



Annual Report 2010

www.brettonwoodsproject.org

1. 2010 YEAR IN REVIEW

2010 was a year of uncertainty for the global economy. While many countries, particularly emerging markets, emerged from recession, public finances deteriorated across the globe as governments struggled to recover from the recent crisis. The troubles of the Eurozone dominated the headlines, but this only reflected the continued fragility of many countries still reeling from the biggest depression since the 1930s. The ongoing impacts of the recession remained high, particularly on the poor and vulnerable. At the same time, the capacity for coordinated international action, of the kind that had pulled the global economy back from the brink, dwindled, as governments focussed on national priorities or merely stuck their heads in the sand.

One of the most eye-catching developments was the return of the IMF lending to rich countries, but with heavy doses of conditionality attached. While tiny Iceland took out a loan in 2009, in 2010 Euro-members Greece and Ireland both turned to the IMF and European Union for loans, marking the first time a country using a globally-accepted reserve currency has needed IMF assistance since Britain in the 1970s. However, IMF loans to the euro area, like those to Latvia and Romania, carried debilitating demands for cuts in pensions, public services, public sector salaries, and forced privatisation of public enterprises and services, all the while insuring that private sector banks were repaid in full. IMF advice and conditionality was similarly contractionary for low-income countries, as the IMF expected them to reduce public spending as a percentage of GDP despite the uncertain global economic outlook.

While IMF thinking on fiscal matters seemed to have reverted to business as usual, on global structural issues, such as capital controls and the international monetary system, it began a very slow revamp. 2010 was supposed to see the completion of a wholesale mandate review at the Fund, but political consensus to shift the IMF position was hard to reach. The IMF's own research showed that capital controls should be a part of the toolkit for macroeconomic management. Meanwhile, emerging market countries, particularly Brazil and South Korea, had already blazed ahead to begin controlling capital inflows, and IMF staff recognised that the current monetary system, based on the dollar as the world's reserve currency, was less than ideal. But by the end of the year there was little movement in official policy, with only grudging acceptance of temporary and *ad hoc* capital controls as a last resort and no progress on monetary reform. France, which chairs the G20 in 2011, promised to pick up the baton of reform, but expectations were low for any fundamental change that would benefit developing countries.

Only incremental reforms were agreed to the governance of the Bank and Fund, despite IFI spinners claiming major changes. The World Bank shifted voting share, primarily to middle-income countries, but still left high-income countries with over 60 per cent of the vote. Bank claims that developing countries now have 47 per cent of the vote were revealed as misleading spin, based on miscategorising 16 high-income countries as if they were still developing. Further progress towards the G20's promise of equality of

voting share between developed and developing countries will have to wait for the next round of reforms in 2015. At the IMF, the changes were also marginal. Shifts to middle-income countries, which saw China emerge as the third largest shareholder, still left high-income economies with over 55 per cent of the vote. European countries finally bowed to pressure from other shareholders to rationalise their board presence. However, the promised cut of two European seats could still leave seven European faces on the 24-strong board. A promised review of the contentious quota formula that favours rich countries was delayed to 2013. Meanwhile, in September the Bank appointed Egyptian investment minister Mahmoud Mohieldin as its new managing director without an open, transparent process for his selection, despite 2009 promises that such processes would apply to senior management at the IFIs.

However, campaigners celebrated a significant victory, after many decades of effort, when the Bank put into place one of the most open disclosure policies of any international institution. It is too early to judge if implementation will be rigorous enough.

Meanwhile, the World Bank's role in climate finance has continued to be contentious. The UN's high level advisory group on climate change financing identified the multilateral development banks, including the Bank, as a source of finance due to their alleged abilities to leverage private finance. At the Cancún UN climate negotiations, despite protests from civil society groups, the Bank was granted a trustee role for the new Green Climate Fund, but already began lobbying to expand its influence beyond this limited part. Meanwhile, resistance to the Bank's role swelled in countries like the Philippines from both government and civil society groups.

The Bank's energy lending caused uproar after a \$3.25 billion loan mainly for a coal plant in South Africa. After vigorous campaigning by South African and international civil society groups, several board members abstained on the vote, adding a political dimension to ongoing energy strategy consultations. This fuelled debate within the Bank board, staff and civil society groups about the use of the institution's limited public resources and its contribution to the causes of climate change at a time when it is positioning itself to play a central role in climate finance.

Donors gave a measure of backing to the 16th replenishment of IDA, the Bank's low-income country lending arm, by keeping their contributions flat in real terms. However, a record \$49 billion top-up was secured through significant contributions from the Bank's own resources and increasing repayments from middle-income countries. Behind the scenes, major internal reform of the Bank's procedures continued, largely devoid of external scrutiny. A new 'results-based' instrument was promised to speed up lending procedures, though critics feared it could lead to the bypassing of important social and environmental safeguards. Investment lending – the majority of the Bank's portfolio – was revamped with a new risk-based framework, though the Bank's focus on financial returns dominated with only one category devoted to social and environmental risks.

Both Haiti, reeling from a massive earthquake, and Pakistan, suffering unprecedented flooding, had large debts to the IFIs and existing IMF programmes. While donors agreed to write-off Haiti's IMF and World Bank debt, the IFIs immediately issued more loans, ensuring that after reconstruction the small island would still be chained by debts to the international community. Pakistan received less generous terms with no debt write-offs, and continued fighting the IMF over tax policy conditionalities in its programme. The only silver lining was that the debt crises in Greece and Ireland, closer to the core economic powerhouses in Europe, might finally make rich countries consider an independent, fair process for dealing with sovereign debt restructuring.

The World Bank Group's role in agriculture was increasingly highlighted in 2010 with the IFC's role in supporting 'land grabs' coming to light and the Independent Evaluation Group (IEG) raising concerns about the Bank's capacity on the issue. Similarly, IEG and internal evaluations of the Bank's treatment of gender issues confirmed the accuracy of the criticisms of civil society, regarding the Bank's lack of integration of gender and women's rights issues and its institutional unwillingness to address them.

Bank President Robert Zoellick tried to rebrand the Bank's knowledge role, arguing that development economics should be demystified and that the Bank shouldn't claim to have all the answers. This was not carried through into the Bank's strategy, which sought to position the Bank for 'global thought leadership.'

The dramatic shift in the lending portfolio of the International Finance Corporation (IFC), the Bank's private sector lending arm, continued apace with financial sector investments reaching over half of its portfolio. Most of this is money the IFC channels through arms-length financial intermediaries such as banks and private equity funds, instead of direct lending to projects.

Meanwhile the review of the IFC's performance standards got underway, amid continued evidence of social environmental and human rights problems at Bank-sponsored projects, including cyanide spills in Ghana and encroachment on tribal lands in India.

In 2010, the Bretton Woods Project ('the Project') finished a five-year strategic planning process which reinforced our focus on supporting civil society work on the World Bank and IMF, and their vital links to global financial issues, including climate finance, not only in the UK but also at the European and international levels. We have also continued our efforts to highlight and amplify the voices of critics of the World Bank and IMF across a broad range of issues, detailed below.

2. ADVOCACY

a. Climate finance and clean energy

We have coordinated strong campaigning in the UK, focussing on the role it plays as a key global player in climate negotiations, and supported European and international civil society coalitions.

In the UK, we have played a critical role in catalysing and coordinating civil society groups and have brokered numerous meetings between NGOs and the UK government on climate finance and sustainable energy. We have helped some of the most influential NGOs to increase their work on the Bank both in the UK and globally. For example, Christian Aid has now launched a campaign on the World Bank and energy access and Oxfam and Greenpeace have ramped up their efforts in this area. This is also true of smaller partners whose involvement in these issues has increased with the Project's support. We have also helped our network to pick up important but often overlooked dimensions of climate finance, for example co-hosting an event on the private sector's role in climate finance and energy lending.

The Project catalysed UK NGO engagement in the World Bank Energy Strategy Review in 2010, organising regular meetings with the UK government and drafting and coordinating joint submissions. The importance of collective civil society action was demonstrated during the approval of the Eskom coal project in April: officials told us that the UK government planned to vote in favour of the project, but civil society pressure – which we helped coordinate – persuaded them to abstain. This allowed UK NGOs to support global efforts led by South African partners.

We also continued to play a constructive role in supporting better civil society coordination and joint strategising both at European and international level. We have consistently led strategy discussions and drafted briefings in advance of key joint NGO advocacy meetings with European Executive Directors to the World Bank and others. We also played an active part in global NGO coordination on the energy strategy review and coordinated and supported the production of several joint NGO statements.

We have continued to support southern partners and networks in their work on the Bank's role in climate finance and energy lending. This included co-hosting events, including in Cancún, to amplify southern voices on climate finance. We have also consistently provided publications and political intelligence to support their campaign and policy efforts and have continued to be a leading source of information, analysis and policy proposals, with our work being used and read by other civil society organisations, think tanks, influential academics, officials, journalists and politicians. In addition to the impact of the regular news articles, analysis and reports we produce – covered below –

we also launched a regular publication which collates all the available information on developments in the Climate Investment Funds, housed at the World Bank.

b. International finance

In 2010 we continued to highlight the negative role that the IMF plays in some developing countries through policy conditionality, including austerity packages that harm the poor as well as forced liberalisation and deregulation, including in the financial sector. In Europe, we contributed to the work of active coalitions of development groups, environmental organisations and social justice advocates with analysis of the role of the financial sector in developing countries, particularly around health care and pensions in our *Social Insecurity* report, and increasingly in the economic crises in Europe.

After playing a major role in 2009 in Put People First, a broad cross-sectoral UK campaigning platform on the G20, we continued to work with BOND – the UK membership body for NGOs working in international development – to co-convene a UK policy working group on the G20 in 2010. This group served as a model for others globally and generated significant requests internationally for guidance. It also served to keep pressure on the government on demands for reform in the international financial architecture and global governance. The group had a number of meetings with the UK G20 Sherpa, as well as producing briefings for the UK prime minister and finance minister. The project mainly contributed expertise on IFI governance (see below) and financial regulation, as well as serving as a co-convenor.

We used the opportunity of the IMF's mandate review in 2010 to highlight the need for the Fund to rethink its role and move towards greater oversight of systemically important economies, acting as the leading civil society voice with a comprehensive view of how the IMF needs to change its way of working. We increased our attention to international monetary system reform and international financial flows, and worked with the G24 group of developing countries to produce briefings for developing country policy makers on these issues. We brought the development perspective on these issues to fore in meetings with financial policy makers in the UK and Europe.

c. Challenging the IMF on economic policy

Our work to highlight the negative social impacts of IMF lending and policy advice took a new turn in 2010 as we increasingly had to look at the impacts of Fund policy on poor and vulnerable people in Europe not just in the South. We worked with partners in Romania, Greece, Latvia, Ireland and other countries to highlight the problems with IMF-EU loan conditions and challenge the IMF-backed policies which have seen people, particularly the poor, bear the brunt of the losses associated with the crisis. This included meetings with European Union policy committees in Brussels as well as with European

and UK executive directors of the IMF. Work with partners in Greece intensified to help civil society organisations and allies around Europe to exert more influence on policy as the crisis there deepens.

d. Private sector development

Our work in bringing together NGOs to develop a proactive position on private sector finance from multilateral institutions bore fruit with the publication of *Bottom Lines, Better Lives* in early 2010. This shared agenda provided a platform for increasing civil society attention and advocacy on private sector issues, particularly the growth of financial intermediary lending. This informed advocacy, for example, on the IFC's performance standards review. It was also the focus of cross-European research that led to a strategy session held by the Project in London in November, which saw the creation of an active NGO group to work on the issue of financial intermediaries.

e. Changing the European Investment Bank's (EIB) mandate

We also focused on changing the EIB's mandate for lending outside the EU, making use of a European Court of Justice decision and subsequent investigation by a high-profile 'wise persons panel' to tie the lending practices of the EIB more closely to explicit development criteria that are enforceable by law and mitigate social and environmental risks. The new mandate proposal by the EC reflects the success of this strategy, including far more concrete development objectives that we intend to ensure are enforced over the coming years. We will continue to advocate for further progressive changes in the mandate, as well as in a forthcoming similar exercise in revision of the Investment Facility, under which EIB undertakes most of its African lending.

Increasingly, we are also focusing thematically as well as institutionally, looking at key issues in which the EIB is involved that transcend the bank itself. In November 2010 we organised a ground-breaking conference on 'the private sector turn' in development finance, looking at how the EIB and other IFIs are putting vast new volumes of support into financial intermediaries and equity funds rather than traditional project finance. That shift requires a fundamental rethink in how NGOs confront and counter IFI investments, as well as the development of new networks of NGOs across North and South that can keep pace with new developments in lending. Working as part of the CounterBalance network, the Project is at the forefront of that process, working much more closely with a wider range of NGO groups than previously, as well as making contacts with experts in finance and infrastructure provision who can help us understand the rapidly changing landscape of privatised development.

f. Demanding meaningful changes to IFI governance

The longstanding campaign of the Global Transparency Initiative (GTI), which we co-founded, led to a significant victory in 2010 when the Bank put into place one of the most open disclosure policies of any international institution. While there are still significant problems and more work to be done, this is a major leap forward and should mean that almost all Bank documents will become publicly available. We both supported collective advocacy and agenda-setting through the GTI and lead UK advocate efforts for change over many years.

However, reform of IFI governance structures has only seen glacial progress with small shifts in voting share at the Bank and Fund. We consistently pushed the UK government to adopt a more forward-thinking position on governance reform of both institutions and learned that we have been increasingly supported by UK civil servants, though Ministers have remained more resistant to change. We maintained a united European civil society position and coordinated advocacy, though we have not yet been successful in persuading all European governments to support our position. They continue to remain among the main blockers of substantial reform. We have also been the leading source of independent analysis, documenting the inaccuracies and exposing the ‘spin’ in official pronouncements of major change.

The longstanding civil society campaign for fair, merit-based, transparent selection processes at the IFIs, in which we have been a leading advocate, saw commitments to major change repeated by the G20 and IFI boards, but we have not yet had the acid test of a change of leadership at the IFIs, though that may happen in 2011. Our work on IFI governance and accountability also involved the publication of several articles, briefings and reports, including comprehensive analysis of voting share changes at the World Bank and IMF.

g. Human rights

We helped re-energise collective working by NGOs on the issue of human rights and began the development of an international cross-NGO strategy with northern and southern partners. We helped coordinate UK and international groups to influence the ongoing IFC performance standards review and supported civil society engagement with the UN’s Special Rapporteur on Business and Human Rights, John Ruggie. We also continued to advise organisations such as Amnesty International and Realizing Rights on World Bank-related advocacy and strategy. Finally, we tried to raise the profile of southern partners’ voices on these issues, including by publishing and disseminating their articles.

h. Infrastructure

Environmentally damaging energy infrastructure was one of the major focuses of our work in this area, as detailed above. We also raised the profile of the Bank's significant expansion of infrastructure financing at NGO strategy meetings, and through our *Update* and website. We drew attention to the re-emergence of large dam projects at the Bank and highlighted the Bank's failure to take up recommendations from the World Commission on Dams.

i. Other issues

In addition to the areas detailed above, we continue to support collective civil society advocacy and campaigning across a broad range of issues, mainly by providing advice, information and coordination support to coalitions.

j. Monitoring the UK at the World Bank and IMF

The change in government in the UK in May brought a period of review of UK policy towards the Bank, with a multilateral aid review announced in the summer, due to be complete in early 2011. The Project coordinated UK civil society groups' response to this review, drafting a joint submission on methodology, endorsed by a large coalition of UK groups, and prepared a detailed submission on IDA and the IFC, the parts of the World Bank Group under review. We co-chaired several meetings with senior officials, and disseminated information and analysis across our network. It is as yet unclear whether the new government will continue the previous government's tradition of annual reports on the UK and the Bank, which set out objectives and progress achieved.

Throughout the year we continued to support coordination among UK NGOs to influence the IDA replenishment process, drafting a joint statement, organising a number of meetings with senior officials, and disseminating information and analysis. Advocacy was complicated by the change of government mid-way through the process, but the UK did pick up some of our key issues, in particular pushing for greater attention to gender. In the end, the UK's funding decision represented a qualified support for the Bank – sterling contributions will increase, but due to the fall in value of the pound, dollar contributions will fall, and thanks to the predicted rise in the UK's aid budget, UK funding to IDA will be lower as a proportion of DFID expenditure during IDA 16.

The change in parliament ushered in a new International Development Committee, which, recognising the importance of the institution and the strength of civil society concern, devoted early attention to the Bank. The Project prepared a submission and supported other NGOs to do so, and was one of three organisations selected to give oral evidence to the committee. The final report is due in early 2011.

The new government also brought changes in policy towards the IMF, but most notably a lessening of Treasury interest in international financial institutions and topics. We continued to engage the UK executive director to the IMF, and the Treasury, with particular focus on the issues around the IMF's mandate and how the UK can contribute to an international financial architecture that is beneficial for developing countries. The UK, under the new government, has taken a step backwards in terms of transparency and reporting on its activities at the IMF, which the Project has highlighted with parliamentarians and officials.

3. NETWORK STRENGTHENING

a. UK networks

In addition to working in coalitions on different issues, as outlined above, we have also continued to play a key role in maintaining active networks for information sharing, joint strategising and collective advocacy and campaigning both internationally and in the UK. The UK BWI network of UK NGOs focusing on IFI reform now numbers nearly 170 individual participants from around 80 organisations. We have continued to maintain this network and coordinate meetings with the British government, including quarterly meetings with UK Executive Directors (ED) at the Bank, semi-annual meetings with the UK ED at the Fund and six-monthly meetings with ministers for international development.

We coordinated UK NGO input and provided continuity in issue coverage in these regular meetings, where NGOs raised key points such as: the IMF analytical work on financial transaction tax; IMF mandate review; IMF capital account mandate and management techniques; IMF taxation policy and governance reform; World Bank internal reforms; IFC performance standards; carbon finance; palm oil; and the UK government's approach to the World Bank. Other issues covered included conditionality, debt cancellation, the IMF's work for the G20, and its idea for a Green Fund and use of special drawing rights (SDRs) for climate finance.

b. European networks

We have continued to help make the EuroIFI network an effective way of coordinating advocacy, campaigning, research and strategising among European NGOs. The Project continued to co-organise strategy meetings every six months in 2010, with a March meeting held in Berlin and a September meeting held in Lisbon, while the EuroIFI listserv remains an active tool.

Thanks to the coordination work of our partners Eurodad, we continued to have at least semi-annual meetings with both the IMF and World Bank executive directors from Europe. In 2010, we met with Bank EDs three times to discuss issues such as IFC performance standards in relation to human rights; IFC lending to financial intermediaries; internal World Bank reform; the Bank's involvement in climate finance; and its palm oil and energy strategies. There were also two meetings held with European IMF EDs, covering conditionality and fiscal tightening in low-income countries; the IMF mandate with a focus on surveillance, monetary system and capital account policy; unemployment and IMF-ILO relationship; and IMF governance.

We have also participated in the pan-European finance strategy group which is now leading to new forms of advocacy and institutional pressure in Brussels. Moreover, we also met with the European Councils' Economic and Financial Affairs Committees' Sub

Committee on the IMF to discuss IMF governance and mandate issues, as well as conditionality in low-income countries and Greece.

The effectiveness of our work with the CounterBalance network in raising the profile of the EIB among EU member states, European parliamentarians, NGOs and the media was demonstrated when the European Parliament's Development Committee made the EIB its main topic of focus in the new parliament. Our continued efforts to increase media scrutiny of the EIB are bearing fruit, including a front page article in the *Observer* business section and BBC interviews.

c. International IFI networks

We have provided key strategy inputs as well as briefings and background materials to support southern partners and southern networks working on a range of issues including climate finance, energy lending and IMF loan conditionality, as detailed above.

We continued with follow-up from an end-2009 strategy session hosted in London on reforming international finance. While the incipient network did not launch a formal process for a coalition, the follow-up discussion in early 2010 helped bring together key actors from the North and South to discuss finance. One practical result has been that a subset of the group served as the seed for the formation for an international campaign on regulation of commodity derivatives.

4. OUTPUTS

a. Bretton Woods Update and website

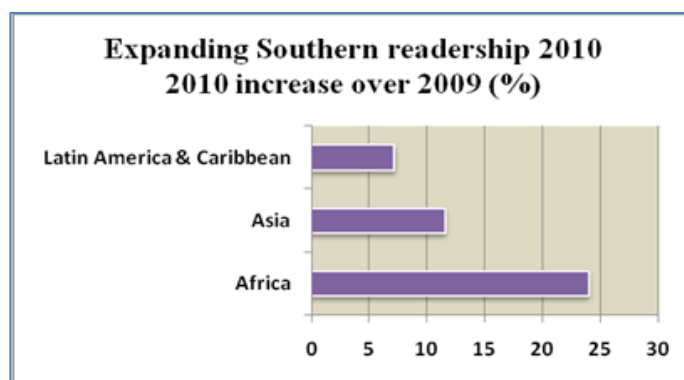
The *Bretton Woods Update* is a unique bi-monthly digest providing reliable and well-respected independent information and analysis on key World Bank and IMF initiatives, policy trends, projects and debates. It is read by northern and southern key officials, journalists, NGOs, activists and researchers. Each edition of the *Update* now includes an ‘At Issue’, which is a two-page insert that provides an in-depth, academic perspective into a key issue.

An external strategic review of the Bretton Woods Project undertaken in 2010 demonstrated the widespread appreciation and significance of the *Update*. One interviewee commented that the *Update* “contains research information not found elsewhere, a unique source of analysis on the IFIs with wider breadth than any other organisation ... The *Update* is also timely – it is important for people to find out what happened last month, not six months ago. Content is rigorous and reliable.” Another described it as “foundational, if you got rid of it there would be a huge gap”.

The English version of the *Update* enjoys a readership of over 10,000 readers. After an increase in visits of 25% in 2009, the number of visits to the Project’s website grew by a further 8% in 2010, regularly receiving around 1,000 unique visitors a day.

The Bretton Woods Project continues to support input from southern partners. In 2010 we have launched ‘Guest Analyses’, mainly from southern partners, to be included in every *Update*. Additionally, all *Updates* contain a ‘Comment’ article, which is authored by a southern contributor.

This year has shown an increasing number of southern visitors to our website. After an enormous increase by 70% of our readership in Latin America and the Caribbean in 2009, the chart shows that numbers continue to grow throughout 2010, with an increase of almost 25% in African readers.



Spanish online readership continues to increase, driven especially by Latin American countries. Mexico ranks third in terms of visitors to the website, with more than 11,500 in 2010. Our web statistics show that non-English and Spanish native speakers read the *Update* in significant numbers suggesting scope for translating into other languages.

b. Southern ‘comment’ pieces in 2010

These are all available on our website:

www.brettonwoodsproject.org/comments/index.shtml

- *Human rights and the World Bank’s energy policy*, by Romina Picolotti and Jorge D. Taillant, Argentina
- *Eskom loan blackens the World Bank’s name*, by Bobby Peek, South Africa
- *The Greek crisis and the involvement of the IMF*, by Elena Papadopoulou, Greece
- *Climate sabotage: Bank undermines direct access to UN Adaptation Fund*, by Red Constantino, Philippines
- *Low carbon options ensuring energy security and energy access for all*, by Srinivas Krishnaswamy, India

c. Briefings published in 2010

These are all available on our website:

www.brettonwoodsproject.org/briefings/

- *Update on the Climate Investment Funds (1 and 2)*, by the Bretton Woods Project
- *The World Bank and energy: time for a catalytic conversion*, by the Bretton Woods Project, Christian Aid, Greenpeace, Practical Action, Tearfund, WWF UK
- *Funding the World Bank - The sixteenth IDA replenishment: Major reform must be the price of UK support*, by ActionAid UK, Action for Global Health, the Bretton Woods Project, Health Poverty Action, Oxfam, Results, Stop AIDS, Tearfund, UK Aid Network, and the World Development Movement
- *Fuelling contradictions: the World Bank's energy lending and climate change*, by the Bretton Woods Project, Campagna per la Riforma della Banca Mondiale and Urgewald
- *Analysis of World Bank voting reforms: Governance remains illegitimate and outdated*, by the Bretton Woods Project
- *IMF mandate needs fundamental rethink*, by the Bretton Woods Project
- *The International Monetary System and Financial Instability*, by Barbara Sennholz, Peter Chowla and Jesse Griffiths, G24 Policy Brief No 52
- *Clean energy targets for the World Bank: Time for a recount*, by the Bretton Woods Project
- *IFI governance reform: Short-changing developing countries?*, by Jesse Griffiths
- *Rethinking the IMF's capital account mandate*, by Peter Chowla
- *Adjusting foreign investment: Capital account policy for sustainable growth and international development*, by Henrike Allendorf
- *The World Bank: Access or impediment to climate finance?*, by Ama Marston
- *Out of sight, out of mind? IFC investment through banks, private equity firms and other financial intermediaries*, by the Bretton Woods Project and Ulu Foundation

- *Human rights (the World Bank way)*, by Kirk Herbertson, Kim Thompson and Robert Goodland
- *Repaying bondholders while immiserating people: Ireland's EU-IMF programme*, by Andy Storey, Ireland

d. Reports and policy papers

- *Social insecurity: The financialisation of healthcare and pensions in developing countries*, by Sheena Sumaria
- *Bottom lines, better lives? Rethinking multilateral financing to the private sector in developing countries*, by Action Aid, Bretton Woods Project, Campagna per la Riforma della Banca Mondiale, Christian Aid, Eurodad, and Third World Network
- *Submission on the World Bank and IFC to DFID's multilateral aid review*, by the Bretton Woods Project
- *Submission to the International Development Committee of the UK parliament: inquiry into the World Bank*, by the Bretton Woods Project
- *Fundamental change or more of the same? A review of G20 progress towards UK civil society recommendations*, by BOND, Bretton Woods Project, TUC, new economics foundation, and Stop Climate Chaos

5. STRATEGIC REVIEW 2010

In the first half of 2010, the Project undertook a comprehensive strategic review to define our strategy for the next five years. We commissioned an external review team, who spoke to selected representatives of: UK, European and international civil society organisations; officials in the UK government and at the Bank and the Fund; funders; academics; and journalists. Over 300 responses were received to an internet survey sent to our partners and others. A series of strategic discussions were held with the external team, staff and Steering Group members, and a final strategy was approved in August.

The new strategy envisions no major changes to the size or structure of the Project, endorsing the small expansion that has taken place over the past two years. Instead, it focuses on refining the vision, purpose and roles of the Project. The new vision and purpose are on our website and represent a sharpening rather than any significant change to previous such statements.

We will continue to focus on the Bank and Fund, but recognise there are times when a slight broadening of our focus is warranted – to support key networks that have the Bank and Fund as one of their targets, or to help collective civil society efforts on issues closely connected to the IFIs, for example. In such cases we will clearly identify opportunity costs, to prevent dilution of our Bank and Fund focus, and we will ensure that our approach is time limited, with clearly defined exit strategies. We have also used the review to build on our 2008 external gender audit and developed a plan which adopts a twin-track approach of both mainstreaming gender more effectively in our work and expanding our specific work on gender, as well as ensuring we are sensitive to gender issues within our organisation.

Similarly, the roles we will play will not differ significantly from the previous strategy:

1. *Watchdog and applied information provider* – Includes producing the Bretton Woods Update, maintaining the website, and developing relationships with key officials at the Bank and Fund and in the UK government.
2. *Network supporter* – Includes maintaining the active BWI-UK network of civil society organisations and supporting the Euro-IFI network, as well as working with international partners. Over the course of the strategy period we will increase our attention given to building our international connections and networks, particularly with southern partners.
3. *Advocate for reform on key issues* – As recommended by the external review team, we have adopted a cap of three high priority issues to ensure that we can devote sufficient resources to each to have an impact. We will continue to work on a limited number of other issues, but at a lower level of effort. During the next year we will review and improve our monitoring and evaluation systems to ensure we continue to be able to identify the impact we are having.

6. CONCLUSIONS AND CHALLENGES

The Bretton Woods Project made good progress against its goals in 2010 and our overall approach was validated by the external strategic review. The May election of a new coalition government in the UK has meant that we, and our network, will have to continue to invest time in dialogue and advocacy with new Ministerial teams.

With no new governance reforms planned until 2013, we will take the opportunity to revamp our strategy and work with others to refine our positions. With the Bank's role in climate finance increasing we will continue to dedicate special attention to its involvement in the issue, tracking developments and continuing to provide strategic inputs and supports to other NGOs on this and on the Bank's energy strategy review, which will be completed in 2011. This is likely to include beginning to look at a positive agenda with southern partners about what the Bank should be supporting.

Our work on international finance will continue to focus on informing and supporting joint civil society advocacy and campaigning in the UK, Europe and internationally. The increased attention by southern governments to the issue of how to regulate capital inflows to maximize their impact for development has given us the opportunity to forge new alliances with southern civil society groups for work on the IMF. The increased use of private sector financial intermediaries such as banks and private equity funds by the World Bank is an issue we also intend to help raise up the civil society agenda. We are currently helping coordinate an international group to jointly strategise and plan research on this issue.

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7. SUMMARY FINANCIAL STATEMENT 2010 ^(a)

	2009	2010
Income (GBP)		
NGO support (b)	44,335	28,595
CS Mott Foundation (c)	2,375	136,819
Ford Foundation	22,911	23,393
European Commission – EC (d)	66,010	54,550
Rockefeller Brothers Fund	44,180	46,397
Individual donors	1,235	474
Other (reimbursements for direct costs)	12,813	11,757
Total	193,859	301,986
Expenditure (GBP)		
Salaries	184,531	208,702
Travel	16,387	12,338
Computers and Office Equipment	3,359	3,517
Consultancy fees	13,922	31,888
Other Direct Costs	48,015	32,292
Total	267,331	288,739
Opening balance	122,228	48,756
Closing balance	48,756	62,002

In-kind contribution: The above figures do not include the generous contribution of ActionAid in hosting the project, which includes office space, technical and financial management support.

- (a) The Bretton Woods Project forms part of the financial statements of its host, ActionAid. These figures are provisional, subject to audit.
- (b) NGO support in 2009 came from the following organisations: Amnesty International, CAFOD, Christian Aid, Oxfam GB, Practical Action, RSPB, Save the Children UK, Tearfund, Trocaire, Helpage International, UNISON International, Water Aid, World Vision UK and WWF-UK.
- (c) The 2009 payment from CS Mott Foundation was delayed due to an administrative error and only appeared in 2010 accounts. It was also larger than normal because of favourable exchange rates at the time of the transfer.
- (d) EC funding for the Counterbalance network is received by the lead agency CEE Bankwatch Network and channelled to the project. EC funding for work on finance is received by the lead agency Eurodad before being channelled to the project.

The Bretton Woods Project is an ActionAid hosted project, based at 33-39 Bowling Green Lane, EC1R 0BJ, London, UK. ActionAid is a registered charity number 274467.