



Annual Report 2016

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1. 2016 YEAR IN REVIEW AT THE BRETTON WOODS INSTITUTIONS

1.1 Summary

2016 was characterised by continued concerns over the anaemic state of the world economy, which were exacerbated by mounting fear of an anti-trade, populist backlash. While the IMF and World Bank tried to soften their image through a rhetorical focus on inequality, women's 'empowerment' and support for environmental responsibility, civil society and affected communities saw little change in Bank and Fund policies and operations on the ground. In fact, both continued to press for increased reliance on the private sector and market-based solutions to meet the financing gap required to meet the UN's Sustainable Development Goals. This included demonstrating leadership on a push for increased cooperation among multilateral development banks (MDBs) with a focus on mega infrastructure projects, a reliance on public-private partnerships (PPPs) as a way to circumvent constrained fiscal space and a continued push for labour flexibilisation and other supposedly defunct conditionalities. Along 'the more things change the more they stay the same' theme, both institutions saw their respective European and American leaders re-appointed for a second term in significantly flawed selection processes.

1.2 World Bank

One of the key topics on the World Bank and IMF's development committee agenda during 2016 was forced displacement, referring to the ongoing refugee crisis, with the Bank putting itself forward as a key player in resolving the crisis. The Bank's eagerness to assume leadership was, however, not matched by a corresponding willingness to discuss its role in contributing to displacement, which came to prominence [in 2015](#) after a long delayed and highly critical internal review was finally made public. The Inspection Panel, the Bank's accountability mechanism, also launched its first report in a new series on "emerging lessons", which happened to be precisely on [involuntary resettlement](#).

Another major theme of 2016 was the growing cooperation among MDBs. The April spring meetings saw all the major MDBs lining up for the inaugural [Global Infrastructure Forum \(GIF\)](#), including the 'new kids on the block', the Asian Infrastructure Investment Bank (AIIB) and the BRICS' (Brazil, Russia, India, China and South Africa) New Development Bank (NDB). As a reflection of the supposedly harmonious relationship between them, the AIIB [signed a MoU](#) with the Bank to cooperate on projects. [Concerns remain](#) over how much this process will primarily facilitate controversial large-scale projects and a race to the bottom in terms of social and environmental safeguards. Despite the Bank telling CSOs repeatedly that they don't "push" [PPPs](#), this was very much the word of the day at the GIF and elsewhere. The question remains whether these contracts lock poor countries into social, economic and environmental disasters, where the governments have to pay premiums to 'minimise the risk' to the private sector. As the year came to a close, [the Bank signed up](#) to another controversial MDB-funded mega project deal, the Southern Gas Corridor – however, less advertised was its retreat from previously much-promoted mega projects, most significantly the Inga 3 hydropower project in the Democratic Republic of Congo.

After a fraught four-year process, the Bank's [new social and environmental framework \(ESF\)](#), replacing the safeguards, was approved in early August. Despite the lengthy consultation process, civil society remained unconvinced and continued to accuse the Bank of ["diluting"](#) its responsibilities and the protections afforded to communities by the framework. Many details are yet to be clarified, not least the Bank's commitment to consulting on the guidance notes, which will set-out the ESF's implementation. Moreover, given that development policy lending was never included in the safeguards review, civil society is now calling for discussions on this big loophole to be put back on the table.

Gender continued to be a prominent theme of both the Bank and Fund's recent [research and PR](#). The March launch of the UN High Level Panel on Women's Economic Empowerment (HLP) featured a host of big names, including Fund managing director Christine Lagarde and Bank president Jim Yong Kim. The World Bank says it is now implementing its [2016-2023 gender strategy](#), launched in December 2015, with the now familiar mantra of the private sector's key role in its implementation, but little

information on the implementation has been shared with civil society. In October the Bank launched its task force to tackle gender-based violence, but without the inclusion of a single women's group or clarity on its commitment to implement the Task Force's recommendations.

Another topic featuring on the side lines during the year was the follow up to the Paris Agreement on climate change, signed off under the UNFCCC process in December 2015. During the spring meetings the Bank put itself forward for a key role in the implementation of the agreement, including through its low-income country arm, the International Development Association (IDA), but [concerns remain](#) about how much the Bank's work is actually contributing to rather than mitigating climate change. Questions were also raised about whether climate finance will primarily go through the UN's Green Climate Fund or the Bank-hosted and MDB-led Climate Investment Funds (CIFs), with the implementation of the CIF's so called '[sunset clause](#)' yet again postponed. Moreover, the Bank's lofty words on climate change continued to be tarnished by new reports outlining the Bank's [continued investment in fossil fuels](#).

Finally, 2016 saw the latest round of canvassing for the [replenishment of IDA](#). While the Bank reported a successful round in terms of an increase in funds from \$52 billion from the previous replenishment round, IDA17, to \$75 billion for IDA18, worryingly a third of this is expected to be raised from the capital market. In another controversial move, IDA18 also saw the Bank introduce a new IDA private sector window, in collaboration with the Bank's private sector arm, the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA), particularly focusing on fragile and conflict-affected states. This raises serious concerns on how the IFC will be able to operate effectively in these difficult and complex environments, given its [poor track record](#), even in 'less challenging' contexts.

1.3 Private sector and IFC

The Bank's push for leveraging the private sector continued to gain strength. Its support for PPPs and reliance on IFC investments, including through financial intermediaries (FIs), despite well-documented negative impacts, remained undiminished. In the current difficult economic context in which government budgets and fiscal space are under increasing strain, or are presented as such, the lure of the 'risk-free' private sector investment and market solutions to the provision of essential social services, including low-fee for profit schools or to pressing environmental issues will no doubt continue to appeal.

Adding to already ample evidence of the potential perils of IFC investments in FIs, 2016 saw the release of more detailed reports of human rights violations and environmental degradation linked to IFC-backed projects. The urgent need for international financial institutions to ensure that investments through FIs do not violate the rights of community members was tragically brought to light by the murder in March of Honduran activist Berta Cáceres, who had led local opposition to the Agua Zarca dam, linked to the IFC through an FI. The year closed with the release of a damning report detailing IFC's investments in coal through FIs, in contravention of the Bank's agreement to only fund coal "in rare circumstances" and despite repeated statements by President Kim about the need to end investments in fossil fuels. In no small part because of the leaked Panama Papers, momentum also continued to build on the need for responsible tax policies by international financial institutions, with light shed on IFC investments in companies that use tax havens.

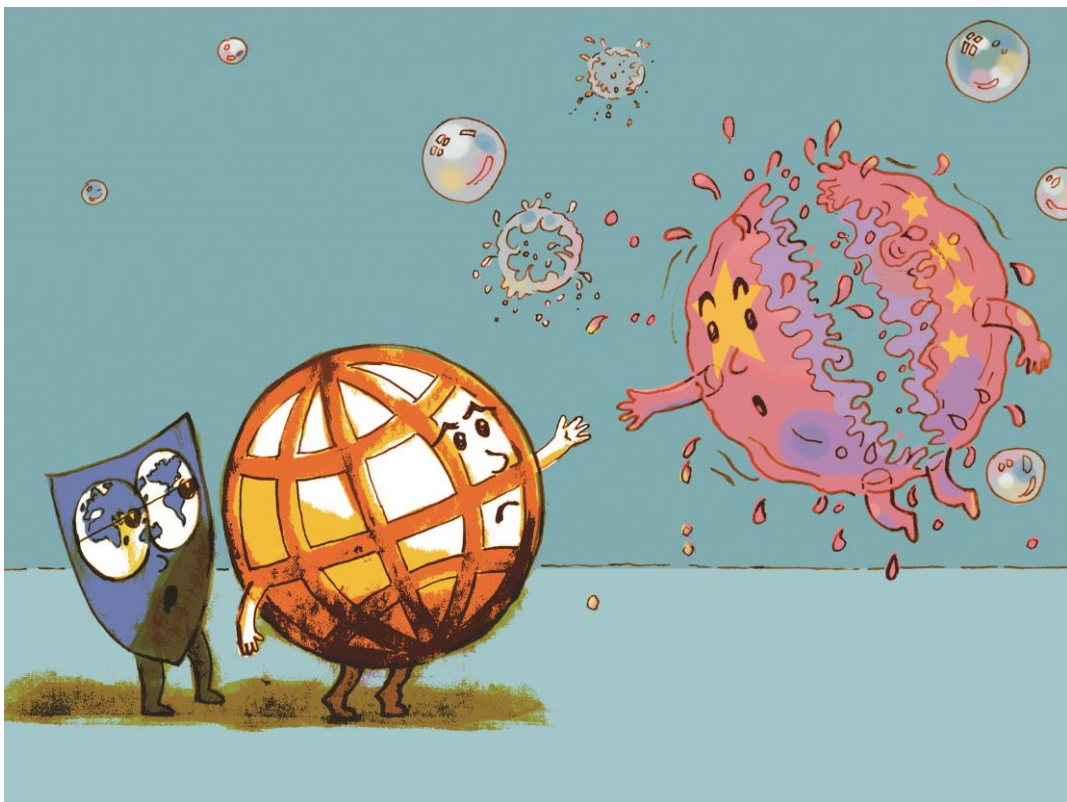
1.4 IMF

The IMF's traditional role of monitoring and safeguarding the global economy regained prominence in 2016. It is now deemed to be at the "apex" of the world's Global Financial Safety Net (GFSN), a new buzzword meaning the patchwork of partial and emerging regional financial mechanisms intended to act in crisis. The continued presence of dark economic and political clouds on the horizon explained the announcement at the annual meetings of a \$340 billion contribution by 25 IMF members, as bilateral creditors to the Fund, to "maintain the IMF's lending capacity". This replaced a \$393 billion agreement from 2012, which had not been drawn on but was a significant element of the IMF's lending 'firepower'.

Perhaps chastened by a damning report from its Independent Evaluation Office (IEO) on the Fund's role in the Ireland, Greece and Portugal programmes, the IMF painted the Greek government and the European Commission as overly optimistic in their projections and has continued to waver on its participation in Greece's third Troika loan programme, signalling a break with its role during the previous six years. The IMF's 'rebranding efforts' continued with a series of well-publicised papers on the perils of inequality and [an article](#) published in the IMF's in-house magazine which appeared to question orthodox 'neoliberal' policies long-associated with the IMF, such as removal of restrictions on capital controls and fiscal consolidation. The Fund has also embarked on what it terms 'macro-structural' analysis to incorporate its emerging policies on gender and inequality.

A high-level seminar during the spring meetings including David Lipton, first deputy managing director of the IMF, made the macro-critical case for gender equality and came to the consensus that we have to "move faster and push the envelope" on gender equality, including at the IMF. Whether that means that the Fund's gender surveillance pilots will evolve systematically to lending facilities and technical assistance that approach gender equality in a less instrumentalist and more coherent way remains to be seen.

The IMF's 2016 World Economic Outlook focused on the continued threat of subdued demand and, as was the case with the World Bank's "Forward Look", the related perils of anti-globalisation and trade sentiments, noting the need for policy frameworks that "mitigate the adverse income-distribution effects of economic changes, whether due to technology, globalisation forces, or other developments" and provide "better social insurance mechanisms and appropriate income tax". As the year saw quite a few eye-catching statements by the Fund on neoliberalism, inequality, labour reform, etc., civil society turned its attention to gauging the extent to which the change in rhetoric was matched by country-level policy changes.



Bretton Woods Observer illustration, Winter 2016, Debt bubbles "popping" in emerging economies

1.5 Governance

The ‘cursory’ and early [reappointment of Kim](#), another American man, as World Bank president in September and the reappointment of French Christine Lagarde as managing director of the IMF earlier in the year was further evidence of the slow-pace of structural changes in the governance of both institutions and ensured that the division of leadership of the Bank and Fund between the US and Europe remains unchanged. This was only reconfirmed by the fact that Lagarde retained her post despite her being subsequently [convicted of negligence](#) in a corruption scandal by a French special tribunal in December.

The closing of civil society space globally remained a pressing concern in 2016 and took many forms, from laws that restrict NGO campaigning to the intimidation of and violence towards human rights defenders. The Bank’s approach to civil society engagement was unflatteringly reflected in [Kim’s dismissive attitude](#) of civil society concerns during the annual meetings. This was particularly troubling in light of the persistent concerns raised by civil society about systemic problems, such as the Banks unwillingness to live up to its [human rights obligations](#) and ensure effective protection of communities through robust safeguards.

Work on the World Bank’s [shareholding review](#) continued with a “[dynamic formula](#)” presented at the October annual meetings. However, questions remain whether earlier disagreements on how the formula should balance GDP and contributions to IDA have been resolved. An agreement of the specifics of the new shareholding framework is expected by the 2017 annual meetings. Governors were also busy discussing the future of the Bank, through its secretive “[Forward Look](#)” process, which was presented at the October annual meetings. As expected, the document highlighted the Bank’s continued relevance as the premier development institution and stressed its importance in fostering inter-agency cooperation (read collaboration with other MDBs on mega infrastructure projects). Also dispiritingly, but unsurprisingly, the Forward Look continues to beat the drum for leveraging of private sector finance through ‘de-risking’. In a reflection of mounting anxieties about growing anti-globalisation and populist sentiments, the document asserts the Bank’s key role in “support[ing] trade, openness, and free markets as essential conditions for growth and poverty reduction, and in leading a global agenda to address and mitigate the risks of globalisation”.

2. BRETTON WOODS PROJECT’S ADVOCACY

2.1 Challenging IMF policy

Throughout 2016 the Project has worked to highlight that the Fund’s influence is prevalent again, with the reality or threat of conditionality as central to this increased influence over states. The Project’s role in this regard has been pivotal as international civil society responses are marked by a limited general base of knowledge on the issue particularly as conditionality has become more opaque, indirect and not just contingent on financing. Criticism of Fund conditionality is deflected more adroitly, and conditionality is framed more delicately and sometimes applied more selectively than before.

The Project has underscored the key role played by the Fund in issues of economic reform, including surveillance and crisis prevention, not just crisis responses, and has sought to show that it has consolidated its institutional pre-eminence. This evolution has created new avenues of engagement, whereby Fund conditionality is being imposed not just via conditions of lending to countries in crisis. It is interceding more visibly in a range of ‘novel’ policy areas, having a significant voice in tax policy (via its spill overs work), energy subsidy reform, inequality and gender-sensitive macroeconomic policy.

The Project continued to support local civil society in highly context-specific situations where the IMF was a significant actor such as in the Middle East and North Africa (MENA) and the Central and Eastern European (CEE) regions in particular. The Project has also worked to strengthen the interaction

amongst European civil society groups. This has required time to build new networks and support novel relationships amongst CSOs. The Project has been successful in building connections to activist networks, formal NGOs, trade unions, political groups and networks connecting these generally and in the above-mentioned regions in particular.

The Project has been active in influencing the Fund's process for evaluating the impact of policies on social protection, i.e. initiatives which address poverty, vulnerability and other social risks such as unemployment and disability. In April the Project hosted a consultation with the Independent Evaluation Office (IEO) of the IMF as part of their evaluation process and was involved in an informal IMF working group on social protection. The evaluation covered 2006 to 2015 and asked: "Has the IMF's role in social protection been appropriate given its mandate in member countries? How well has the IMF addressed social protection issues in its work? And to what extent has its work on social protection been effective and perceived as such by member countries?" BWP's role ensured that perspectives from social protection experts, civil society and academia are incorporated into the evaluation.

We worked alongside the Center for Economic and Social rights on an *At Issue* interrogating the human rights impact of the IMF's loan to Egypt. *Egypt's new IMF deal comes with a huge price tag for human rights*, authored by Mahinour El-Badrawi and Allison Corkery, detailed the human rights impact of the loan in light of concerns over the effect on employment conditions, the right to education, healthcare and social protection.

Challenging IMF policy on gender

The IMF took significant steps in the latter half of 2016 including the September launch of a collection of its gender focused work and work on gender responsive budgeting supported by the UK's Department for International Development. The Fund incorporated some of its longstanding research output into policy advice and conditionality attached to new lending programmes. This represents the IMF breaking new ground, though the implications on women's empowerment and gender equality are complex and not automatically positive.

Capitalising on the Project's in-depth knowledge of development finance and understanding of the IMF in particular, the Project turned its attention to the negative impact on gender equality of the conventional macro-economic policies currently promoted by IFIs. The Project has begun to examine the implications of current policy approaches on gender and to identify changes needed to achieve women's economic empowerment and gender equality in its macroeconomic policies. In doing so, the Project has worked to bridge the gap in capacity between the gender and economic policy communities and to partner with a cross-section of civil society to share resources and develop a shared advocacy strategy. The Project has used existing platforms of engagement to pressure stakeholders to incorporate gender equality considerations into macro-economic policy making.

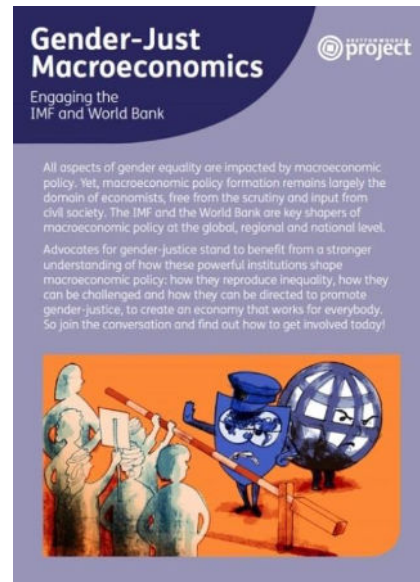
The Project has capitalised on the momentum provided by the increased attention given to gender issues by the IMF, the World Bank, other IFIs and the UK government during the past year by participating in and contributing to several high-level events during 2016, several of which in close cooperation with Oxfam GB.

At the April IMF and World Bank spring meetings in Washington, the Project, together with Oxfam and the Center for Social and Economic Rights hosted a session at the Civil Society Policy Forum (CSPF) titled [*Missing the bigger picture for women's economic empowerment? Wages, labour and taxation policies in focus*](#). The well-attended panel discussion benefited from the participation of Kalpana Kochar, the IMF's lead on gender issues. In an effort to reach out to a wide variety of civil society stakeholders, the Project contributed to discussions at the International Association for Feminist Economics (IAFFE) conference in May and UNCTAD in June. As a reflection of the impact of the Project's work, the IMF co-hosted one of its official events with civil society for the first with the Project and ActionAid. The event titled [*Making Macroeconomics Work for Women*](#), featured discussions on gender-just macroeconomic policy by a diverse set of speakers and represented the

first time the IMF permitted civil society to draft and propose a seminar during its own official event, which in this case benefited from a majority voices being critical perspectives. This represented a unique opportunity for BWP to influence a wider audience of IMF, Bank and other senior officials.

In addition to organising high-level events, the Project has also published several [briefings and articles](#) on the links between macro-economic policies and gender. For example, it contributed to Oxfam's [HerSeries Blog, rightingfinance](#) and benefited from the [contribution](#) of Oxfam GB's Gender Policy Adviser to the Project's Winter 2016 *Observer*.

In September, BWP published its second briefing titled *Gender-Just Macroeconomics; Engaging the IMF and World Bank*. The publication provides an introductory guide on to how to approach macroeconomics from a gender perspective and an examination of the role the IMF and World Bank play in shaping macroeconomic policy around the world. Principally aimed at civil society, feedback from this audience indicated that such accessible resources are much needed and appreciated. The Project produced an [Arabic-language](#) version of the briefing in response to a request by Jordanian women's rights organisations interested in engaging on macroeconomic issues, including the development of strategies to address the impact of Jordan's recent IMF loan programme.



In mid-2017 an edited volume will be published by BWP examining some of the most commonly prescribed IMF macroeconomic policies and their negative impact upon women's rights and gender equality. BWP met with the IMF staff members leading on its gender work in October, while attending the annual meetings of the IMF and World Bank. The Fund confirmed in that meeting, and later publically, that they will be focusing on analysing gendered impacts of IMF lending programmes throughout the next year, which constituted the third and key recommendation provided in BWP's first briefing, *The IMF and Gender Equality; A Critical Analysis*. BWP considers this work to be crucial in moving the IMF towards the acknowledgement that its conventional policy advice undermines gender equality.

2.2 Demanding accountable governance

In advance of the 2015 annual meetings in Peru, the Project organised and drafted a letter to World Bank president Kim and IMF managing director Lagarde raising concerns about the CSPF. A follow-up discussion between civil society and Bank and Fund staff attended by over 100 people was held during the spring meetings in Washington DC in April 2016. The discussions resulted in the establishment of an interim working group that was tasked with continuing to push forward with proposed improvements to the CSPF. The Project was subsequently closely involved in the formulation of the group's terms of reference and helped to organise a meeting of the group during the October annual meetings, which was also well-attended and resulted in vigorous discussions among a diverse group of participants. While the meeting did not result in the development of a permanent CSO group as initially foreseen, the discussions proved useful in bringing in groups that had previously been unengaged, thus helping to potentially expand the constituency of those advocating for CSPF reform.

CSO pressure has led to some progress on key CSO demands. Some CSO events were held at the IMF main building during the annual meetings, which resulted in good attendance by IMF and World Bank officials. Additionally, workspace within the IMF main building, adjacent to the press office was made available to CSOs, and the schedule of the CSPF events is now available at the main annual meetings website. Given that the twice-yearly forum provides a diverse and global civil society community rare access to senior IMF and World Bank management and staff, senior government officials and the international media, the changes above constitute a step in expanding the space available for more

impactful exchanges between civil society and the Bank and Fund and for greater scrutiny of their policies and programmes.

In August, World Bank president Kim put his name forward for re-election well in advance of the end of his term in June 2017, which led the Bank to initiate a three-week nomination period for the election of the president. While the process was much earlier and shorter than anticipated, the Project nevertheless re-established and promoted its website www.worldpresident.org to increase transparency and debate over the selection process. The website, on which several blog posts were published and which was active until Kim's official reappointment, attracted critical comments from civil society partners and current and former senior World Bank staff. We also covered the fraught election process in a cover article of the Autumn *Bretton Woods Observer*. Again, while the website did not result in a more open and meritocratic selection process, it did allow civil society to register its concerns, thus ensuring that pressure for change is maintained.



Bretton Woods Observer illustration, Autumn 2016, One man, one vote, one option

The Project has worked extensively to push for International Financial Institutions (IFIs) accountability, in particular via regular meetings organised by the Project to facilitate deeper CSO engagement with greater attention to the institutions, and a number of CSO outreach engagements organised by senior Bretton Woods Institutions officials, in particular at spring and annual meetings.

The Project has continued to cover IFI governance issues (including developing country representation) and the international financial architecture via contributions to discussions, such as the human rights and infrastructure roundtable organised by the Coalition for Human Rights in Development at the October annual meetings and coverage in the Project's materials. The Project also outlined recent and ongoing governance reforms at the Bank and the Fund in an *Inside the Institutions* article for the Spring *Bretton Woods Observer*.

In addition to the coverage of the leadership selection process at the Bank, as mentioned above, the Project covered events related to the World Bank shareholding review, principally by raising the questions of reform during advocacy meetings with EDs, raising the issue in meetings with DFID and through articles in the *Bretton Woods Observer*. Similarly, the Project organised and contributed to the discussions in several meetings with World Bank and DFID officials on issues related to the replenishment of IDA18.

2.3 Private sector development

The Project's work on the role of the private sector aims to change the structure and governance of the IFC so that it supports the development of national, democratically controlled institutions, which support national and local enterprises that contribute to pro-poor sustainable development. A key element of this approach is to challenge the IFC's model of financial sector development, and the role it assigns to financial actors in the development process.

Alongside several partner organisations we continue to coordinate global advocacy towards the IFC on its support to financial intermediaries, particularly focusing on the detrimental impact of inadequate disclosure of FI investments and the negative environmental and human rights impact of IFC investments in FIs. This year the Project participated in several high-level meetings and events with senior IFC management, World Bank European Executive Directors and DFID officials in which it advocated for substantive changes on both fronts. Through the Development Finance Institutions Working Group chaired by BWP, the Project has assisted partners to plan and organise advocacy efforts around the recently produced Inclusive Development International, Urgewald and partners reports *'Disaster for us and the planet: how the IFC is quietly financing a coal boom'* and *'Outsourcing development: Lifting the veil on World Bank lending through financial intermediaries'*. The release of the reports was accompanied by roundtable discussions at the annual meetings in Washington, one of which was attended by over 20 IFC senior staff. Continued pressure from BWP and partners has resulted in some movement on disclosure as the IFC has committed to pilot a 'voluntary disclosure' project with a number of commercial banks. This fact notwithstanding, the Project and others will continue to demand that IFC disclose all FI investments with a particular focus on high-risk sub-projects.

Together with nine other organisations, including Latinidad, Oxfam and Eurodad, the Project contributed to a report on DFIs and responsible tax behaviour: *'Development Financial Institutions and Responsible Corporate Tax Behaviour'* which was launched and discussed in a well-attended event in Brussels that included speakers from the IFC and other multilateral and bilateral DFIs.

2.4 Infrastructure

The Project has continued to push for infrastructure funding to be guided by ex ante principles with a pro-poor participatory approach that includes human rights due diligence, gender equity and social and environmental accountability. The Project pursues this through participation in meetings with officials and partners to highlight the dangers posed by 'mega' infrastructure projects in terms of their environmental and social impacts and their potential economic risks, and bringing attention to the fact that 'mega' infrastructure, and in particular, energy infrastructure, is increasingly being pushed as key to overcoming 'developmental barriers'. As an example, we highlighted the Bank's push for mega projects and PPPs on the front cover of the Spring 2016 edition of the *Observer*, released prior to the Bank spring meetings, underscoring issues such as debt risks and lack of transparency. We also participated in the inaugural Global Infrastructure Forum, attended by key MDBs, during the spring meetings, and raised questions about social and environmental issues. Notes from the forum were posted on our website as part of our regular spring meetings coverage, to allow further transparency of the event.

Where relevant, we have highlighted sector-related issues, such as projects in contradiction to the Bank's climate finance work, and the social and environmental impacts of controversial infrastructure projects. For example, in the Winter 2016 edition of the *Observer* we summarised key climate concerns related to the Bank's push for large-scale hydropower. We have also monitored some of the developments with the Asian Infrastructure Investment Bank, including updates in the *Observer*, and some initial coordination of NGO meetings at the UK level.



Bretton Woods Observer illustration, Spring 2016, World Bank rolls out the carpet for “troubled megaprojects” and PPPs

2.5 Climate finance

The Project has continued to lead efforts on climate finance, in particular providing expertise on the World Bank-hosted Climate Investment Funds (CIFs)¹. In 2016 BWP remained the only organisation actively monitoring all CIFs through the *CIFs Monitor*. In light of the importance of the CIFs in terms that go beyond their financing, the Project’s critical attention to an otherwise seldom-examined funding mechanism provided an important service to counterparts interested in climate finance generally and its impacts on affected communities. The CIFs CSO and indigenous peoples’ observers remain key audiences for the *CIFs Monitor*, and also provide input and feedback as peer reviewers of first drafts of individual chapters. The utility of the *CIFs Monitor* was noted by an observer for indigenous peoples who wrote: “I have found *CIF Monitor* to be informative, helpful and useful [to] structure our own thoughts in engaging with others in sub-committee meetings ... and in our reports to constituencies.”

We have also worked with other CSOs, including Friends of the Earth US (FoE), Heinrich Boell Foundation and ActionAid, to draw and highlight lessons from the CIFs for the Green Climate Fund (GCF), including through a FoE-hosted roundtable discussion at the World Bank spring meetings in April 2016. In October, elements of this discussion were used to frame an event co-organised and hosted with FoE US during the World Bank annual meetings CSPF, looking at GCF and safeguards in more detail, and including indigenous peoples speakers from Kenya and Indonesia.

CIFs Monitor

A biannual review of developments at the Climate Investment Funds
PDF | Past Issues

CLIMATE FINANCE analysis

Climate Investment Funds Monitor 14

30 NOVEMBER 2016



New edition of the Bretton Woods Project’s biannual Climate Investment Funds (CIFs) Monitor, including an update on the Green Climate Fund, published to coincide with the World Bank-hosted CIFs trust fund committee meetings.

¹ The **Climate Investment Funds (CIFs)** were designed by developed and developing countries and are implemented with the [multilateral development banks](#) (MDBs) to bridge the financing and learning gap between now and the next international climate change agreement. The funds were [approved](#) by the [World Bank](#) Board of Directors in July 2008.

Moreover, in June we co-organised a letter on the CIFs' 'sunset clause' with FoE US timed to coincide with the CIF trust fund meetings (also shortly before the GCF board meeting). The letter demanded that the CIFs close once a new climate financial architecture is operational. Signed by 100 CSOs, the letter highlighted that the CIFs were set up as "interim funds" and called for them to now start sunseting, and for donor countries to instead direct resources to the GCF. The letter caused concerns within the CIFs, with the CIF Administrative Unit contacting BWP's office several times to seek further information after hearing rumours that the letter was in preparation. CIFs representatives argued that CSOs are ill-informed and that the interpretation of the CIF sunset clause is ambiguous. The letter did not, however, have the intended impact as the CIF yet again postponed a decision on how to implement the clause and continued to expand their mandate.

The Project has also continued to engage with DFID on environment issues, in particular as the UK government is the largest donor to the CIFs and a board member of and contributor to the GCF. Through the UK NGO coalition Bond's Development and Environment Group, the Project raised issues about the CIFs and the GCF in meetings with the UK government. This included questions on the UK's continued financial contributions to the CIFs, despite the sunset clause, as well as the focus on the Clean Technology Fund, a fund under CIFs that primarily funds middle-income countries and which is now being further developed to potentially become free standing.

3 NETWORK STRENGTHENING

3.1 UK networks

The Bretton Woods Project has continued to coordinate and support the work of a network of UK NGOs with a focus on the World Bank and IMF. The Project has played a key role in helping UK NGO partners to organise meetings with the UK government, World Bank and IMF officials, including Executive Directors of the Bank and Fund. The Project has also chaired those meetings where appropriate. In so doing, we helped the network maintain pressure on Bank, Fund and UK government officials by ensuring that policies and programmes of concern to civil society are brought to light and kept on the agenda for public discussion. In this respect, the Project has also been instrumental in highlighting to and educating UK CSOs on key ongoing Bank and Fund processes relevant to their objectives, such as the IDA 18 replenishment process. The network's attention to selected issues has made it difficult for officials to ignore the concerns of partners, including those of affected communities and other civil society organisations outside the UK. The Project was instrumental, for example, in organising UK network preparations and advocacy activities related to the World Bank consultations in the UK on the draft environmental and social safeguards framework.

3.2 European networks

The Project continued to play an important role in coordinating European work on the Bank and Fund, mainly through the EuroIFI network, which, despite its recent loss of funding, remains active and able to respond to political opportunities. The Project's contribution to the EuroIFI network was particularly effective in supporting linkages between the network and new Eastern European partners. Following our leadership in developing and receiving approval for a proposal to allow for the continuation and strengthening of the network in the absence of dedicated funding, we engage as a member of the EuroIFI steering group.

3.3 International IFI networks

The Project continued to provide a platform to partners and affected communities in the Global South through the commissioning of articles by Southern partners for its flagship publication, the *Bretton Woods Observer*. In the 2016 Autumn *Observer*, for example, the Project published a guest analysis by Tanzanian pastoralists analysing the impact of the World Bank's waiver of indigenous peoples protection in Tanzania and a comment by a human rights defender from Cameroon outlining alleged labour rights violation in a World Bank-funded project. The Project's long-established links with Southern partners ensures they can utilise its communications channels as an important opportunity to present their cases and concerns in their own voice. This is particularly valuable as Project publications are widely read by senior World Bank, IMF and UK government officials and thus provide

Southern partners' access to key decision makers in the North while also creating and strengthening contact and linkages within civil society globally.

4. OUTPUTS

The result of strategic review interviews with partners reaffirmed that the Project's role as a critical and effective information provider is greatly valued by partners. The review also noted that information provision is a fundamental cross-cutting activity on which much of the Project's watchdog, networking and advocacy roles depend as it allows the Project to keep current with institutional and thematic developments and to gather the requisite knowledge base required for its effective functioning. The Project's publications assist partners to develop their thinking, strategy and document their advocacy positions and act as the Project's 'calling card'. As noted above, its publications also assist in expanding the reach of Southern voices, experiences and viewpoints. Significantly, the strategic review also found that the Project's website is seen as a useful and unique historical archive detailing the evolution of topics important to advocates for change. According to the findings of the strategic review "leadership around information and information analysis" is seen by partners and officials as a key value added of the Project.

4.1 Publications



Global readership of our flagship publication the *Bretton Woods Observer*, a quarterly digest of independent information and analysis on key World Bank and IMF initiatives, policy trends, projects and debates reaches approximately 10,000 subscribers by email and post. In addition, 500 copies were distributed at the World Bank and IMF spring and annual meetings.

Last year the Project produced four issues of the *Bretton Woods Observer* in a variety of formats – digital online, hard copy, PDF and text versions. The magazine is distributed via post and a variety of email formats. The *Observer* is also translated into Spanish and distributed to a separate list of email subscribers, as well as to the Spanish-speaking email list IFIs en la mira.

We have continued to increase the number of comment pieces, guest analysis and *At Issues* by academics, trade unions and civil society in our publications. Doing so has

furthered our outreach and allowed for in-depth analysis on topical issues. Amongst of commissioned briefings and reports was *Rise of the global South and descent of the North?* by Daniela Prates of UNICAMP, Brazil and Luiza Peruffo of the University of Cambridge. Published in March the report challenged the notion of radical change resulting from a 'rising South' by examining the changing geopolitical environment and its impact on international financial architecture. A Bretton Woods Project briefing from October titled [Gender-Just Macroeconomics - Engaging the IMF and World Bank](#), has been translated to Arabic and printed. The Arabic version of the briefing was utilised by the Jordanian National Women's Commission for capacity building with local women's organisations.

The Bretton Woods Project monitors the gender balance and geographical representation of contributors by measuring how many male, female, Northern and Southern authors have contributed to articles in our *Observer* and *At Issues* and have been quoted in our *Observer*. This is done in an effort to ensure that the publications we produce are inclusive and reflective of the diversity of the global CSO community. The information guides the Project's approach to future publications. In 2016 we found that out of the 67 articles published over four *Observer* editions, 15 were written by external

authors and 52 in-house. Of the external authors 67 per cent were women and 33 per cent men. 33 per cent were based in the global South and 79 percent in the global North.

Out of 88 direct quotes featured in 2016, 39 per cent were attributed to women and 61 per cent to men, a one percent shift in favour of men from 2015. 23 per cent of quotes came from the global South and 77 per cent from the global North, compared to 37 percent and 63 per cent respectively for the previous year. We will continue monitoring these statistics in the upcoming years.

2016 <i>Observer Diversity Statistics</i>	Number	% of total
Articles		
Written by BWP	52	78%
Written by external authors	15	22%
<i>Total number of articles</i>	67	
Quotes in articles		
By women	34	39%
By men	54	61%
Based in global North	68	77%
Based in global South	20	23%
<i>Total number of quotes</i>	88	
Composition of authors		
By women	14	67%
By men	7	33%
Based in global North	14	67%
Based in global South	7	33%
<i>Total number of authors</i>	21	

Contributions by partners in Global South

- [A critical juncture for forests: Will the World Bank rise to meet the global challenge?](#), by Beatriz Zavariz, Pronatura Noroeste; Paulina Deschamps, and Rachel Baker, Bank Information Center, February 2016
- [Powerless: a call for World Bank community engagement in Nepal](#), by Shankar Limbu, Lawyers' Association for Human Rights of Nepalese Indigenous Peoples (LAHURNIP); and Komala Ramachandra, Accountability Counsel, April 2016
- [What is left of the rise of the South?: Sceptical prospects for multipolarity](#), by Daniela Prates, UNICAMP; and Luiza Peruffo, University of Cambridge, April 2016
- [PPPs as a model for development: An analysis of the African context](#), by Fanwell Bokosi, AFRODAD, April 2016
- [Lessons from Kenya: Why the World Bank must apply the Indigenous Peoples Policy consistently](#), by Jackson Shaa, Narasha Community Development Group; and Annabel Perreras, International Accountability Project, June 2016
- [World Bank turns its back on pastoralist communities in Africa](#), by Helen Tugendhat, Forest Peoples Programme, in collaboration with Tanzanian pastoralist representatives who prefer to remain anonymous, September 2016
- [World Bank project fails to safeguard the rights of workers in Cameroon](#), by Cameroonian human rights defender who preferred to remain anonymous, September 2016

Commissioned briefings and reports

- [IMF on gender and income inequality: from research to implementation](#), by Francesca Rhodes, Oxfam GB, February 2016

- [Rise of the global South and descent of the North? Exploration of the rise of the global South and its impact on international financial architecture](#), Daniela Prates UNICAMP, and Luiza Peruffo University of Cambridge, March 2016
- [China goes global with development banks](#), by Rohini Kamal, University of Massachusetts Amherst; and Kevin Gallagher, Boston University, April 2016
- [IFC claims “absolute immunity” to avoid justice. But will it hold up in court?](#), by Michelle Harrison, EarthRights International, April 2016
- [World Bank and IMF: Where do they stand on progressive and responsible taxation?](#), by Matti Kohonen, Christian Aid, August 2016

In-house briefings and reports

- [The IMF and Gender Equality: A Critical Analysis](#), June 2016
- [Climate Investment Funds Monitor 13](#), June 2016
- [Gender-Just Macroeconomics - Engaging the IMF and World Bank](#), October 2016
- [Climate Investment Funds Monitor 14](#), November 2016
- [Development finance institutions and responsible corporate tax behaviour. Where we are and the road ahead](#), joint report with ActionAid; Christian Aid; Counter Balance; Diakonia; EURODAD; Kepa; Latindadd; Tax Justice Network Africa; Oxfam and the Bretton Woods Project, November 2016

4.2 Website, mail-outs, social media and blogs

The Project’s website, updated almost daily, includes a rich source of news, comment, analysis and research, and is a critical source of information for our networks and followers. In the past year visits to the website increased by almost 11 per cent on the previous year. Over the same period the website had approximately 168,000 visitors in over 208,000 sessions, representing 287,500 page views. Visitors spend significant amount of time browsing our site - the second highest group of visitors (9,300) spent up to 10 minutes on our pages and the fourth largest group (7,800) up to 30 minutes. The top five countries in terms of sessions were the US, UK, India, Mexico and Colombia.

Last year the Project sent out 12 email alerts, highlighting key aspects of our work. The Project also disseminated the *News Lens* email, highlighting key media articles and civil society reports, to more than 2,600 subscribers, achieving an open rate of over 20 per cent. During the year some of the functions of the *News Lens* were reassessed and it was decided to send out the email on a bi-weekly, rather than weekly, basis. The *News Lens* continues to provide an important service to Project partners as it allows subscribers to benefit from the Project’s analysis of what constitutes particularly important issues, something which the strategic review noted partners appreciate, and to have easy access to coverage that provides a critical analysis of the Bank and Fund’s claims, rhetoric and norm construction.

In August, a blog was written for the Oxfam’s [HerSeries Blog](#) on the links between macro-economic policies and gender. In the same month, the Project re-established and promoted its website [www.worldpresident.org](#) to increase transparency and debate over the selection process for the World Bank president. The website, on which several blog posts were published and which was active until president Kim’s official reappointment, attracted critical comments from civil society partners and current and former senior World Bank staff. While the website did not result in a more open and meritocratic selection process, it did allow civil society to register its concerns, thus ensuring that pressure for change is maintained.

5. STRATEGIC REVIEW: Implications of geopolitical changes to the Project

The strategic review, which was completed in 2016, identified significant developments in the political economic environment in which the Project works. These include: the evolution of the international financial architecture resulting from the ‘rise of the BRICS’ as reflected by the establishment of new

IFIs, such as the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB); the resurgence of the IMF; the increasing importance of finance from non-Development Finance Institutions; the slow rate of economic growth globally and resulting pressures in emerging market and commodity export dependent economies; the questionable relevance of approaches premised on north-south divisions of states and civil society; and the increasing fragmentation of the advocacy focus of NGOs.

As noted by an external paper by Daniela Prates from UNICAMP in Brazil, “in the medium/long term, the new IFIs represent potentially strong contenders for the IMF and the World Bank” but Bank and Fund influence “will remain substantial in the foreseeable future”. This seems a particularly apt analysis in the current context of slow growth globally and in China, whose ‘rise’ was largely responsible for creating the conditions that enabled emerging economies to accumulate reserves and therefore achieve a certain degree of ‘freedom’ from the Bank and Fund’s influence. The extended economic growth in emerging market economies did not however result in transformational change or an escape from dependency on commodity exports. Coupled with the end of the ‘commodities super-cycle’ and continuing anemic global growth, these dynamics have begun to have an impact on many countries that had thought themselves free from dependence on the Bank and Fund, as evidenced by the proliferation of new financing programmes by both institutions to commodity-dependent economies that have been particularly badly affected by the economic downturn.

While the World Bank remained more relevant than some had predicted during the past five years, it is nonetheless operating in a more competitive environment, in which access to private finance has become more important and in which China, through various channels, has become an increasingly important player. As evident in the review and update process of the World Bank safeguards, the Bank has been forced to become ‘more responsive’ to borrower governments, who can now go elsewhere for finance. Civil society is consequently concerned that the Bank will contribute to a ‘race to the bottom’ in terms of environmental and social standards, which has also been evident in the new IFIs.

In light of the strategic review’s findings as outlined above and as a result of extensive discussions with the Project Steering Group and partners, the Project has decided against a potential expansion of its focus beyond the World Bank and IMF. While the Project’s vision and mission remain largely unchanged from the previous strategy, the Project’s new five-year strategy, which will be implemented from 2017-2022 anchors the Project’s work on an analysis of its contribution to an improvement in outcomes in three inter-related over-arching frames: **Environment, Human Rights and Democratic Governance**.

While the selection of the three over-arching frames was based solely on an evaluation of the Project’s work as it relates to its vision and mission, the Project recognises that they are also directly relevant to all aspects of the Sustainable Development Goals (SDGs).

6. LOOKING FORWARD

Having finalised its strategic review in 2016, the Project will begin the implementation of its 2017-2022 strategy throughout 2017. In light of the findings of the strategic review, the new strategy is not a dramatic realignment of the Project’s work, which remains premised on the understanding that, despite recent geopolitical changes (see section 5), the Bank and Fund continue to play a key role in the international finance and development arenas and that the Project’s focus on the Bank and Fund fulfills an important niche for the advocacy community. The Project will therefore continue to play its established role of watchdog, advocate, networker and information provider, which remains an important contribution to the advocacy community and appreciated by its partners.

In order to better ground the Project’s work and facilitate cooperation with partners working in other areas, the Project’s work during the period covered by its five-year strategy will be anchored on an

analysis of its contribution to an improvement in outcomes in three inter-related over-arching frames: **Environment, Human Rights and Democratic Governance.**

While the Project has taken a decision to maintain its focus on the Bank and Fund, it will continue to engage with and support the efforts of partners working other IFIs such as the AIIB and NDB where the Project's experience can be of use or when the cooperation and links between institutions warrants it.

As outlined in its theory of change, the Project's capacity to '*build and maintain a strong information and evidence base*', '*establish a credible critical voice*' and '*act as a platform to amplify civil society voices*' are essential to the Project's ability to effectively achieve the change it seeks. Throughout 2017 the Project will therefore continue to produce quality critical and analytical materials that challenge the Bank and Fund's dominant narrative and in amplify the voices of marginalised communities. Similarly, the Project will continue to support the coordination of UK and European network partners by helping to facilitate meetings with and advocacy efforts aimed at UK Bank and Fund and government officials and will also continue to follow institutional developments at both institutions such as the finalisation of the shareholding review in the Bank, the development ESF guidance notes and the development of Development Policy Lending (DPL) safeguards.

In response to the continued push for mega infrastructure by the Bank and other MDBs, the Project will further develop its critical analysis of the potential negative environmental and human rights consequences of the proposed approach. This line of work will be complemented by the Project's efforts to develop an alternative evidence base and narrative that challenge the Bank and Fund's development model's reliance on 'leveraging private sector' investment, particularly through the 'de-risking' of sectors and countries to the benefit of private finance.

Building upon its work to date, the Project will monitor the impact of Bank and Fund policies on the capacity of states to meet their international obligations in the delivery of essential social services such as health, education and water and will continue to assist partners to push for the Bank and Fund to accept and assume their human rights obligations under international law.

Capitalising on progress made during 2016, the Project will intensify its work on gender and macroeconomics, including by expanding the scope of its work to focus more closely on how areas of the Bank's with significant macroeconomic negatively impact women's economic empowerment and gender equality.

Finally, the Project will seek opportunities to support linkages among diverse communities by, for example, examining opportunities to foster better coordination between humanitarian, development, aid effectiveness and IFI watching communities.

7. SUMMARY OF FINANCIAL STATEMENT 2016^(a)

	2015	2016
Income (GBP)		
Network contributions ^(b)	68,608	33,300
CS Mott Foundation	71,316	11,023
European Commission (IMF Project) ^(c)	23,131	9,922
Rockefeller Brothers Fund ^(d)	49,627	59,993
Hewlett Foundation	-	106,211
Oxfam Novib	36,258	-
Individual donors (part of network contributions)	246	322
Total	332,503	220,771
Expenditure (GBP)		
Salaries	183,833	216,666
Travel	12,518	18,949
Computers and Office Equipment	11,565	7,766
Communications and research ^(e)	67,312	84,654
Total	275,228	328,035
Opening balance	173,396	243,383
Closing balance	243,383	160,343

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.

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.

(a) The Bretton Woods Project forms part of the financial statements of its host, ActionAid. These figures are provisional, subject to audit.

(b) Network contributions in 2016 came from the following organisations: Amnesty International, CAFOD, Christian Aid (for the years 2015 and 2016), International Alert, Oxfam, Save the Children, Unison, Water Aid and WWF.

(c) EC funding for work related to the IMF is received by the lead agency Jubilee Debt Campaign and channelled to the project.

(d) The Rockefeller Brothers Fund transferred the entire sum of £91,063 for a two-year grant (2013-2014) to the project in December 2013.

(e) Inclusive of strategic review costs, and consultancies under the Hewlett project

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Bretton Woods Observer illustration, Summer 2016, Can the IMF leopard change its spots?