BRETTON WOODS update

A BI-MONTHLY DIGEST OF INFORMATION AND ACTION ON THE WORLD BANK AND IMF

WWW.BRETTONWOODSPROJECT.ORG

78

NOVEMBER / DECEMBER 2011

World Bank manoeuvres to influence climate finance debates

As the next round of global climate negotiations approaches, the World Bank advocates the use of private sector finance for climate change adaptation and mitigation, and pushes multilateral development banks as delivery mechanisms.

An early October report on mobilising climate finance was coordinated and produced for the G20 by the World Bank in the run up to the United Nations Framework Convention on Climate Change (UNFCCC) negotiations, which begin in late November in Durban, South Africa. The report, *Mobilising climate finance*, highlights the importance of eliminating fossil-fuel subsidies and of implementing a carbon tax on aviation and shipping, which have long been demanded by civil society groups. It also advocates controversial measures to boost ailing carbon markets (see page 2). It argues that meeting the UNFCCC-agreed goal of mobilising $100 billion a year of climate finance will not be achievable through public budgetary allocations. It states that "the large financial flows required for climate stabilisation and adaptation will, in the long run, be mainly private in composition."

This is in sharp contrast to a late August UN note commenting on a draft of the paper. In a recommendation that went unheeded, it says that "the G20 paper can benefit from giving due weight to direct budget contributions, as well as … a financial transaction tax."

ROBIN HEIGHWAY-BURY / THOROGOOD

Enter private finance

The reports' discussion of public climate finance centres on its use to leverage large amounts of private lending, with a whole section part-authored by the Bank's private sector arm, the International Finance Corporation (IFC). It emphasises the role multilateral development banks (MDBs) can play in this process and uses the example of the Bank-housed Climate Investment Funds (CIFs) to illustrate the potential for MDB-operated pooled financing arrangements to leverage private finance. The IFC plays a prominent role at the CIFs, implementing a range of private sector projects, often through financial intermediaries (see *Update* 77, 76, 75).

However, a September 2011 report by Swiss NGO the Berne Declaration argues that the leveraging potential of CIFs has been overestimated. The report examines the Clean Technology Fund (CTF, one of the CIFs) programme in Turkey. It finds that in the energy efficiency sector the CTF largely achieved its official objectives of stimulating private investment. However, it questions the impact on hydropower, which "is already marketable and we have not found evidence that the comparatively large portion of CTF money invested in hydropower has had a positive spill-over effect and leveraged investment."

The Green Climate Fund

The design document for the new Green Climate Fund (GCF) (see *Update* 77, 76, 75), put together by a transitional committee of 40 countries, will go to Durban for approval without all committee members approving the final plan.The US refused to endorse the document, citing concerns over many issues, including the proposal that the GCF should have its own legal personality. Liane Schalatek, of the German political foundation Heinrich Böll, notes that this stance is based on "the implication that ultimately the status needed could also be derived through an existing international entity like the World Bank; a clear no-go from the developing country side".

The Bank has already been announced as interim trustee of the GCF, but developing countries and civil society groups have been actively resisting any expansion of this role. Laurence Graff, of the European Commission, told the press in November that "the issue is indeed whether the fund should be allowed to carry out its own projects without resorting to the World Bank. That is still open (to discussion)".

Many developing countries also raised concerns over the inclusion of a proposal for the GCF to include a private sector facility. Several developed countries in committee negotiations emphasised the potential for the facility to leverage large amounts of private finance. As Schalatek notes, this was "a bitter pill for most developing countries to swallow", many of whom have maintained that the GCF should be mainly financed through new and additional public contributions from developed countries.

Civil society groups have also been warning of the dangers of a facility premised on private finance. Lidy Nacpil of international network Climate Justice Now! said in September that "the over-emphasis on leveraging private investment could lead to a fund that depends heavily on financial intermediaries. As demonstrated by the IFC, the financial sector's desire for less disclosure, less liability, and less accountability for environmental and social outcomes will pose a significant challenge for global efforts to promote sustainable development and climate stabilisation."

G20 climate finance report, G20
tinyurl.com/g20report

Report on Turkish CTF, Berne Declaration
www.evb.ch/en/p19541.html

Beyond repair? Bank lobbies for carbon markets *—page 2*

Nepal climate loans: an injustice *—comment, page 3*

IMF plays "second fiddle" in eurozone *—page 4*

Bank still promoting water privatisation *—guest analysis, page 7*

Beyond repair?
Bank lobbies for carbon markets

As the UN climate talks loom, the Bank is lobbying G20 countries to resuscitate shrinking carbon markets through controversial measures, including using public climate finance to stimulate demand and creating markets for soil and forest carbon.

The Bank will use the United Nations Framework Convention on Climate Change (UNFCCC) summit in Durban, South Africa, in late November to launch the Carbon Initiative for Development fund. This aims to provide up front finance for carbon-credit-generating projects in least developed countries. The Bank is also expected to continue to lobby for international agreements to support the viability of carbon markets, which allow countries and companies to claim a reduction in carbon emissions by purchasing credits generated by emissions reductions from other sources. The Kyoto Protocol, the only internationally binding agreement on emissions reductions, is due to expire in 2012, and expectations are low that another legally binding agreement will be reached in Durban. This has raised fears over the future of the Clean Development Mechanism (CDM), mandated by the Kyoto agreement, which allows countries to reach their targets through carbon markets.

The launch of the new fund by the Bank, which already manages over $2.7 billion in carbon funds and is a major facilitator of carbon finance investments (see *Update* 74), is further evidence of its efforts to prop up ailing carbon markets (see *Update* 77, 76). International markets in CDM credits have severely contracted in the last two years. Oscar Reyes of NGO Carbon Trade Watch, observes that: "The World Bank is continuing to push for more carbon markets, which have failed to reduce emissions and which displace responsibility for emissions reductions towards developing countries. The Carbon Initiative for Development explicitly acknowledges the failure of the carbon market in poor countries, but this is inscribed in the offset market's economic DNA: investors find the economies of scale of heavy industry and large dam projects in middle-income countries most attractive, while most poor countries don't pollute enough to be interesting to the market."

The Bank-led climate finance report for the G20 (see page 1) includes a section on carbon markets authored by the Bank. It admits that "carbon offset markets face major challenges", but advocates a series of measures that it insists could buttress carbon finance. Controversially, this includes using publically provided climate finance to buy carbon credits to stimulate demand. Responding to the report in UK newspaper *the Guardian*, Murray Worthy of UK NGO World Development Movement said "limited public finance must not be used to prop up failed carbon markets. These markets only exist to pass the burden of cutting emissions back on to poorer countries, which are not responsible for causing climate change".

Creating new markets

The report for the G20 also advocates that sectors currently "bypassed by existing regimes" be eligible to produce carbon credits, including soil carbon in agriculture (see *Update* 77) and Reducing Emissions from Deforestation and Degradation (REDD+). Speaking in September, Andrew Steer, the Bank's special envoy on climate change, said the summit is an opportunity for a new focus on agriculture. On soil carbon he said: "You invest in things that are good for yields, good for resilience and also sequester more carbon. You can have it both ways if you get carbon back in soils."

A September report by ActionAid International critically examines the Bank's assumptions on soil carbon. It argues that although the Bank wants soil carbon to be included in the CDM, "scientific uncertainty about the quantification and verification of soil carbon, as well as the non-permanence of sequestered carbon, put both the value of the associated credits and the mitigation potential of soil carbon markets in doubt." ActionAid also warns that it leaves small farmers with traditional land rights vulnerable to land grabs (see page 8) by creating incentives for governments to reclaim land. Additionally, the report claims restricting farming practices to those that sequester carbon may actually reduce farmers' ability to adapt to climate change.

The negotiations in Durban will also focus on progress in establishing international agreement on REDD+. The Bank's G20 report argues that agreements on carbon finance should take advantage of "the large mitigation opportunities from REDD+ activities." The UNFCCC has not yet taken an official position on market-based financing for REDD+, although current Bank REDD programmes are designing projects to produce carbon credits.

A September letter by an international coalition of NGOs warns that the Bank's Forest Carbon Partnership Facility (FCPF, see *Update* 76, 75, 72) is prematurely pushing ahead with its own Carbon Fund, which will facilitate the sale of forest carbon credits to investors. The letter, whose signatories include the Papua New Guinean Ecoforestry Forum and Gabonese NGO Brainforest, argues that the FCPF "should be wary of preparing countries for a market in forest carbon credits which may not materialise." US NGO Bank Information Center also warned in its October REDD newsletter that methodological work by the Carbon Fund "may also end up leading or influencing the international climate negotiations." The letter argues that social and environmental safeguards, the rights of indigenous peoples, and the participation of affected communities must be improved before the Carbon Fund launches activities in participating countries.

ActionAid soil carbon report, ActionAid
www.actionaid.org/publications/fiddling-soil-carbon-markets-while-africa-burns

New reports question Bank's coal investments

As the November climate talks in South Africa approach, the World Bank continues to be overshadowed by past and prospective loans for fossil-fuel power plants.

An October report by the Kosovar Institute for Policy Research and Development (KIPRED) and US NGO Sierra Club has sharply criticised the Bank's cost projections for a proposed lignite-fired power plant outside the Kosovan capital Pristina, which the Bank is considering funding (see *Update* 77, 75). The Bank's cost estimates are "clearly out of date", the report charges. "It is reasonable to assume that the cost of electricity under the proposed plan might be three times higher." KIPRED's Nezir Sinani said: "The proposed plant is supposed to light up the Kosovan economy, but will actually be a huge burden. Sold on bogus figures, it will harm citizens' health and push up their bills." The report also accuses the Bank of failing to consider renewable alternatives, contravening its own Strategic Framework on Development and Climate Change (see *Update* 77, 71).

The Bank's energy strategy, meanwhile, is still in limbo (see *Update* 76, 75), after a Bank board sub-group split in April over its proposed phase-out of coal lending to middle-income countries (MICs). The Bank has not indicated any timetable for completion of the strategy. But a delegation of Indian activists visited Washington in September to lobby the Bank and IMF at their annual meetings, urging them to follow through on the draft proposal. The activists represent communities fighting a wave of coal-fired developments in India. Long-term impacts of Bank coal funding in the Singrauli district of northern India are the focus of a November report by UK NGO the Bretton Woods Project, which documents "environmental squalor" and "massive displacement of local people."

Figures released in October by US think tank the Brookings Institution back up the proposed phase-out of Bank coal lending to MICs, pointing out that the rate of return on coal-fired projects means finance is readily available from the private sector. Meanwhile, an October report by US consulting firm Climate Advisors finds that coal funding "burdens recipient countries and the poor. The World Bank should redirect its funding to cleaner generation sources." In November, US-based NGO Oil Change International launched an online "Shift the Subsidies" database, detailing energy sector lending amongst multilateral development banks since 2008.

No fairy tale, Bretton Woods Project
brettonwoodsproject.org/singrauli

KIPRED report
tinyurl.com/kipredreport

The Brookings Institution report
tinyurl.com/brookingsbankcoal

Climate Advisors report
tinyurl.com/climateadvisorsreport

Nepal climate loans: an injustice

COMMENT

by Keshab Thapa, Local Initiatives for Biodiversity, Research and Development, Nepal

The Pilot Programme for Climate Resilience (PPCR), part of the World Bank-housed Climate Investment Funds (CIFs), intends to help integrate climate resilience in national development planning of climate vulnerable countries. The PPCR offers recipient countries a mix of grants and loans for climate adaptation projects.

Nepal, the world's fourth most vulnerable country to climate change according to the 2011 report of risk-analysis company Mapplecroft, was one of the first countries to apply for PPCR resources. In June, the subcommittee of the PPCR approved $50 million in grants and $36 million in loans to the Nepalese programme. Co-financing from other multilateral development banks implementing the PPCR programme is yet to be announced, but is likely to be heavily loan based.

It is obvious that developed countries must provide unconditional financial support on adaptation to countries vulnerable to climate change to build their resilience. The parties to the United Nations Framework Convention on Climate Change (UNFCCC) have taken into account the common but differentiated responsibilities and respective capabilities of countries, and developed countries had committed adaptation support to vulnerable countries. Building resilience of vulnerable country communities through loans is against the commitments made and principles agreed at the UNFCCC. It is simply an injustice.

Taking loans for adaptation to climate change is a serious concern for citizens of Nepal, who are advocating for climate justice, which the government has also envisioned in its Climate Change Policy 2011. It strictly does not comply with Nepal's stance in international forums and its own policy on climate change.

Nepal has submitted its National Adaptation Programme of Action (NAPA) on climate change to the UNFCCC. The framework of NAPA implementation requires 80 per cent of the funds of any adaptation programme to flow directly to the community level. But the PPCR in Nepal neither complies with NAPA priorities nor its implementation framework. Currently the PPCR in Nepal, in not recognising NAPA, violates the principle of country and community ownership.

The PPCR in Nepal has not received the support of civil society organisations, who are actively engaged from community level to national and international policy lobbying level. The process of stakeholder consultation is not fair enough to maintain a transparent engagement process. There has been a serious lack of involvement of NGOs active at the community level on climate change, with very few of these organisations consulted on the PPCR.

Furthermore, the PPCR proposes to lend money to private sector companies, which will never achieve community resilience. Private companies are often happy to use the loan money for their own benefit, simply looking at the scheme of interest and repayment, but they are often totally unaware of climate change, adaptation, resilience, and the principle of equity and justice.

Already, Nepal has been categorised as a country at medium risk of debt distress, and it is hard to predict where it will go with the loan on adaptation. Offering and accepting loans will seriously disregard the sovereign right of the people of vulnerable countries, which is not recognised by the decisions of their so-called leaders, who are much less aware than their people on this issue.

In the context of huge opposition to the PPCR, it will be hard to achieve community resilience unless the loan component is resolved. It is very important for the World Bank to resolve this to avoid further controversy. The best way is to convert the loans into grants and make them easily accessible to climate change vulnerable countries. The developed nations pledging money to the CIFs and other funds must agree to provide unconditional support on climate change adaptation, save the lives of people whom they made vulnerable and save the planet by controlling the temperature below the tipping point. In order to achieve this, the parties in the Durban UN climate meeting must cut loans out of any adaptation agreements.

kthapa@libird.org

Bank's gender WDR: too little, too late?

The Bank's flagship publication pushes gender equality on to the Bank's agenda, but critics express concern about its implementation and unwillingness to consider gender a women's rights issue.

The *World Development Report (WDR) 2012: Gender Equality and Development* was released in September. It documents progress in narrowing gender gaps in education, health and labour in the past 25 years and maintains the Bank's past approach to gender as an economic issue, which has been criticised for failing to treat gender under a women's rights framework (see *Update* 75, 74). However, the *WDR* recognises that economic growth does not always lead to gender equality. Female mortality, school enrolment and earnings are some of the areas identified where gender gaps are still most significant.

Shahra Razavi, of the United Nations Research Institute for Social Development, said in an October paper that the *WDR* was a "missed opportunity". "By failing to engage seriously with the gender biases of macroeconomic policy agendas" and "reducing social policy to a narrow focus on conditional cash transfers", she argues, "the report is unable to provide a credible and even-handed analysis of the challenges that confront gender equality … and appropriate policy responses for creating more equal societies."

During the Bank's September annual meetings, the ministerial level Development Committee endorsed a paper detailing the implications of the *WDR* for the World Bank Group. This paper lays out five directions to capitalise on the *WDR*: informing country policy dialogue on gender equality; enhancing country-level gender diagnostics; scaling up lending for domestic priorities identified by *WDR 2012*; increasing the availability of gender-relevant data and evidence; and leveraging partnerships, global and country-level, to help implement priority actions.

But Marina Durano, of the international feminist network Development Alternatives with Women for a New Era, pointed out that it "does not mention whether gender equality considerations will inform a reformulation of Bank assessment tools used to determine lending allocation, such as the Country Policy and Institutional Assessment [CPIA, see *Update* 43], in order to ensure that Bank policies and their macroeconomic policy advice support the gender equality aspirations set out in the *WDR*". Moreover, Durano said the implications paper does not explain how the Bank will work along other institutions promoting gender equality, such as the UN Human Rights Council.

The implications paper states that, in the last five years, the Bank "allocated more than $65 billion … to improve girls' education, women's and mothers' health, and women's access to credit, land, agricultural extension services, jobs and infrastructure services." But Elizabeth Arend of US-based NGO Gender Action disputed the Bank's commitments to gender, noting that its "'social development, gender and social inclusion' investments have actually *decreased* from $1.25 billion in 2007 to $952 million in 2010". A July report from UN Women also criticised the Bank for dedicating only $7.3 million to gender equality components in public administration, law and justice projects between 2000 and 2010 – just 0.001 per cent of grants and loans in this period.

tinyurl.com/2012WDR

tinyurl.com/unrisdpaper

IMF plays "second fiddle" as governments fall in the eurozone

As the eurozone debt crisis escalates and protests multiply, the IMF increasingly appears side-lined. Italy's calling in of the Fund for "verification" of implementation of its EU-agreed austerity package symbolises the limits of its influence and resources.

In September, former IMF chief economist Raghuram Rajan suggested that "the IMF should start taking the lead in managing the crisis rather than playing second fiddle." While the IMF participated in many of the October negotiations and summits in Europe, it has always bowed to the priorities of the political leaders of the eurozone's most powerful members Germany and France.

The end-October European deal asked Greece's private sector creditors to take a 50 per cent cut in the face value of their debt (see *Update* 77, 76, 75). Greece was required to deepen its privatisation programme with a further €15 billion ($20 billion) of public asset sales.

The IMF has still not indicated if it will participate in a second loan package to Greece, even though the European Union (EU) has been asking it to since July (see *Update* 77). Several media outlets reported that IMF negotiators were pressing for private sector write-offs of up to 60 per cent over fears that Greek debt will still be unsustainably large. Echoing the results of negotiations in Ireland last year – the IMF reportedly proposed a 66 per cent write off on Irish unguaranteed bank bonds – the Fund was overruled.

The Greek Debt Audit Campaign was also unhappy about the deal, saying: "The selective haircut, which leaves the illegal loans of the troika untouched and leads the pension funds to catastrophe, shows how necessary both cessation of payments and a democratic, worker-led debt audit is."

Major protests have been ongoing in Greece throughout the autumn. The early November proposal of a popular referendum on the terms of the EU-IMF loan, which would have marked the first ever such test of an IMF programme, was cancelled amid opposition from other European countries. After the resulting collapse of the Greek government, Elena Papadopoulou of the Athens-based Nicos Poulantzas Institute said: "Despite the proclaimed enthusiasm, there is no realistic reason to believe that the new coalition government – with the participation of the extreme right – will follow anything other than the socially destructive policies applied according to IMF recipes with the agreement of the European elites."

IMF to survey, not lend to Italy

Financial market actors pushed the interest rates Italy would pay on new borrowing over 6 per cent before the early November G20 summit. The IMF has insufficient resources to cover the €300 billion Italy is estimated to need to refinance in 2012. Instead, just before being forced to resign, Italian prime minister Silvio Berlusconi agreed with EU leaders to deeper austerity policies and then "invite[d] the IMF to carry out a public verification of its policy implementation on a quarterly basis."

It is not clear whether the Fund's monitoring of Italy will be treated as technical assistance or bilateral surveillance. Either way, civil society organisations in Italy were sceptical. Antonio Tricarico of NGO CRBM said "calling in the IMF is like playing with fire. While the Berlusconi era has ended, his legacy will still be there through an IMF-European Central Bank-European Commission adjustment programme."

Austerity policies seem to be undermining eurozone economic prospects. In mid October the Portuguese government announced a new batch of cuts and said that it would miss fiscal deficit targets in its EU-IMF programme because of failure to hit growth forecasts (see *Update* 77, 76, 75). While the mid October EU-IMF review of Ireland pronounced the government on-track in terms of the fiscal deficit, in early November the unemployment rate was still 14.4 per cent and the government slashed the growth forecast for 2012 from 2.5 per cent to 1.6 per cent.

Too few resources

Because the IMF would not have sufficient resources for a crisis in a large country like Spain or Italy, IMF head Christine Lagarde hinted in late September that it might need more money. Just one week later, after the US treasury secretary vetoed the idea, Lagarde did a U-turn, saying that the IMF had enough resources.

In October, China, Brazil, Russia and India said they would be willing to provide additional resources through the IMF for loans to Europe. In 2010, all these countries were willing to put more resources into the IMF in exchange for greater voting rights, but this was blocked by Europe (see *Update* 73). In mid October, Brazilian president Dilma Rousseff reiterated that Brazil could put more money into the Fund in exchange for more voting rights, while criticising IMF conditionality: "we will never accept, as participants of the IMF, that certain conditions that were imposed on us, be imposed on other countries."

No to the 50% haircut, Greek Debt Audit Campaign
elegr.gr/details.php?id=258

Debt sustainability frameworks reviewed

The IMF reviewed its methodology for assessing debt sustainability in advanced and middle-income countries in late August, admitting that its past analyses have been too optimistic. It confirmed the complaints of critics (see *Update* 56) when it found that "GDP growth forecasts showed a tendency to systematically exceed outcomes. This phenomenon was particularly relevant in countries with an IMF-supported programme." The IMF and the World Bank are also conducting a review of debt sustainability analysis for low-income countries and an initial paper is expected soon.

Modernizing fiscal policy framework and public debt sustainability analysis
www.imf.org/external/np/sec/pn/2011/pn11118.htm

Analysis in conflict WDR criticised

The World Bank's 2011 *World Development Report (WDR) on Conflict, Security and Violence* (see *Update* 77) was challenged in a paper that criticises it for analytic deficiencies – "lump[ing] gangs together with ... drug cartels, terrorists or even rebel groups" – and for saying that "violence relates to institutional deficits", while "barely mak[ing] any mention of democracy." The paper argues that this reflects a narrow emphasis on institutional economics – "almost all the literature cited is economic and is principally based on quantitative correlations between economic and political factors and conflict" – with little historical or sociological perspective.

tinyurl.com/conflictWDRpanned

DFID's multilateral funding questioned

The UK parliamentary Public Accounts Committee (PAC) has questioned the government's rationale for increasing funds to multilateral agencies, such as the World Bank. The cross-party PAC suggests that "the strategy to increase the Department for International Development (DFID) spend through multilateral programmes appears to have more to do with it being easier ... than for [DFID] to assess the viability, effectiveness and value for money of bilateral programme proposals." In March, DFID acknowledged weaknesses in the Bank's International Development Association (IDA), while praising it overall as a channel for UK aid (see *Update* 77, 75).

tinyurl.com/PAC-DFID

World Bank poverty findings challenged

A new Basic Capabilities Index (BCI), published by civil society network Social Watch, is "closer to reality than the one-dollar-a-day line of the World Bank", according to Social Watch director Roberto Bissio. The BCI is derived from well-being indicators such as malnutrition and primary education. The Bank adjusted its measurement to $1.25 a day in 2008, but it was still criticised for being too low and not suitable for cross-country comparison (see *Update* 62). Whilst the World Bank claims that, globally, average poverty was halved between 1980 and 2005, the BCI shows very slow progress in the last 20 years.

Basic Capabilities Index 2011
www.socialwatch.org/node/13749

Bank's procurement rules "rigid"

The UK House of Commons International Development Committee (IDC) has expressed concerns that "when bidding for infrastructure projects, local contractors often do not stand a chance against international bidders, partly due to rigid rules used by multilateral development banks such as the European Union (EU) and the World Bank." The IDC's September report calls on the UK Department for International Development to use its leverage to ensure that the World Bank builds "capacity within developing country government procurement processes", arguing that procurement of goods and services can reduce poverty by providing local firms with contracts and boosting local employment.

tinyurl.com/IDC-Infra

Inside the institutions **country classifications**

A state's relationship with the IFIs and the type of assistance it receives is determined by its country classification. Some crucial types of classifications are: the World Bank's operational lending categories; the Bank's analytical categories used in the *World Development Report (WDR)*; the IMF's operational and analytical categories; the IFC's frontier market category; the Bank's fragile state category; and the distinctions used by the Bank and IMF in determining and reporting success in governance reforms.

The analytical classifications the Bank uses in its *WDR* are based on gross national income (GNI) per capita. Updated every three years, they currently are: low-income, $1,005 or less; lower-middle-income, to $3,975; upper-middle-income, to $12,275; and high-income, more than $12,275. These classifications are widely used, notably in forming the basis of the Organisation for Economic Co-operation and Development's (OECD) definition of official developmental assistance.

The Bank's operational lending categories are based on the same data as the analytical classifications. The lending thresholds for the fiscal year 2012 were: civil works preference, $1,005; International Development Association (IDA) eligibility (operational), $1,175; International Bank for Reconstruction and Development (IBRD) graduation, $6,925. Civil works preference is the cut-off at which the Bank demands international competition in procurement for Bank assisted projects, and IBRD graduation marks the point where a state graduates from the IBRD to donor-country status. Due to resource constraints, the IDA operational cut-off of $1,175 is lower than the historical eligibility ceiling based on $250 in 1960. IDA eligibility also forms the basis of other important categories, such as the Bank's definition of a fragile state, the IFC's definition of a frontier market and eligibility to the IMF's concessional lending facility. The classifications do not consider the distribution of wealth within countries, which explains how most of the world's poor live in countries that are classified as middle-income.

A 'fragile state' is a low-income country that has a harmonised average Country Policy and Institutional Assessment (World Bank/Asian Development Bank/African Development Bank) score of 3.2 or below, out of 6 (see *Update* 63, 52, 43). This is contentious as the assessments contains no measure of security and it means that countries that are not low-income are precluded from definition as fragile. There is no formal World Bank definition of conflict.

The crucial category for the International Finance Corporation (IFC), the Bank's private sector arm, is 'frontier markets', which forms the first of its strategic Five Pillars. A 'frontier market' is an IDA eligible country, a 'fragile state' (using the Bank's definition), or a 'frontier region' in a middle-income country. A 'frontier region' is primarily defined by the per capita income of the region with adjustments for business risk issues in the country.

The IMF has its own analytical and operational classifications. The analytical classifications are used in its *World Economic Outlook (WEO)* report to categorise states as advanced or developing economies. The IMF listed 34 advanced economies in its September 2011 *WEO*, compared to the Bank's 70 high-income countries for the same period. The key IMF operational classification is eligibility for the Poverty Reduction and Growth Trust (PRGT), its concessional lending trust fund. Countries are added to the PRGT-eligibility list if their annual per capita GNI is below the IDA operational threshold, or if they lack access to capital markets on a "durable and sustainable basis".

Economic data used by the IMF is based on gross domestic product weighted by purchasing power parity rather than market exchange rates, a significant departure from the Bank's methodology. Despite having numerous existing categories, when the Bank and Fund reported the outcomes of their governance reform negotiations in 2010, they created bespoke classifications that resulted in over-reporting of the share of votes shifted to developing countries (see *Update* 70, 72).

Capital controls: IMF gradual change of heart continues?

The G20 released conclusions on managing capital flows, while papers suggest the IMF's gradual moves to accept national regulations on international capital flows continues.

In October, G20 finance ministers issued a paper on *Coherent conclusions for the management of capital flows*. This confirmed the step-back from the IMF's attempt to develop a 'code of conduct' for capital controls (see *Update* 76). Instead, they emphasised that "there is no one-size-fits-all approach or rigid definition of conditions for the use of capital flow management measures." While saying that measures should be "targeted to specific risks", "regularly reviewed", and "adapted or reversed as destabilising pressures abate", they cautiously support the increasing use of capital controls and other capital account management policies, by G20 and other countries.

The IMF's previous position that such controls should be used as a last resort (see *Update* 75) appears to be losing traction. The Fund recognised as much in its September *Multilateral surveillance report*, which says that "capital flow management tools are useful for changing the composition of capital inflows." This follows the line of an August IMF staff discussion note, *The effectiveness of capital controls and prudential policies in managing large inflows*, which argues that "for reasons that are not yet fully understood, capital controls and related prudential measures achieve their stated objectives in some cases but not in others."

However, the discussion note focuses on "countries that have already liberalised many types of international capital flows", not countries such as China and India, which have "comprehensive systems" that "allow for close monitoring of flows and a calibrated tightening of controls when needed." Even so, the discussion note finds that "controls are more effective in countries [such as China and India] that more heavily control capital flows" but does not reflect on the implications of this, or whether such controls have contributed to the marked economic success of these countries in recent decades.

Instead, the paper concludes that: "capital controls lose their effectiveness over time, as markets find ways to circumvent them"; that while controls can "change the composition of inflows" to encourage longer term flows, they "have little effect on overall flows" and "in most cases, controls also have little effect on currency appreciation." The paper finishes by calling for more research, and better understanding of the impacts of different types of controls.

Roberto Frenkel, of Argentinian NGO CEDES, speaking at a May conference on managing capital flows co-organised by the IMF and the Brazilian government gave an alternative perspective: "The main reason why I think [capital control] policies should be implemented is because of the effects that capital inflows have on the real exchange rate, which represent a threat [to] economic activity, employment and more generally on the economic development of these countries."

> **IMF prescriptions "fall short of being sound advice"**

Alternative approach

Meanwhile, in November, Stephany Griffith-Jones and José Antonio Ocampo, both of Columbia University, and Kevin Gallagher of Boston University, released an issues paper calling for an alternative approach. It summarises the discussions of an independent task force on capital flows management that also included former Reserve Bank of India deputy governor Rakesh Mohan. They argue that IMF "prescriptions fall short of being sound advice for many developing countries" and instead capital account regulations "should be seen as an essential part of the macroeconomic policy toolkit and not as mere measures of last resort." They propose a set of guidelines for the use of such regulations, and call for the IMF and other global bodies to "make a stronger effort to reduce the stigma attached to capital account regulations and protect the ability of nations to deploy capital account regulations to prevent and mitigate crises."

The effectiveness of capital controls and prudential policies in managing large inflows, IMF
tinyrul.com/IMFcapitalcontrolspaper

Griffiths-Jones et al: Capital account regulations for stability and development
tinyurl.com/alternativeapproach

IMF's focus on austerity proved "wrong, wrong, wrong", say critics

While Christine Lagarde and staff at the Fund begin to acknowledge that too much austerity is risking jobs and growth and civil society groups call for an end to IFIs policy conditions, IMF programmes continue to promote fiscal retrenchment.

The IMF special report for the October G20 finance ministers' meetings, *Global Economic Prospects and Policy Challenges*, suggested that austerity measures may have gone too far (see *Update* 77, 76, 75). The report stresses that advanced economies "have scope to slow their current pace of consolidation, if offset by a commitment of additional tightening later," and concludes that "the path to recovery has narrowed, but the path is still open, if action is taken now." US-based economist Paul Krugman argues the IMF's report "is essentially a declaration that the focus on universal austerity was wrong, wrong, wrong", and might be a sign that economists at the Fund "are rightly frightened by the economic outlook."

Kemal Dervis, former Turkish finance minister, said that "stimulate now and announce future retrenchment can be the answer … but the retrenchment must not create anxiety about the future that would nullify the stimulus."

Austerity threatens children

Continuing previous debates on the impact of IMF programmes on social spending (see *Update* 74, 72), an August IMF staff discussion note presented an econometric analysis of the impact of IMF programmes on health and education spending in low-income countries (LICs). The study, which uses data between 1985 and 2009 for 140 countries, finds that LICs' education and health spending as a proportion of GDP "have risen during IMF-supported programmes at a faster pace than in developing countries as a whole." It showed no impact of IMF programmes on such spending in middle-income countries.

However, the technical grounds of the study were criticised by Brook Baker, policy analyst at US-based NGO Health GAP, who pointed out that "if the absolute value of GDP and/or government spending went down or remained stagnant as a result of structural adjustment and fiscal austerity, then stable or slightly increasing percentages might not represent the positive changes on real spending that might have resulted from more robust and expansionary fiscal and monetary policy." Baker also argued that "the IMF's macroeconomic fundamentalism and its impact on health has to be judged not just against a cohort of even weaker performing LICs, but against what was possible if the IMF had been less dogmatic and more accommodating of more expansionary economic policies that increased investments in health, education, job creation, and more egalitarian and sustainable economic development."

Meanwhile, a September report by UNICEF warns that "the current wave of fiscal consolidation that is taking hold of developing countries … threatens children and poor households' survival, nutritional growth and other rights." The report, which examines the latest IMF government spending projections for 128 developing countries, points out that although most countries introduced fiscal stimulus packages during 2008 and 2009, since then "the scope of austerity has widened quickly."

In order to identify the different adjustment options considered by governments, the study also reviews policy discussions and other information contained in IMF country reports between January 2010 and September 2011. It finds that an increasing number of countries are considering adjustment measures like "wage bill cuts/caps, subsidy reversals and rationalising social protection schemes in order to achieve cost-savings; many governments are also considering introducing or increasing consumption taxes on basic products that vulnerable populations consume."

Conditionality: NGOs vs IMF

NGOs and the IMF remain at loggerheads over a study on conditionality being conducted by the Organisation for Economic Co-operation and Development (OECD), a rich countries' think tank. The OECD task team on conditionality (TToC) is reviewing the experience of conditionality reform after the 2005 Paris declaration on aid effectiveness. It will submit reports ahead of the late November 2011 Busan High Level Forum on Aid Effectiveness. Early in 2011, a draft overview report for the TToC by development consultancy firm Mokoro, found that "the available evidence suggests that restrictive macro-economic policies have meant that African economies have elected to save a significant share of increased aid flows instead of absorbing them in increased public expenditure or private sector growth." Leaked emails show that at the insistence of the IMF, the TToC's final version of the report was drastically altered with a watered-down recommendation that the process of setting macroeconomic targets should be opened up to broader discussion.

In late September, Better Aid, an umbrella organisation of over 1000 civil society organisations working on development effectiveness, sent a letter to the task team expressing their "concern about the decision of the chairs of the TToC not to submit any message on conditionality for inclusion in the draft Busan outcome document" and called for "an end of donor and IFI implicit and indirect policy conditions."

Austerity measures threaten children and poor households, Unicef
tinyurl.com/UNICEFausterity

G20 urges IMF to set up new lending window

At their summit, G20 countries asked the IMF to set up a new short-term lending window, called the Precautionary and Liquidity Line (PLL), which Lagarde said would "provide increased and more flexible short-term liquidity to countries with strong policies and fundamentals facing systemic shocks." The loans would be over a six-month period. Media reported that the PLL would have a borrowing limit of five times quota. The PLL seems targeted at non-eurozone countries that might be negatively affected by a renewed recession in Europe.

Inflation "obsession" hurting Kenyan growth

Constraints placed on the central bank of Kenya's monetary policy by the IMF have been condemned as damaging to Kenya's growth. Writing in Nairobi's *Business Daily* in late September, banker Mohammed Wehliye railed against IMF conditions which force the central bank to adopt a monetary policy prioritising low inflation at the expense of credit creation. He argued that "the IMF is not one to worry about our economic growth". Noting that the IMF's "obsession" with low inflation had already failed in other African countries, he wrote that Kenya should be free to choose its own economic priorities and not be "locked into the IMF's preferred ideological straightjacket."

tinyurl.com/wehliyeIMF

IMF's "trusted advisor" role to be scrutinised

The IMF's Independent Evaluation Office (IEO) released an issues paper describing how it will assess whether the IMF has strengthened its "trusted advisor" role since 2005. It will look at how perceptions of the Fund as an advisor have been affected by new IMF surveillance and advisory initiatives introduced after the global economic crisis. It notes that previous IEO reports have found that countries are often wary of the IMF's advice, citing "inadequate knowledge of country-specific circumstances" and "a perceived lack of evenhandedness" as explanatory factors. The paper will focus on perceptions of IMF advice, but "not, however, assess the actual impact of this advice."

tinyurl.com/ieopaperimfrole

IFI's macroeconomic policy "anti-growth"

"Why have the policy tutors performed so miserably and the pupils so brilliantly?", wondered professor John Weeks of the School of Oriental and African Studies in an October article for *Social Europe Journal*. He notes that developing countries who embraced the World Bank and IMF's macroeconomic orthodoxy have fared the worst in recent crises, whereas those that have best weathered the storm have in common "exactly those sins/virtues absent in the 'advanced' countries: willingness to intervene with growth-enhancing policies". Weeks cautions that advanced countries are now ready to apply "the neoliberal anti-growth Washington Consensus macro policies" at home.

tinyurl.com/weeksifis

IMF still divided on gold sales windfall

The executive board of the IMF continued to disagree, in an early September discussion, on what to do with the $2.76 billion windfall profits from its 2009-10 gold sales (see *Update* 75, 67). The sales aimed to fund an endowment for financing the Fund's administrative costs such as salaries. The Board members remain split as to whether to put the extra money toward the endowment, the Poverty Reduction and Growth Trust, or precautionary balances in light of heightened credit risk. The windfall, which resulted from high gold prices at a time of global uncertainty, will remain in the endowment account until another meeting on the subject in 2012.

tinyurl/goldsalesdelay

Guest analysis

Despite evidence, Bank still promoting water privatisation

By Gaurav Dwivedi, Manthan Adhyayan Kendra, India

Bank-funded private water projects across the world are facing serious financial, socio-political and operational problems, but recent trends show that more such projects are coming up.

In August, Indian policy research group Manthan Adhyayan Kendra released a detailed study of the Khandwa water project, part-financed by the International Finance Corporation (IFC), the World Bank's private sector arm. The project is a public private partnership (PPP) sanctioned under a central government scheme for building urban infrastructure in towns. This model of urban infrastructure development through privatisation of public services, like water, is to be replicated across India. The IFC has invested $5 million out of a total PPP investment of $39 million in two water and waste water projects, including Khandwa.

The study shows that even though this is a PPP project, the majority of the funding comes from public resources, including more than 90 per cent of the capital expenditure of $28.8 million. The private operator will also charge the city for operation and maintenance under the agreement.

The study finds that the costs to the the city would rise exponentially once the project begins delivering water, with operating expenses increasing almost fourfold. Although the project is in the final phase of construction and will start operating shortly, it is still not clear if poor and low-income areas will be provided with piped water. There are concerns that public water stand posts may be dismantled to reduce so-called water loss.

The initial project proposals show that the city wished to add several measures to it, including a 24 hour supply requirement and wider distribution. However, when the bidding and tendering began these measures were dropped to make the project more profitable and less risky.

New IFC ventures with multinational corporations

In July 2010, the United Nations General Assembly passed a resolution recognising access to clean water and sanitation as human rights. The evidence over the years has shown that pricing and privatisation means that water as a human right suffers immensely.

Despite this, the IFC continues to promote the involvement of private players in the water sector in several countries in Asia and Africa. In what critics say constitutes a conflict of interest, the IFC often provides technical advisory services to governments on water sector reforms, which recommend privatisation or PPPs, whilst acting as an equity investor in many private water companies.

The latest is Ghana, where the IFC is promoting private provision of water in villages through it's "Safe water for Africa" partnership with Coca-Cola, Diageo and WaterHealth International (WHI, see *Update* 77). The IFC announced plans to invest $1 billion in the water sector and now seems to prefer to use the WHI model to push private water delivery.

A recent paper by US-based NGO Corporate Accountability International asks: "what is the ulterior motive, or at least the commonality of interests between these corporations in financing WHI's expansion? At least three strategic outcomes can be observed: (1) self-dealing (profiteering), (2) political and cultural commodification of water, and (3) advancement of a self-proclaimed 'new global architecture' for corporate control of water."

Continuing this trend further, the World Bank Group, lead by the IFC, announced in October a new venture with global corporations including Nestlé, Coca-Cola and Veolia called the 2030 Water Resources Group (WRG) Phase 2. This aspires to "transform the water sector" by bringing together multinational corporations with huge financial investment into the water business, which has been predominantly a public service in most countries. This venture has already received $1.5 million in IFC funding.

The group's strategy is to insert the private sector into water management one country at a time, through a combination of industry-funded research and direct partnerships with government agencies. Currently, WRG is formally working with the governments of Jordan, Mexico and the Indian state of Karnataka, with scaling up envisaged in South Africa and China. Vinay Baindur, an expert on water and urban issues working in Karnataka, notes that the World Bank, the government and the private sector are working in "a tripartite partnership to expand the stake for profits." He calls the expected water supply privatisation in at least six more towns "a very well coordinated move on part of the water companies and the World Bank."

Little currency for global money?

While the G20 postponed decisions on issuing new special drawing rights (SDRs), the IMF-managed international reserve asset, the IMF completed its surveillance review and a new Fund report tackled the thorny issue of global imbalances.

Expectations that the Cannes G20 summit might agree further issuance of SDRs (see *Update* 65) were quashed, with the issue postponed to the G20 finance ministers meeting in February 2012. Meanwhile, an October IMF staff discussion note, *Internationalisation of emerging market currencies*, reiterated past IMF arguments that the solution to the decline of the dollar should be the gradual use of other currencies starting with the Chinese renmibi. Aldo Caliari, of US–based NGO Center of Concern, called this a "narrow agenda that seeks to broaden the currency basket not guided by any particular rationale to make the basket more stable and flexible, but by geopolitical realities".

To tackle the global economic imbalances that many argue were an essential precursor to the current crisis (see *Update* 77, 75), the G20 made only the usual affirmations of the need to "move toward more market-determined exchange rate systems". However, in a September article, Jan Kregel of the Levy Economics Institute argues that this would entail a major change of policy in China and other fast-growing developing countries. He concludes that "if we are going to ask developing countries to contribute to international stability by growing less rapidly or shifting strategy … this will come at a cost to the developing countries in terms of foregone income growth, which should be offset by the developed countries."

The IMF's first *Consolidated spillover report*, examining the effects in other countries of the policies of five globally important economies – the US, China, the UK, the eurozone and Japan – pulls fewer punches. It comes down on the side of China in the ongoing argument over whether surplus or debtor countries bear more blame for any negative impacts of global imbalances. While China's gradual approach to increasing the value of its currency "yields only modest growth spillovers", a tightening of US monetary policy (by for example raising interest rates) "will reverse the rise in emerging market capital inflows and currencies" — confirming the analysis of a recent report by intergovernmental organisation the South Centre, that the boom in capital flows to developing countries is built on the fragile foundations of low interest rates in northern countries (see *Update* 75).

IMF surveillance review

In October, the IMF completed its *Triennial Surveillance Review*, the first to assess IMF surveillance at the multilateral in addition to its normal country level assessments. The central issue of traction, or rather the IMF lack of traction or influence over major economies, has been recognised by many as being at the heart of the IMF's failures in the run up to the crisis (see *Update* 74). The review notes that "interviewees suggested that the Fund was insufficiently critical of the policies of its major shareholders." However, its recommends only to "bring external views into surveillance to increase its candor."

IMF assessments of exchange rates caused most debate among board members. The review promised to "improve consistency and transparency of exchange rate analysis and ensure discussions of external stability in staff reports extend beyond exchange rates." The IMF's executive board endorsed the review's recommendations.

Compilation including Kregel article
tinyurl.com/FESmonetary

Triennial surveillance review
tinyurl.com/IMFtriennial

IFIs admit failure to put jobs at the centre

While the International Labour Organization (ILO) warns of social unrest coming from record unemployment, the IMF and World Bank are being criticised for hindering workers' rights and not putting jobs at the centre of recovery.

An August joint World Bank-IMF discussion note mentions concerns about a jobless recovery in advanced economies, and workers' vulnerability to shocks in developing countries. At the same time, it admits that their support to countries "is not structured with that centrality of jobs in mind", and that in their macroeconomic work they "tend to assume that employment will be created if growth materialises."

Although these statements suggest a shift in the IFIs' mentality in relation to jobs, this is not always translated into progress on the ground (see *Update* 72). An International Trade Union Confederation (ITUC) October communiqué criticised IMF-inspired changes to Romania's labour laws. The government enacted the reform in April, weakening employment protection, without first checking whether it violated the European Union (EU) or ILO core labour standards. The new laws exclude some workers from the right to union membership and introduce obstacles to collective bargaining. In mid October, Sharan Burrow, general secretary of the ITUC, said that "the IMF prescription in Romania contradicts the positive signals about workers' rights from its Washington headquarters" and expressed fears that "governments are dancing to the tune of the discredited orthodoxies of IMF labour and fiscal conditionality."

Bank progress and pitfalls

In October, the Bank released the latest of their controversial *Doing Business* reports (see *Update* 73, 67, 66). Peter Bakvis from the ITUC said the new report confirms that "the Bank has not yet taken any action to correct the 'Paying taxes indicator'", thus "encouraging countries to become tax havens, provide insufficient social protection and government services, or place an unfair tax burden on workers and consumers." Using data from the report, a November article from US magazine *Time* observes that "a number of lower-ranked nations – including South Africa, China and Brazil – have had much faster-growing economies than the U.S. in the past five years" and concludes that "nations with more rules grow faster." Bakvis argues that the results of the *Time* article "are the exact opposite of what the Bank has claimed without a shred of evidence over the eight years that it has published *Doing Business*, namely that the most deregulated countries have the highest rates of growth."

A November report by the ITUC reviews the evolution of the Bank's approach to the ILO core labour standards (CLS). The report welcomes the Bank's endorsement of CLS over the last decade but laments that "the inconsistent adoption and application of the standards among the different divisions of the World Bank Group has created ambiguities and administrative complications." The enforcement of CLS within the wider World Bank Group is likely to be a key issue during the Bank's next safeguard review (see *Update* 77). The ITUC report also points out that trade unions have detected 27 cases of non-compliance by firms in which the IFC has invested. It stresses that while some of the unions' complaints to the IFC "were responded to quickly and corrective actions were taken expeditiously, in other cases the response time was very lengthy and no effective corrective action was taken."

Bank angers trade unions

The Bank is currently drafting its social protection and labour strategy for the decade 2012-2022. It recently published the results of the first phase of consultations on the concept note. Although throughout the document the Bank emphasises that "more than 1,700 individuals and organisations provided their views", and the terms of reference for the strategy say that the advisory group will include CSOs, the ITUC complained that there was no union or any other civil society representative included in the group.

Francesca Ricciardone, from the ITUC, explained that the report on first phase consultations ignores practically all the recommendations made by them, "notably the failure to provide an analysis of the global jobs crisis and put forward solutions, failure to address growing income inequality, no mention of the role of unions and workers' rights and no support for a social protection floor." Phase two of the consultations is planned for November and December this year, and the Bank hopes to launch the new strategy in early 2012. Though the consultations are now open, the Bank is late in preparing a draft of the strategy which is only expected to be released midway through this consultation period.

New World Bank corporate scorecard: adding value?

After discussions with the executive board and staff, but no public consultation, the Bank released a "corporate scorecard" in September, aiming to provide "a snapshot of the Bank's overall performance" to help "strategic dialogue between management and the board on progress made and areas that need attention." The Bank will issue the scorecard annually.

The scorecard has four "tiers" of indicators ranging from the high level development outcomes of tier one, such as population below the $1.25 poverty measure, to organisational effectiveness issues covered under tier four.

Some board members, such as the UK, are hoping it will drive performance at the Bank (see *Update* 77). However, availability of data heavily influences the selection of indicators, with the Bank admitting that "most scorecard indicators were largely selected from a broader set for which reliable data already exist."

Elizabeth Arend of US-based NGO Gender Action said "the scorecard's narrow approach to gender issues is extremely disappointing. Critical indicators on health and agriculture, for example, are not sex-disaggregated, making it almost impossible to judge whether real progress has been made. Criteria for other indicators is also questionable. For example, the scorecard measures 'projects with gender-informed design', but does not hold the Bank accountable for gender-informed project implementation, monitoring and evaluation."

World Bank corporate scorecard 2011
tinyurl.com/corporatescorecard

IFC accused of standards breach over Ugandan land grab

A September report by NGO Oxfam International includes criticism of forestry operations in Uganda in which the World Bank's private sector arm, the International Finance Corporation (IFC), has a stake. More than 20,000 villagers claim to have been unjustly evicted from their homes by UK-based New Forests Company (NFC) to make way for plantations. In the wake of criticism of the Responsible Agricultural Investment principles the Bank co-authored (see *Update* 77, 76), Oxfam says the Ugandan case highlights "how the current system of international standards does not work."

The World Bank has called on NFC to investigate the alleged abuses, which the IFC had noted in a field assessment even before investing in the private equity fund that bankrolled the firm. The villagers claim rights to the land they were occupying, and had managed to win court orders restraining evictions which, they say, were not observed. Oxfam raises the prospect of breach of IFC performance standards regarding forced evictions, lack of compensation, and absence of prior consultation. "There were no consultations," father of nine Augustin Allen told Oxfam. "They cut down our crops, burnt and demolished our houses."

The IFC's March 2010 field assessment observed NFC had been "unable to apply comprehensively its principles guiding resettlement", and that "only a full social audit of resettlement can provide sufficient evidence such that IFC can negate the allegations." Yet two months later, the IFC invested $7 million in private equity fund Agri-Vie, in whose portfolio NFC sits.

Oxfam notes that the case raises particular concern given the involvement of the IFC and other international funders claiming to adhere to social and environmental standards.

tinyurl.com/ugandalandgrab

BRETTON WOODS project

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

No permission needed to reproduce articles. Please pass to colleagues interested in the Bank and Fund, and let us know of other groups interested in getting the Update. The Update is available in print, on the web and by e-mail.
Subscriptions: www.brettonwoodsproject.org/subs
Spanish: www.brettonwoodsproject.org/es/boletin

Bretton Woods Project
33-39 Bowling Green Lane, London, EC1R 0BJ, UK
+44 (0)20 **3122 0610**
+44 (0)20 **7287 5667**
info@brettonwoodsproject.org
www.brettonwoodsproject.org

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

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

ISSN 1471-1168