



**Annual Report 2005**

## 1. INTRODUCTION

2005 was a year of unprecedented profile for international development issues in the UK and beyond. The challenge for the Bretton Woods Project was to carefully pick its niche or risk being overwhelmed by efforts in which we would add little value. Extraordinary resource constraints made this challenge even more imperative. Feedback from our steering committee, the UK Bretton Woods network and colleagues further afield has attested to our ability to stay focused and maximise our impact. **Highlights** of the past year include:

**International Parliamentarians' Petition:** BWP led a coalition of CSOs which brought parliamentarians to Washington, backed up by a petition signed by over 1000 MPs in 55 countries, to demand changes in the accountability of the IFIs to elected officials.

**IFC safeguard policy review:** BWP coordinated the UK NGO campaign to try to prevent backsliding on the single most important set of environmental and social safeguards for private sector lending to developing countries.

**Oversight of UK government spending:** Following on from the previous year's unprecedented budget increase for international development, BWP turned up its efforts to scrutinise UK funds supporting the World Bank and IMF.

**International civil society strategy meeting on the IFIs:** BWP was on the organising committee for a second international meeting in Ghana which provided a forum for progress on parliamentary work, conditionality and 'responsible lending standards', and debt.

## 2. ADVOCACY

"Your work has been instrumental in both providing us with the contacts and connections that has made it possible for us - and, most importantly, our partners from Africa - to raise concerns about the World Bank's interventions in the Democratic Republic of Congo. With your support, we have been able to reach decision-makers that we would not normally have been able to access, and to do in a way that is well-informed and appropriate."

- Simon Counsell, Director, Rainforest Foundation

### **International Parliamentarians' Petition: Changing the rules of accountability**

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

In late 2004, the Project initiated the 'International Parliamentarians' Petition' calling on MPs to support a greater voice for elected officials in the scrutiny of agreements with the IFIs. UK work was coordinated with ActionAid, Christian Aid, WDM and OneWorld Trust, together with the All Party Parliamentary Group on debt, aid and trade.

In 2005, the petition went international. By April 2005, the IPP had received over 1000 signatures from over 50 countries. The IPP steering group arranged for 8 MPs from Argentina, Brazil, Indonesia, Italy, Malawi and the UK to travel to Washington for the World Bank-IMF spring meetings to present the petition to staff, management and shareholders of the IFIs. Returning from Washington, the Malawian MPs established MAPCOI – the Malawi Parliamentary Committee on the IFIs – to build the critical capacity of MPs to better understand the workings of the IFIs.

At the World Bank-IMF annual meetings in September, another group of MPs returned to Washington to focus lobbying efforts on southern country executive directors. Returning home from Washington, the Indonesian MP launched a bill to ensure parliamentary approval

of IFI loan agreements. Several countries are now planning to hold national launches of the IPP, or form parliamentary committees similar to that in Malawi.

“DFID recognises the importance of the IMF and the World Bank being transparent and accountable to parliaments in developing countries. Clearly, such accountability needs to be at the heart of their relationship.”

- *Secretary of State for International Development, Hilary Benn, in response to a parliamentary question from Hugh Bayley MP (IPP signatory), 10 October 2005.*

### **Wolfowitz era begins: Governance still broken**

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

After leading the European civil society campaign in 2004 against *de facto* European control over selection of the head of the IMF, BWP once again took a lead advocacy role protesting the appointment of Paul Wolfowitz as president of the World Bank in 2005. While unsuccessful in our immediate goal of blocking his nomination, our efforts have helped to generate a critical mass of opinion here in the UK and abroad that BWI governance structures lack legitimacy.

### **Global Transparency Initiative: Moving from policy to practice to justice**

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

BWP played a key role on the steering committee of the Global Transparency Initiative in its first year. The GTI brings together IFI watchers with freedom of information advocates to profoundly change the rules of transparency under which the IFIs operate. Key activities included coordinated freedom of information requests for IFI documents, advocacy missions around IFI disclosure policy reviews, and the drafting of a transparency charter for the IFIs.

### **IFC safeguard policy review: Damage limitation**

[www.grrr-now.org](http://www.grrr-now.org)

BWP has played an instrumental role in coordinating UK civil society's response to the IFC safeguard policy review. The IFC's revision of its standards on social and environmental sustainability is based on a system of more discretion and flexibility, but without related requirements for increased transparency, accountability and oversight. In November 2005, BWP brought together representatives from UK environment, development and human rights NGOs, to lobby DfID on its response to the review. We coordinated a meeting with representatives of the IFC, regional development banks, the UK's export credit agency and Equator Banks. As a result of civil society influence, DfID's position paper integrated progressive elements in relation to resettlement and indigenous peoples, though was sadly lacking on environmental matters.

Staff contributed to the inclusion of appropriate human rights language into international civil society's response to the safeguard policy review. The Project was instrumental in facilitating Amnesty International's response (see below), who subsequently made a written submission and visited northern and southern Executive Directors in Washington.

### **Monitoring UK policy-makers**

[www.brettonwoodsproject.org/topic/uk](http://www.brettonwoodsproject.org/topic/uk)

BWP monitoring of the relationship between HMG and the BWIs has been stepped up over the past 12 months. We have developed the UK section of the website to include more information on key UK officials and the issues they work on, and increased scrutiny of DfID/HMT's activities at the institutions, such as the 'at issue' briefing on DFID support for World Bank-managed trust funds.

As a direct result of BWP pressure, DfID published its first annual report on its activities at the World Bank. We felt the report was disappointing in many respects, and IFID staff have committed to improving the report in 2006.

As a result of BWP's efforts, meetings between UK NGOs and the Executive Director to the World Bank and IMF now take place on a quarterly basis, and meetings with the Secretary of State for international development every six months. BWP plays a key role in bringing together different groups, coordinating the agenda, as well as picking up on significant issues that are not generally covered by other UK NGOs. These meetings are diverse in their attendance, and span policy and project issues across the environment, development and human rights spectrum. We have been proactive at drawing in relevant NGOs that have not been involved in such meetings in the past, such as Engineers Against Poverty, the Rainforest Foundation and the Tax Justice Network.

BWP was once again asked to present oral evidence at the annual hearings on the World Bank and IMF annual meetings held by the International Development Committee of the UK parliament. BWP advocacy was instrumental in the decision of the Treasury Select Committee at the end of the year to move ahead with an inquiry into globalisation and the IMF in 2006.

### **3. NETWORK STRENGTHENING**

#### **UK Bretton Woods Institutions network**

The UK BWI network boasts some 90 individual participants from over 40 organisations. The Project facilitates input from this diverse group in to meetings with ministers, civil servants and quarterly meetings with the UK delegation at the World Bank and IMF.

"I just thought I would let you know how useful the Bretton Woods Update has been in enabling Amnesty International UK to navigate around what for us is a new area of activity. This information gives us much better terms of reference than we would have otherwise to try to influence processes that relate to our human rights concerns."

- Peter Frankental, Amnesty International UK

BWP coordinates UK NGO input and provides continuity in issue coverage in our quarterly meetings with the UK Executive Director to the World Bank and IMF. We performed a similar function in meetings with both the Compliance Advisor Ombudsman and the Independent Evaluation Office, accountability bodies of the IFC and the IMF respectively. This coordination is reflected in the coherent, effective impact of UK groups at World Bank-IMF spring and annual meetings.

#### **Euro-IFI network**

The Bretton Woods Project was a central player in the establishment of this network in 2002. Over the past year, we attended a strategy meeting in Brussels, and then were co-organisers of a meeting in Mesum, Germany. The German meeting was where BWP coordinated European input into the meeting of European civil society with their Executive Directors to the World Bank in Washington in advance of the annual meetings. Issues discussed included European positions on conditionality and World Bank lending to the Democratic Republic of Congo. Together with Eurodad and CRBM Italy, BWP has commissioned research into the evolving role of EU-IFI policy coordination which will be finalised and released in 2006.

#### **International IFI networks**

As with the European meetings, the Project played a central role in the first international strategy meeting on the IFIs in Switzerland in 2002. The first follow-up to this meeting was in Penang, Malaysia in early 2004; the most recent edition was held in Accra, Ghana in February 2005. Bringing together over 80 participants from 30 countries, the conference provided an opportunity to resolve tensions within the network over key policy differences in

relation to debt and conditionality, and to strategise around such issues as parliamentary scrutiny of the IFIs. New regional working groups on the IFIs were formed for South Asia and Africa.

### **IFIwatchnet: Transition to southern leadership**

[www.if-watchnet.org](http://www.if-watchnet.org)

IFIwatchnet is now in its third year of operation. Membership has continued to grow, surpassing 70 organisations worldwide. An evaluation of IFIwatchnet's second year was carried out by a consultant hired by BWP and completed in February 2005. BWP played a catalytic role in the establishment of the steering committee, and organising regular on-line meetings of the regional animators.

BWP's most notable achievement was to facilitate the transition of the hosting of the site from BWP to the Third World Institute (ITEM) in Uruguay in June 2005. ITEM is well placed to address a number of outstanding technical issues and develop a long-term funding strategy for IFIwatchnet. The transition fulfills the aims of the initiative to be southern, rather than northern-led. It will also allow BWP to focus on its role as regional animator for western Europe.

IFIwatchnet will hold its first international meeting of regional animators and steering committee members in Uruguay in March 2006. This will pave the way for consolidation of a number of outstanding technical and governance issues, and set future strategies for regional participation.

## **4. OUTPUTS**

### **Bretton Woods Update**

*"... the Tax Justice Network conducted a small-scale straw poll of people on what they thought was the best newsletter in terms of style and content, as a starting point for developing theirs – five of the seven people they asked named the Bretton Woods Update!"*

*- David Woodward, new economics foundation*

The number of subscribers to our flagship publication rose by five hundred over the past year to over 8000. Additional funding was secured from both SSNC and The Funding Network to allow us to ensure secure funding for Update production, and to streamline the mailing of the Update, saving staff considerable time.

### **Southern 'comment' pieces in 2005:**

- *The role of the World Bank and IMF in post-tsunami Indonesia*, Binny Buchori, Perkumpulan PraKarsa
- *People's Assembly demands justice from the World Bank*, Mustafa Talpur, ActionAid Pakistan
- *World Bank and civil society engagement: A new direction?* Moreblessings Chidaushe, AFRODAD
- *The World Bank, the Apartheid Wall and the ghettoisation of Palestine*, Jamal Juma
- *The Bank and Fund: do civil society groups in the Arab region realise what's going on?* Arab NGO Network for Development

All of the Comment pieces are available at: [www.brettonwoodsproject.org/comment](http://www.brettonwoodsproject.org/comment)

## **Selected briefings in 2005**

### **How much trust should we put in the funds?**

Supported by a graduate researcher, BWP shone a light on the extent of unaccountable funds that the World Bank controls in trust funds. As a result of the research, DFID committed to greater transparency over their support for trust funds, and are planning an evaluation of their effectiveness.

### **Kept in the dark: The World Bank, the IMF and parliaments**

Together with Christian Aid, BWP analysed where IFI efforts overstep parliamentary sovereignty, what the Bank and Fund are doing to address this, and what further reforms are needed.

### **Secretive World Bank tribunal confronts calls to open up**

BWP hosted an internship for Ezequiel Nino of the Argentine NGO ACIJ producing an excellent piece outlining reform proposals for the International Centre for the Settlement of Investment Disputes.

### **The World Bank and the IMF, Global Health Watch**

BWP wrote a chapter introducing the Bretton Woods Institutions in the first edition of the Global Health Watch – a bi-annual book led by the People's Health Movement designed to "challenge the dominant neo-liberal discourse in public health policy".

### **IMF strategic review: Reform or be left behind**

An analysis of the direction taken by the IMF in its strategic review. Network colleagues translated the briefing into French and Spanish, an indication of the level of interest in the issue.

Briefings available on-line at: [www.brettonwoodsproject.org/briefings](http://www.brettonwoodsproject.org/briefings)

## **Website**

The **BWP website** continues to receive high-volume, consistent traffic. Traffic reached an all-time peak in November 2005 averaging over 23,000 hits/day (over 1800 unique visits / day). This is double the traffic of the comparable period during the previous year. (Average usage figures during 2004 were 12,000 hits/day or 800 unique 'site visits' / day.) The diversity and volume of southern countries using the BWP website continues to increase.

## **5. CONCLUSION AND CHALLENGES**

During 2005, the Project overcame both a financial shortfall and unexpected staffing shortages. We look forward to 2006 as a new member joins the BWP team. Some changes are expected to our steering committee, as two of our longest-serving members have announced their intention to step down. We would like to take this opportunity to thank both Nick Hildyard of The Cornerhouse, and Caroline Harper, ex of Save the Children Fund, for their years of support for the Project and its work.

2005's Make Poverty History campaign played a key role in progress on debt cancellation and reconsidering conditionality. However, IFI watchers were disappointed by the lack of progress on the question of the gross inequity of the structures of the IFIs, continued BWI support for failed economic policies, and backsliding on social and environmental protection of the most vulnerable.

2006 brings a window of opportunity – in the form of the IMF's strategic review and quota review – to address both the governance structure and the roles of the Fund. Our new BWP staff member will focus on the IMF, looking at the impact of Fund macroeconomics on human development, hoping to leverage a key IEO evaluation looking at this question in the African context.

At the Bank, BWP will work with partners around the world to monitor the implementation of both the new IFC safeguard policies and the recommendations of the Extractive Industries Review. This information will be used to put pressure on the UK government over the 'incoherence' of environment and development policies. We hope to catalyse greater NGO interest in tracking proposed massive increases in infrastructure investment. We will continue to look for openings to advance rights-centred development within the institutions and anticipate a watching brief on the Bank's increased activities in responding to climate change.

In our oversight role of the UK government, we hope to match our successes at DFID with a similar effort with Treasury. We will provide input into HMG's third globalisation white paper which will address issues of coherence and international aid architecture.

Of course, we will continue to play our service function – responding to the requests of members of the BWI-UK network and southern partners for contacts, information and analysis. As always, we look forward to your feedback on our work and your questions or comments about the workplan for the period ahead.

Jeff Powell  
Coordinator

Lucy Baker  
Policy and Networking Officer

## 6. SUMMARY FINANCIAL STATEMENT 2005

<b>Expenditure (GBP)</b>	
Salaries	78,042
Travel	6,228
Computers and Office Equipment	5,524
Consultants (incl. publications)	18,061
Conference costs (IPP)	18,276
Other Direct Costs	16,214
Grants to other organisations	3,363
VAT	1,782
<b>Total</b>	<b>147,488</b>
<b>Income (GBP)</b>	
CS Mott Foundation	69,684
Swedish Society for Nature Conservation	9,440
The Funding Network	4,394
Global Greengrant Fund	3,363
UK NGOs (including IPP support)	90,080
Individual donors	992
Consultancy income	5,426
Other	1,760
<b>Total</b>	<b>185,140</b>
Opening balance 2005	36,420*
Closing balance 2005	74,073
<b>In-kind contribution</b>	
The above figures do not include the generous in-kind contribution of Action Aid. This comprises office space, lighting, heating, cleaning, security, meeting rooms, ad hoc posting and copying, phone and internet access, payroll and accounts.	
<b>In-kind (estimate)</b>	<b>22,000</b>

\* Discrepancy between closing balance 2004 and opening balance 2005 is due to the IFIwatchnet account being amalgamated with BWP account in 2005. The hosting of IFIwatchnet was transferred to Third World Institute in Uruguay in June 2005.