development finance in Africa at a time when the ECP is facing strong and credible accusations of corruption, fraud and money-laundering."

In June 2011, US-based NGO Pacific Environment wrote to the IFC, regarding corruption allegations surrounding investments in Oceanic Bank in Nigeria made by the IFC-supported Ethos private equity fund. The letter points out that "in 2007, Ethos Fund V announced it had led a consortium that invested \$130 million in Oceanic Bank International Plc. Oceanic Bank has been named in Nigerian corruption and malfeasance investigations, and its former CEO and managing director ... was subsequently convicted and jailed for fraud."

It goes on to note that "in 2010, Oceanic Bank's participation in the US Export-Import Bank's Nigerian banking facility was revoked fol-

lowing an investigation by the agency's inspector general." The IFC's response notes that "the IFC reviewed Ethos's due diligence in connection with the Oceanic Bank investment" and concluded that it "was in line with generally accepted business practices." In December 2011 the IFC committed a further \$30 million to Ethos.

In September last year the IFC made its first investment in a hedge fund. The IFC has invested \$100 million into a fund being set up by London and New York-based Christofferson Robb & Company. Nick Hildyard of UK-based NGO Cornerhouse said "jumping into bed with shadowy hedge funds raises serious questions about the IFC's commitment to poverty reduction, and will make it impossible to track the impact of the IFC's cash on the people it is supposed to help." ©

In September, the World Bank issued a robust response to a critical report by Swiss NGO the Berne Declaration (see *Update* 78) on loans to Turkey from the Clean Technology Fund (CTF, one of the Bank-housed Climate Investment Funds). It denies the allegations that the Bank is over-estimating the amount of additional private finance 'leveraged' by the CTF, arguing that "CTF resources of \$100 million have leveraged about \$800 million of additional resources". However, closer reading of their response shows that much of these "additional" resources are in fact further World Bank loans, not private investments.

The Bank agrees "that it is important that information ... is made publicly available during subproject implementation." However, there is no commitment to apply this requirement to existing loans, or other CTF or Bank loans outside of this project. ©

# IMF and capital flows: all talk, no solution

*As the IMF and Bank of England predict that increasing volatility of global capital flows will motivate widespread use of capital controls, academics and civil society organisations are calling for coordinated global solutions.*

New IMF research confirms the Fund's cautious acceptance of capital controls (see *Update* 78, 75, 72) and incorporates source countries in the analysis. An IMF staff paper published in late November 2011, *The multilateral aspects of policies affecting capital flows*, points out that "gross inflows into emerging economies have become more volatile" as a consequence of "economic developments and policy actions in a small number of financial centres." The paper argues that in order to reduce global capital flows' riskiness, policymakers in source countries "should pay more attention to the multilateral effects of their policies", especially in the area of financial sector regulation. However, "the complicated transmission of the multilateral effects weakens the case for major central banks to consider them actively in their monetary policy." The executive board meeting on the paper saw most directors agree with these conclusions.

The staff paper also analyses the effects on neighbouring countries of capital flow measures (CFMs) in recipient countries. The authors conclude that "empirical evidence ... is inconclusive thus far." The paper accepts that "In theory, global welfare could be improved by a coordinated policy combination of expansionary advanced economy monetary policy coupled with the *collective* adoption of CFMs by emerging market economies (EMEs)." However, it warns of "the rise of financial protectionism ... which would limit the benefits of financial globalisation ... and esca-

late global costs."

A January IMF working paper, *Surges*, finds that easily changeable factors like "the real US interest rate and global market uncertainty, determine whether there will be a surge of capital flows towards EMEs." This means the EME case "for imposing capital controls ... may be correspondingly stronger."

## Correctionist, not protectionist

The staff paper proposes that the multilateral aspects should be included in the "previously proposed framework", a code of conduct published in April 2011 but rejected by developing countries (see *Update* 76). In late November Kevin Gallagher of Boston University commented that "it's great the IMF has complemented their existing research on this by looking at the industrialised world". He lamented the idea of trying to revive the code of conduct, which "could eventually lead to capital account liberalisation across the globe, the IMF should instead work to reduce the stigma attached to capital controls, protect countries' ability to deploy them, and help nations police investors who evade regulation."

In a January paper Gallagher also argues that capital account management techniques "are justified as an important part of the macroeconomic toolkit from a wide variety of theoretical perspectives within economics" and that, contrary to the claims in the popular press and by some in the economics profession "that capital controls are inherently protectionist measures, ... capital

controls [are] measures to correct for market failures in the world economy."

Jorge Gaggero, from Buenos Aires-based think tank Cefid-Ar, said "that most staff at the Fund agree on the urgency of implementing capital account regulations but do not have the political space to openly challenge international finance treaties: they know there is no point in making policy proposals that the executive board will reject. The efficiency argument and the attempt to spread fears of financial protectionism are just a facade to hide the contradiction between their diagnosis and their lack of substantial proposals."

Two December Bank of England reports highlight the advantages of past systems which regulated flows and conclude that capital controls might increasingly be deployed to deal with volatility. However, the emphasis of the reports is to tackle so-called imbalances from the trade side. According to Peter Chowla from the Bretton Woods Project, "the Bank of England's big idea is worrisome" because it "boils down to the UK following the US Senate in trying to slap import tariffs on Chinese goods."

## Breaking the mould

Two new reports released in December 2011 by Latin American NGO coalition Latindadd and UK-based NGO the Bretton Woods Project, show how a new pragmatic approach to regulation of financial flows can help ensure stability and development. One of the reports, *Time for a new consensus*, argues

that source and recipient countries "need to commence serious discussions ... at the IMF or elsewhere, on how source countries can effectively contribute to the stability of financial flows." The report also stresses that developing countries need to start working "in regional configurations to coordinate capital account management."

A second report, *Breaking the mould*, reviewed the evidence on the developmental impact of capital account management measures in Latin America. Co-author of the report Jorge Coronado said that this "shows that regulations on capital inflows and outflows are helping Latin America to achieve not only financial stability, but also to promote development goals like poverty reduction and employment creation. These findings challenge the current IMF stance, which gives inadequate consideration to the impact volatile capital flows have on economic activity and employment." Coronado concluded that "the IMF should pay more attention to the views of developing countries' authorities and stop clinging to socially destructive prescriptions."

In February further IMF research will cover capital account liberalisation and managing capital outflows. A policy paper to be discussed at the board in April will draw together previous and current work toward articulation "of a comprehensive, balanced, and flexible Fund institutional view on policies affecting capital flows". ©

Time for a new consensus

[brettonwoodsproject.org/time-for-new-consensus](http://brettonwoodsproject.org/time-for-new-consensus)

Breaking the mould

[brettonwoodsproject.org/breaking-the-mould](http://brettonwoodsproject.org/breaking-the-mould)

Gallagher paper

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

## Bank-funded "toxic dumping ground"

In November 2011 Ugandan newspaper *New Vision* called attention to the "horrific sanitation conditions" of a World Bank-funded waterway in Uganda, calling it a "toxic dumping ground". The Bank's International Development Association (IDA), its low-income country arm, lent \$22.4 million for the construction of the Nakivubo Channel waterway, which runs through the country's capital Kampala and "regularly floods polluted water into people's homes, causing damage and disease", according to the newspaper. It also reported that locals employed to clear the waterway are not provided protective gear and not paid enough to treat illnesses they contract as a result. The workers also complain of the illnesses being spread to their children, the paper said.

## Questions hang over Bank safeguard review

The World Bank has revealed that the planned period for updating its environment and social safeguard policies, which it aims to consolidate into one single policy, has been extended to December 2013 (see *Update* 77). However, 130 organisations, including Asia Indigenous People's Pact wrote a letter to the Bank in October calling for the indigenous peoples' policy to remain a stand-alone policy that respects the concept of "free, prior, informed consent". NGOs are also concerned that a new lending instrument, Program-for-Results, is to be exempt from safeguards (see page 6). Consultations on the safeguards review are anticipated for the end of 2012.

## Complaint against IFC in Mozambique

The Compliance Advisor Ombudsman (CAO), the International Finance Corporation's (IFC) accountability mechanism, has transferred a complaint over an IFC-supported aluminium smelter in Mozambique to its compliance function, which will assess whether the project has breached the IFC's performance standards. Mozal, which operates the smelter, received \$135 million in equity and loans from the IFC between 1997 and 2001. A coalition of NGOs claimed that Mozal's activities "will result in harmful exposure to people and the environment", and also questioned "the environmental and social due diligence undertaken" and "the lack of access to and disclosure of information."

## Transparency at the Bank questioned

The International Development Association (IDA), the World Bank's low-income country arm, appeared at the top of NGO Publish What You Fund's 2011 Aid Transparency Index. IDA's transparency is, however, only rated as "fair" by the assessment published in November 2011. The transparency policy of the Bank (see *Update* 68) has been criticised by a December report of the NGO network Global Transparency Initiative (GTI), which singles out the exceptions given for protecting the commercial interests of third parties and internal deliberations. These "serious problems" can be resolved by adopting the best practices applied at the national level, and "applying a strong public interest override", said the report.

## Inside the institutions **IMF resources**

**One of the IMF's three roles is lending to members countries with balance of payments difficulties, using resources provided by its other members. Generally, these resources come in two forms: quota contributions tied to voting rights in the institution, and bilateral contributions which do not affect countries' voting rights.**

The main source of IMF resources is supposed to be IMF quota contributions, the money countries pay into the Fund for their membership of the institution. The quota is used in three ways: to determine voting rights, to determine contributions, and to set a guideline for the level of resources a country can borrow. As of 2008, the total IMF quota for all countries was \$366 billion. In 2010 it was agreed to double the size of the IMF quota to \$732 billion, but this will not come into force until IMF members with 85 per cent of voting rights approve the change, which is expected by the end of 2012 (see *Update 73*). Normally IMF members contribute one-quarter of their quota in the form of widely accepted foreign currencies such as the dollar, euro, yen or pound sterling. The remaining three-quarters are committed to the Fund in the country's own currency, though only paid in when the Fund demands the resources.

The size of a country's quota is determined by the quota formula, which takes into account four factors: the size of the economy, the level of foreign reserves, the volume of foreign trade, and the variability of trade and capital flows. Currently, the US has 17.7 per cent of the quota meaning a \$65 billion contribution, while China has 4 per cent meaning about \$15 billion.

Aside from the quota, the IMF has standing arrangements to bilaterally borrow money from its members. Contributions through these arrangements do not affect IMF voting rights. The most important of these is the New Arrangements to Borrow (NAB), which is designed as a "backstop to the Fund's quota-based financing mechanism", and which is "only to be used when supplementary resources to quota resources are required". The NAB was first agreed in 1997 between the IMF and 25 high-income IMF member

countries. In 2009, in response to the financial crisis, it was expanded from the 26 countries participating at the time, who had pledged about \$52 billion, to take in 13 new countries, including large middle-income countries, with a total commitment of \$568 billion (see *Update 65*).

Nearly 60 per cent of NAB commitments are from G7 countries, while the biggest emerging markets (Brazil, Russia, India, China and South Africa) represent just 15 per cent of the total. Regionally, European countries (excluding Russia) made the largest commitments at 39 per cent of the total, followed by East and South Asian countries at 31 per cent. With a commitment of about \$106 billion, the US is the largest participant. Before 2009, activation of the NAB was on a case-by-case basis when a country requested a large loan. Since then, the NAB can be activated for a period of instability. It was last activated in October 2011 for a six-month period.

The IMF can also find resources using the General Arrangements to Borrow (GAB). The GAB is an older instrument, established in 1962, and counts on the participation of 11 developed countries. The current commitments through the GAB are \$26 billion, of which the US has committed \$6.5 billion. While the GAB was used extensively up until the late 1990s, under current rules the GAB can only be activated if NAB activation has been refused. In 2009 a number of countries agreed bilateral loans with the IMF outside of the usual NAB and GAB arrangements, and the IMF also bilaterally sold bonds to some member countries, the first time it has done this. As of November 2011, there was an additional \$87 billion provided in this way.

In early 2012, IMF managing director Christine Lagarde received the consent of the IMF executive board to explore ways to increase the resources available to the IMF by another \$500 billion (see page 2). It is not yet clear whether the new resources will be delivered as bilateral commitments or quota-based contributions. ©

Factsheet: Where the IMF gets its money, IMF

① [www.imf.org/external/np/exr/facts/finfac.htm](http://www.imf.org/external/np/exr/facts/finfac.htm)

## On a carbon market mission: The Bank at the Durban climate summit

*While steaming ahead with new carbon market initiatives, the World Bank attracted further criticism and suffered potential setbacks on agriculture and on the Green Climate Fund (GCF) at the UN climate negotiations in Durban.*

As the UN's Framework Convention on Climate Change (UNFCCC) summit opened in Durban in November last year, the Bank's climate record came under renewed scrutiny. People from all over the world joined the Global Day of Action and other protests to voice their concerns about the Bank's involvement in climate finance during the summit. A group of civil society organisations, including the BASIC South Initiative and the Sierra Club, launched the report *Unclear on the concept: How can the World Bank Group lead on climate finance without an energy strategy?* It argues that the Bank should finally agree a low-carbon energy strategy that ends funding for dirty energy and provides access to clean energy.

### Weakened role in the GCF

A major outcome of the summit was the adoption of the GCF (see *Update 78, 76*). While the Bank will hold the interim trustee position for the first three years, civil society groups,

such as Friends of the Earth, broadly welcomed that the GCF's permanent trustee will be selected through an "open, transparent and competitive bidding process". A hard-won victory for developing countries was the inclusion of a no-objection procedure, which lets designated country authorities put limits on the private sector's direct access to GCF funding.

While the US pushed for the interim secretariat to be hosted by the Bank, resistance from developing countries led to a shared arrangement between the UNFCCC and the Bank-housed Global Environment Facility (GEF, see *Update 8*). However, many civil society groups did not think the agreement went far enough. Lidy Naçpil of Jubilee South said: "the fund is being hijacked by the rich countries, setting up the World Bank as interim trustee and providing direct access to money meant for developing countries to the private sector".

A new report released in

December by UK NGO World Development Movement questions the Bank's direct financing for private entities in climate finance. *Power to the people?* claims that electricity produced under the Bank-housed Clean Technology Fund (CTF) in Oaxaca, Mexico, will be sold at a discount rate to the world's largest company, Walmart.

### Still pushing for carbon markets

The Bank's push for forest and agricultural carbon markets (see *Update 77, 73, 59*) was confirmed by the launch of the third tranche of the BioCarbon Fund, set up to enable access to carbon markets for the least developed countries with a focus on reforestation and agriculture projects. The Bank also launched the new Carbon Initiative for Development to enable least developed countries to tap into carbon markets through carbon-credit-generating projects (see *Update 78*).

During the summit, the Bank continued its efforts to drum up sup-

port for "climate-smart agriculture", which includes a controversial proposal to produce carbon credits from storing carbon in the soil (see *Update 78, 77*). Concerned by the Bank's activities, over 100 civil society groups, including ActionAid and Kenyan organisation African Biodiversity Network, signed up to a letter asking African negotiators to reject soil carbon markets. Simon Mwamba of the East African Small Scale Farmers' Federation said: "Climate-smart agriculture is being presented as sustainable agriculture – but the term is so broad that we fear it is a front for promoting industrial, 'green revolution' agriculture too, which traps farmers into cycles of debt and poverty."

Despite the Bank's push, no work programme on agriculture was agreed in Durban. However, a compromise text was reached that requests the UNFCCC's scientific and technological advisory body to consider issues related to agriculture at its next session in May. ©

Unclear on the concept

① [tinyurl.com/unclearconcept](http://tinyurl.com/unclearconcept)

Power to the people?

① [tinyurl.com/wdmpower](http://tinyurl.com/wdmpower)

Soil carbon markets letter

① [tinyurl.com/wdmpower](http://tinyurl.com/wdmpower)

# Harvesting controversy: Bank's agriculture projects under scrutiny

*While the World Bank prepares to revise its agriculture strategy, its focus on market liberalisation is criticised, its own complaints bodies issue damning reports on agriculture projects in Peru and Papua New Guinea, and critics fault its gender focus.*

The Bank is preparing a new agriculture action plan to cover 2013-2015, which will follow its 2010-12 plan (see *Update 69*). Meanwhile, a January report from the US-based think tank Institute for Agriculture and Trade Policy and the Global Development and Environment Institute at Tufts University argues that the Bank's initiatives "are too heavily focused on improving access to liberalised markets and promote the expansion of high-input agriculture rather than a transition to more sustainable methods."

## Problems in Peru, Uganda

In February last year, the Compliance Advisor/Ombudsman (CAO), the Bank's private-sector complaint mechanism, released an audit of investments in Agrokasa, a Peruvian agribusiness which was accused of depleting groundwater resources to the detriment of local farmers (see *Update 72*). The audit found that the International Finance Corporation (IFC), the Bank's private sector arm, violated its own performance standards, its policy on environmental and social sustainability, its policy on disclosure of information and "its role as a development institution."

The CAO argued that by "pursuing this investment before an adequate environmental assessment had been prepared and reviewed,

[the] IFC ... proceeded without taking into account potential negative long-term and wide-ranging development impacts on other more vulnerable users: impacts that could cause economic displacement, impoverishment, and loss of access to potable water." It also said that "the IFC struggles to align its strategic involvement in these issues with its investment practices. This inconsistency undermines the Corporation's reputation and credibility."

In January, the CAO agreed to assess two complaints from affected community representatives in Uganda (see *Update 78*), backed by NGOs Uganda Land Alliance and Oxfam International, which claimed that IFC forestry investments through a private equity fund "forced evictions and displacement".

Meanwhile, in December the US-based NGO Oakland Institute released a special briefing note which explains the various ways that the Bank promotes private investment in agriculture (see *Update 77*), and concludes that "by promoting investor access to land, [the Bank] actually tends to threaten rather than improve food security and local livelihoods in developing countries." The briefing also details how the Bank has become an increasingly active proponent of

investment by private equity funds in this area (see page 3).

## More complaints

Meanwhile, in December the Bank's complaints mechanism, the Inspection Panel, released its investigation on the Bank's smallholder agricultural development project in Papua New Guinea. The project was intended "to improve community participation in local development while increasing revenue flow from the already established local oil palm production industry." However, the Panel found that the Bank "failed to provide relevant information prior to consultation in a culturally appropriate manner, form, and language to achieve broad community support."

It added that the Bank "was not in full compliance with [it's] indigenous peoples policy and did not include critical means of improving smallholder livelihoods." In response, the Bank's board agreed to a limited number of improvements, including strengthening of the consultation process, and demanded updates from management during implementation.

The CAO has also deemed a November complaint against a palm oil plantation subsidiary of agribusiness conglomerate the Wilmar Group eligible for further investigation. This is the third CAO

complaint against Wilmar, with previous ones having caused the Bank to rethink its whole palm oil policy (see *Update 76, 72, 71, 67*). The complainants "allege that the company invoked government forces to dismantle a settlement on disputed land ... [and] that the company's actions are in contradiction to [the] IFC's performance standards."

## Gender gap

In November 2011, US-based NGO Gender Action released three case studies on *Gender, IFIs and food insecurity*, covering Ethiopia, Haiti and Kenya. In Kenya, it examined three World Bank and two African Development Bank projects and concluded that, "commendably, one [World Bank] project promotes gender integration, collects sex-disaggregated data and facilitates women's participation throughout the project cycle, but the other four projects, by failing to do so, perpetuate women's marginalisation in an industry [agriculture] for which they provide the majority of labour."

The Ethiopia study of "four active World Bank investments that focus on agriculture, land management and nutrition ... finds that not one of these projects embraces a gender rights perspective or analyses differential impacts on men and women, boys and girls." The studies make recommendations for the IFIs, including to explicitly promote women's participation, collect and use sex-disaggregated data, provide grants rather than loans and approach investments from a women's rights perspective. ©

CAO audit Peru 2011, CAO  
[tinyurl.com/caoperu](http://tinyurl.com/caoperu)

# Green light for revised PforR, but concerns remain

The World Bank board approved in January a revised proposal of the controversial new Program-for-Results (PforR) lending instrument (see *Update 77, 75*), with some concessions to critics. PforR is designed to allow the Bank to contribute to government-backed programmes as part of pooled funding arrangements with other institutions and donors, with the disbursement of funds directly linked to agreed results.

Responding to legislative action by the US Congress and concerns that PforR may replace a large share of project-based investment lending, the Bank will limit the use of the new instrument to only 5 per cent of total funding commitments per year for two years. Lifting this cap and rolling out full implementation will be dependent on a "rigorous"

review of its performance. Civil society groups, such as German political foundation Heinrich Boell, welcomed the cap, but concerns remain around the independence of the review process that will be used to determine whether it should be lifted.

Although the Bank has launched a safeguard policy review and consultation (see page 4), the Bank's assessment of proposed PforR programmes will be based on "various country and programme specific strategic, technical, and risk considerations." The Bank claims that this approach will strengthen country ownership. However, Nancy Alexander of Heinrich Boell argues that "there is no reason that providing basic protections against fraud and corruption and basic protections to prevent harm to people and

the environment is incompatible with country ownership. Quite the contrary: such basic standards are necessary to deliver development results." Meanwhile, a report from the Bank's Inspection Panel's, its public lending complaints mechanism, was leaked. Reviewing one of the Bank's country systems pilots, the South African Eskom coal plant (see *Update 73, 72*), the report found "gaps that were not identified or addressed" under this system and raised a number of problems with the project.

Confusion also remains around the status of 'category A' projects, defined by the Bank as those "likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented." The Bank defines sensitive impacts as those that "may be irreversible" or

raise issues covered by the Bank's safeguard policies on natural habitats, indigenous peoples, physical cultural resources or involuntary resettlement. The board proposal clarifies that this category is excluded from PforR, but this is not repeated in the draft operational policy documentation, which effectively governs PforR. Instead, it states that "activities that pose a risk of potentially significant and irreversible adverse impacts on the environment and/or affected people [...] are not eligible for Program-for-Results financing", which could be interpreted to exclude only category A projects with potentially irreversible impacts. ©

Program-for-Results, World Bank  
[tinyurl.com/wbporr](http://tinyurl.com/wbporr)

## Guest analysis

# Unsafe haven? New IFC tax haven policy questioned

By María José Romero, LATINDADD/Task Force on Financial Integrity and Economic Development

**A new report finds widespread use of tax havens by clients of the World Bank private sector arm, the International Finance Corporation (IFC), while the new Bank policy is criticised for having major loopholes (see Update 74, 73).**

According to a recent report by Danish NGOs DanWatch and IBIS, “57 per cent of the companies analysed in the IFC’s extractives portfolio from 2010 have channelled their investment in developing countries through an intermediate holding company in a tax haven.” Additionally, “more than a third of the countries hosting [the] IFC’s extractive projects have no specific policies on thin capitalisation,” which means that IFC’s extractive-industry clients can minimise tax payments in developing countries by injecting as much debt and as little equity as possible into their operating subsidiaries.

The report highlights the case of Minera Yanacocha S.R.L, one of the largest gold mines in Latin America, 51 per cent of which is owned by Newmont Mining Corporation, with Peruvian Buenaventura holding 44 per cent and the IFC 5 per cent (see page 8). Newmont’s stake in Yanacocha is held by an intermediate holding company called Newmont Second Capital Corporation located in Delaware, where corporate secrecy rules contributed to the US being ranked 5th in Tax Justice Network’s financial secrecy index.

## New policy on slippery ground

In November last year, the World Bank Group released a new policy on the use of offshore financial centres (OFCs). It aims at “advancing the international tax transparency agenda by addressing the potential risks posed to its private sector operations and to the global financial system by jurisdictions with weak regulation, low or no tax, and a lack of transparency.”

The policy is largely built upon the results of the Organisation for Economic Cooperation and Development (OECD) Global Forum peer review process, launched in September 2009. As part of this process, countries will undergo detailed assessment against 10 evaluation criteria in relation to availability of and access to tax information, and tax information exchange. The reports of the Global Forum will inform the IFC board on whether to invest in a company operating in an OFC.

However, civil society organisations say this peer review process has shortcomings. According to a report by French NGO CCFD-Terre Solidaire, “of the 59 reports published in 2011, only eight fulfilled all the transparency criteria established by the Global Forum.” Moreover, there are no quantitative indicators to measure progress on transparency and cooperation. Finally, no sanctions have been envisaged to date for jurisdictions not complying with transparency requirements and it is still unclear what next steps will be taken once all the reports have been completed.

## An alternative approach is needed

Civil society organisations have demanded changes in the IFC policy in order to ensure that investing in private sector companies has a positive impact on development. According to Alvin Mosioma from Tax Justice Network, “the IFC should stop channelling public funds to companies using secrecy jurisdictions.” To make effective and measurable progress towards financial transparency, the DanWatch report also recommends that “companies supported by IFC should present their annual accounts on a country-by-country and project-by-project basis, which would enable host governments and civil society to identify tax avoidance and evasion.” ©

DanWatch investigation of tax planning opportunities in IFC-supported projects  
[tinyurl.com/escapingtaxes](http://tinyurl.com/escapingtaxes)

# New Bank infrastructure strategy: Paving over development?

A World Bank infrastructure strategy update, developed because of a G20 push for more infrastructure investment, reaffirms the Bank’s commitment to large-scale projects and scaled up private finance through public-private partnerships (PPPs, see Update 77), despite questions about bloated costs and development impact.

The updated strategy, leaked in November 2011, outlines three main pillars of future Bank infrastructure investment. The first is to continue its more typical infrastructure projects, “while increasing effectiveness in the areas of poverty, governance, gender and knowledge.”

The second pillar is a new focus on large “transformational” projects that “maximise green, regional, and inclusive/broader development benefits”. These will also involve a greater diversity of financing sources such as donor governments, including new middle-income donors; international mechanisms such as climate funds; and the private sector.

The third pillar aims to bring

in “more private sector financing”. The International Finance Corporation (IFC), the Bank’s private sector arm, is creating a new global equity fund for infrastructure to “ramp up” business. The Bank is also implementing an action plan to double private sector engagement in PPPs in infrastructure.

## Familiar themes

These areas match the priorities of the G20 development working group, a body of officials preparing plans for G20 development ministers meetings (see Update 77). The final report of the G20-commissioned High Level Panel (HLP) on infrastructure also emphasises “transformational projects” and scaled-up PPPs. The G20-mandated *Infrastructure Action Plan*, produced by the Bank with input from other multilateral development banks (MDBs), lays out the role of MDBs in this process. The Bank’s strategy is firmly in line with these documents, outlining the role of Bank in the implementation of this agenda. Both reports were

made available after the G20 meeting in Cannes in November 2011. Infrastructure is one of the three top development priorities of the Mexican G20 Summit in June.

In a November analysis of the policy formation of the G20-MDB agenda, Nancy Alexander of the German political foundation Heinrich Boell notes that “hand-in-hand with the MDBs, the G20 has created a mechanism to design and implement an infrastructure agenda with minimal involvement by the governments and stakeholders of affected low-income countries much less any democratic debate or processes.” She observes that “the Bank’s new strategy demonstrates the profound impact of the G20 process on the MDBs, possibly leaving the 173 countries which are part of MDB governance, but not part of the G20, by the wayside.”

## Transformation?

A November paper by UK NGO network Bond questions the developmental impact of the G20 agenda. It argues that “the focus is very

much on infrastructure investment as key to economic growth rather than to poverty reduction.” It also says that “there is concern that the involvement of the private sector may lack the appropriate safeguards surrounding the social and environmental impact on local communities.” The report notes that an emphasis on PPPs implies a danger of the “the privatisation of financial gains”, while the Heinrich Boell report argues that “many low-income countries are not in a position to use scarce domestic resources to support the scale or nature of infrastructure investments envisioned by the G20.”

The Inga hydropower project in the Democratic Republic of Congo (see Update 70, 67) is touted by the HLP as one of 11 “exemplary transformational” projects. Peter Bosshard of NGO International Rivers calls the first phases of Inga “an expensive white elephant that hardly provides any benefits to the poor. Even the rehabilitation that the World Bank is currently funding has turned into a bottomless pit of mismanagement.” ©

Bank and G20 documents  
[tinyurl.com/g20bankdocs](http://tinyurl.com/g20bankdocs)

International Rivers Blog  
[tinyurl.com/riversblog](http://tinyurl.com/riversblog)

## The World Bank and extractives: a rich seam of controversy

As World Bank projects fail to reduce corruption in the mining sector in the Democratic Republic of Congo (DRC), International Finance Corporation (IFC) investments in extractive industries are provoking complaints and protests around the world.

In 2012 the Bank will launch its new extractives for development (E4D) initiative, a "knowledge sharing platform" aimed at transforming extractives into a force for development. One area the initiative will focus on is corruption. Since 2001, the Bank has led an expansive programme to increase transparency and stimulate economic growth in the DRC's mining sector (see *Update* 54, 50). However, opaque sales of mining assets by state-owned mining companies led the Bank to suspend all new programmes in the DRC in late 2010. The Bank resumed lending in June last year when it judged the government to be in compliance with a new transparency framework agreed by the government and the Bank.

However, only a month later it came to light that state-owned mining companies had again been secretly selling stakes in mining operations, in one case at a sixteenth of their market price. Daniel Balint-Kurti of UK NGO Global Witness said "the IMF and World Bank have a responsibility to ensure that all financial support they give to the DRC government is contingent upon the government demonstrating that it is compliant with all its transparency commitments and that gross corruption is not taking place."

### Outcry in South America

The IFC's 1999 investment in mining company Minera Yanacocha, owned by mining giant Newmont, has again provoked controversy (see *Update* 53, 52, 43). In November 2011, an estimated 20,000 people in the Peruvian state of Cajamarca demonstrated against Minera Yanacocha's proposed Conga mine, which included over 8,000 farmers blockading a town. The government declared a state of emergency in Cajamarca, suspended the construction of the mine and announced that it will ask international consultants to review its environmental impact.

Meanwhile, Canadian mining company Goldcorp, which in 2004 received a \$45 million IFC loan for its Marlin mine in Guatemala, is the subject of increasing scrutiny. A November research report by the Global Development and Environment Institute finds that

"local benefits are a tiny fraction of total mine revenues and earnings", and the project also poses "hazards related to cyanide and heavy metals contamination of water" which "will undermine agricultural livelihoods, impoverishing local communities."

### CAO inundated

Of 20 projects with open cases at the Compliance Advisor/Ombudsman (CAO), the IFC's accountability mechanism, nearly a third are from extractives projects. In December 2011, the CAO decided to transfer the Maple Energy case to its compliance function, which will assess whether IFC standards have been violated. The case follows a complaint by two indigenous communities in Peru alleging that Maple, which received \$40 million in IFC support in 2007 for new oil drilling, has failed to adequately consult with them, and through oil spills from its existing sites has caused numerous health, social and environmental problems.

The highly controversial Chad-Cameroon pipeline (see *Update* 62, 60, 56), which the public-sector arm of the Bank withdrew from in 2008, also had a complaint deemed eligible for further assessment by the CAO in December 2011. The complaint was brought by six NGOs on behalf of over 25,000 local inhabitants of areas affected by the pipeline in Chad. It argues that local communities "are excluded from the economic and social trickle-down effects of the development of oil", and face "the loss of a sustainable means of livelihood" and "irreversible environmental impacts".

A November report by NGO Crude Accountability highlights three IFC oil and gas investments in the former Soviet Union, which between them have received 31 eligible CAO complaints. It concludes that "the CAO failed to pursue systemic concerns such as violations of national law or inappropriate project risk categorisation with IFC senior management or the president of the World Bank Group." The report also noted that complaints centred on the fact that "the IFC, and subsequently the CAO, assumed limited responsibility for projects after project loans were dispersed or repaid." It also notes that complaints frequently question whether there is sufficient independence and impartiality within the CAO. ©

[www.tinyurl.com/marlinreport](http://www.tinyurl.com/marlinreport)

[www.tinyurl.com/caoreport](http://www.tinyurl.com/caoreport)

## Recommended resources 2011

### PAPERS

Oakland Institute series on land grabs

[www.oaklandinstitute.org/land-grabs-africa](http://www.oaklandinstitute.org/land-grabs-africa)

Heading for the right choice? A professional approach to selecting the IMF boss; Afrodad, Third World Network and others

[www.brettonwoodsproject.org/art-568253](http://www.brettonwoodsproject.org/art-568253)

IMF performance in the run-up to the financial and economic crisis; Independent Evaluation Office

[www.ieso-imf.org/eval/complete/eval\\_01102011.html](http://www.ieso-imf.org/eval/complete/eval_01102011.html)

World Bank, climate change and energy financing: something old. Something new?; Friends of the Earth, International Rivers, Groundwork and others

[www.tinyurl.com/wbclimaterep](http://www.tinyurl.com/wbclimaterep)

WDR 2012: gender equality and development - An opportunity both welcome and missed; UNRISD

[www.tinyurl.com/2012WDR](http://www.tinyurl.com/2012WDR)

Labour standards in World Bank Group lending; ITUC

[www.ituc-csi.org/IMG/pdf/Labour\\_StandardsEN\\_2011\\_web.pdf](http://www.ituc-csi.org/IMG/pdf/Labour_StandardsEN_2011_web.pdf)

Smoke and mirrors - A critical A critical assessment of the Forest Carbon Partnership Facility; Forest Peoples Programme and FERN

[www.forestpeoples.org/smokeandmirrors](http://www.forestpeoples.org/smokeandmirrors)

Capital flows to developing countries in

a historical perspective: will the current boom end with a bust?; South Centre  
[www.tinyurl.com/southcentre37](http://www.tinyurl.com/southcentre37)

Sufficient recourse? Controversial oil and gas projects in the former Soviet Union and recommendations to improve the CAO

[www.crudeaccountability.org/en/uploads/File/Sufficient%20Recourse.pdf](http://www.crudeaccountability.org/en/uploads/File/Sufficient%20Recourse.pdf)

Power surge: lessons for the World Bank from Indian women's participation in energy projects?; Bretton Woods Project

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

A faulty model? What the Green Climate Fund can learn from the Climate Investment Funds; Bretton Woods Project

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

Time for a new consensus: regulating financial flows for stability and development; Bretton Woods Project

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

### BOOKS

Legislating international organization: The US Congress, the IMF, and the World Bank; Kathryn Lavelle, OUP USA

The political economy of development: the World Bank, neoliberalism and development research; Kate Bayliss, Ben Fine and Elisa Van Waeyenberge (eds.), Pluto Press

## Petra Kjell joins the Project

We are delighted to welcome Petra Kjell as the new head of the Project's work programme on climate and the environment, human rights and social impacts, taking over from Ama Marston. Petra has extensive policy and advocacy experience in UK organisations, such as Progressio and the new economics foundation (nef), as well as a strong track record of advocacy and publications on climate change. Petra has also worked in Tanzania coordinating the country office of NGO Frontier. She holds a Masters in development studies from SOAS at the University of London, and a Bachelors in social sciences from the University of Stockholm, in Sweden.



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

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The Bretton Woods Project is an ActionAid-hosted project, UK registered charity no. 274467. This publication is supported by a network of UK NGOs, the C.S. Mott Foundation and Rockefeller Brothers Fund.

Designed by Base Eleven and printed by RAP Spiderweb on recycled paper.