July 2008

Policy Brief

Canada at the World Bank and IMF – Watching from the sidelines?

Introduction

In 1944, the Bretton Woods Conference established the World Bank[i] and International Monetary Fund (IMF). Every year at the end of March,[ii] the Minister of Finance tables a "*Report on Operations under the Bretton Woods and Related Agreements Act*". As of 2008, these annual reports provide a comprehensive introduction to the institutions and Canada's place within them, an overview of Canadian priorities and actions in 2007, and Canadian medium- term priorities looking forward.

Since 1995, the Halifax Initiative Coalition (HI) has produced report cards on these annual reports to Parliament. These report cards drew attention to the perfunctory nature of the reports and the absence of any substantive content with respect to Canadian priorities, policies and positions on the various issues before the Bank and Fund. They evaluate the transparency and accountability of Finance Canada to parliamentarians for Canadian activities at the institutions, and propose a model, based on best practice, for enhancing the report.

To their credit, in 2007, Finance Canada substantially improved both the content and format of its annual reports. Now that the government has disclosed its positions on issues, and its priorities looking forward, HI is finally in a position to critique some of the issues covered in the annual report. This policy brief addresses some of the most important issues covered in the report, most of which have been a traditional focus of our work.

1) Selection process for the IMF Managing Director and World Bank President

"Canada has long argued for an open and transparent process whereby any country member could nominate a candidate for the position, and […the] decision [would be] based entirely on merit. Equally importantly, the process would be guided by publicly available rules and procedures." P. 30.

<u>*Forward looking action:*</u> *"Looking ahead Canada will work with others on the Executive Board to put in place a process to allow for the selection of the best-qualified candidate, regardless of nationality". P. 52.*

The Bank and Fund selection process for the respective heads of their institutions is a cornerstone of the debate about Bank and Fund legitimacy and credibility. By tradition the head of the IMF has always been a European, while the head of the World Bank, an American. The resignation of both World Bank President Paul Wolfowitz and IMF Managing Director Rodrigo de Rato in 2007 offered an essential opportunity, at a time of extreme institutional crisis, to reestablish some credibility to both institutions.

Despite global calls to democratize the selection process, both Boards squandered that opportunity. While the respective Boards did release statements identifying “key qualities” for a Bank President and a slightly more comprehensive statement on a selection process and candidate profile for the IMF head, the sincerity of the statements is questionable: the Bank released its statement after the US had nominated Robert Zoellick; and the IMF Board’s statement came alongside a refusal by Europe to an Egyptian proposal to establish “an executive search committee that would actively solicit candidates in addition to Mr. Straus-Kahn”, an idea that came from a 2001 Bank and Fund report on leadership selection.[iii]

While Canada did supposedly play a constructive role in developing the respective statements on candidate profiles and selection process, the open support of the Finance Minister in favour of maintaining the status quo was deeply disappointing. This is especially true given Canada’s position in favour of an open and transparent process. The action the government has identified action to establish a better formal process seems a necessary and logical next step. However, the government has not indicated a timeframe for when this would take place, the means by which it might take place, the parameters of the review or indicators of success. This makes it difficult to meaningfully identify “success” in this area.

2) Governance reform at the IMF and World Bank, including changes to IMF Quota

“Canada believes that an IMF governance structure that is representative of the growing importance of emerging markets in the global economy is essential for the institution’s longer term credibility and legitimacy […] The need for a realignment of voting shares is the biggest challenge facing the IMF membership.” P. 23

<u>*Forward looking action:*</u> *“Support discussions across the membership and play a bridging role on a new IMF quota formula, ad hoc quota increase and basic votes increase.” P. 77*

<u>*Forward looking action:*</u> *“Support the development of a reform package at the World Bank that enhances the voice of developing country members through an appropriate mix of reforms to voting, shareholding and other institutional processes, while preserving the Bank’s ability to borrow at the lowest possible interest rates.” P. 77*

Within the IMF, governance has focused predominantly on quota reform. Per the IMF’s Articles of Agreement, each member country has a minimum subscription of quotas in the total capital stock of the IMF. Subscriptions are roughly proportional to the absolute size of the country’s economy in the world, and votes are commensurate to the size of the subscription. Since 2006 the IMF has been developing a new quota formula and ad hoc quota increases to restructure the system so it better reflects the weight and role of emerging economies.

While quota reform is an important exercise, the outcome has done little to enhance the voice of developing countries and the inequitable governance of the institution, or to reestablish the IMF’s credibility and legitimacy. When an agreement was reached in March 2008, changes to 47 Sub-Saharan African country’s voting rights were marginal (from 4.91 to 5.21 percent). The Group of Eight and European Union both dropped, but still respectively represent 45.43 and 30.93 percent. Furthermore, the United States, with 16.73 percent of the vote still effectively maintains a veto over major policy changes, since these require 85 percent of Board votes. Board members resisted attempts to make the formula more democratic, inclusive and representative, through such proposals as a double majority vote[iv].

And discussions of board representation – with eight European Executive Directors (EDs) and only two African EDs (albeit now able to appoint two additional alternates) – have been left out. As a result, the new formula has preserved developed country control over the IMF, whose clients are now almost entirely low-income countries. As the government looks to reforming the voting structure at the World Bank, we would strongly urge it to focus on changes that will bring real, rather than marginal, democratic change to the institution.

3) Transparency at the Bank and Fund

"For the IMF, proactive transparency efforts regarding its loan conditionality, especially in low-income countries, needs to be improved. […]" Pp. 65 – 66

"Canada will continue to encourage the Bank to make as much information public as possible while respecting the need for some confidentiality to preserve the opportunity for frank discussion at the Executive Board and with client countries". P. 65

Forward looking action: "Encourage the IMF (through the Executive Board) to improve public understanding of its role in low-income countries and the nature of its conditionality using existing documents and communication channels." P. 77

Enhanced transparency is an essential element of improving the accountability of the institutions. In 2007, in its report on "The IMF and Aid to Sub-Saharan Africa"[v], the Independent Evaluation Office (IEO), among other things (see point **6)** below), criticized the Fund for poor internal and external communications, and for overstating what the IMF was planning to do on aid mobilization and poverty reduction. The IEO consequently recommended that IMF policy on aid and poverty reduction, and its implementation at the country-level, be more clearly communicated internally and externally, and that IMF Management establish transparent mechanisms for monitoring and evaluating the implementation of this clarified policy guidance.

To some extent, the Canadian position on transparency is in-line with the IEO recommendations and is on the right track. However, there are two issues at stake here: improving overall communications vs. being more transparent in its programs. The IEO report clearly highlighted the need for better IMF communications internally between the Board and Staff (on the predominance of macro-economic policies over more expansionary poverty reduction policies) and between IMF and World Bank staff (for example, on the use of poverty and social impact assessments in Fund programs). Equally, the IMF has been remiss in managing its communications with external stakeholders around its policy choices. However, communications is about crafting messages that you want to be heard; whereas transparency, is about shedding light on processes, policy options and decisions made. Given this, we are pleased that the government supports the IMF being more pro-active in its "transparency efforts regarding its loan conditionality, especially in low-income countries".

We urge the government to take a pro-active role on the Board in opening up negotiations between the Bank and Fund and developing country governments around the entire poverty reduction strategy paper (PRSP) process. This would allow for discussion of national development plans and corresponding PRSPs among elected officials, civil society and the general public, and would situate IMF policies in a range of policy options suitable for individual countries.

Finally, given the government's interest in transparency, it is disappointing that it has no clear objectives with respect to the 2008 review of the World Bank's information disclosure policies and the review of IMF disclosure policies, now postponed to 2009. This should be addressed.

4) Sound IMF Finances

> *"Canada supports the development of a package of measures that would eliminate the IMF's budget deficit and restore its finances to a sustainable footing [, including …] substantive expenditure and staff reductions as a complement to measures to increase IMF income. Our goal is budget reforms that result in a more cost-effective IMF that focuses its outputs on core institutional strengths and practices good financial governance." P.63*
>
> *Forward looking action: "Canada [will w]ork with IMF members to agree on a new sustainable and equitable income model for the Fund[, c]ontinue to support expenditure and staff reductions at the IMF with a focus on core institutional strengths and good financial governance[, and w]ork actively with the goal of concluding this exercise in 2008." P. 77*

In the past three years, from 2005-2007, the IMF's annual outstanding credit and lending commitments (and interest income generated from those commitments) have dropped substantially from SDR$56.6 billion in FY2005, to SDR$23.1 billion in FY2006, to $11.2 billion in FY2007. As a result of early repayments of outstanding loans, and the reduced number of lending commitments, the IMF is facing a $400 million deficit by 2010. The IMF has responded by cutting 15 percent of its staff through a buy-out and selling one eighth of its gold stock to establish an endowment fund that will fill the gap in the Fund's budget shortfall.

We welcome the government's attention to ensuring the budgets at both the Bank and Fund are robust. In this vein, the measures the government is advocating to ensure the long term financial viability of the institutions seem appropriate. However, we have two concerns.

In its annual report, the government attributes the drop in IMF lending commitments to a relatively benign global financial and economic environment. If true, then the global credit crunch and economic crisis of 2007 should lead to an increase in lending in 2008. But, the other half of the story is that countless countries, including Brazil, Argentina, Indonesia and (now in April 2008) Turkey who collectively represented 60% of Fund borrowing, have repaid their debts ahead of schedule and indicated they would not be returning. This is both because of the austere policy conditions the Fund imposes on countries and the widespread opposition to these policies. In fact, the Association of South-East Asian Nations, plus China, Japan and South Korea, have gone one step further, establishing their own $80 billion facility to protect against a regional liquidity crisis. This emerged directly out of the Fund's response to the 1997 Asian financial crisis - by refusing to promote the use of capital controls and regulate the flows of speculative money, and instead promoting the further liberalization of such flows, the IMF essentially further fueled the crisis. The Fund's own cash crunch, therefore, is symptomatic of a growing lack of faith among borrowing countries about both the policy options the Fund is imposing, and its inability to foresee looming financial crises (2007's financial market turmoil, being a case in point), let alone address them. In this vein, focusing on the Fund's income model addresses short term symptoms, while ignoring the root causes.

Secondly, the Fund's proposed gold sale, while generating a short term solution to the Fund's cash crunch, ignores the Fund's longer term problems. It ignores the signal being sent by the Fund's members who are not returning to the Fund for new loans, but are seeking alternate sources of capital either domestically or from other sovereign or commercial lenders. By generating an independent and essentially guaranteed source of revenue for the Fund, it may generate perverse incentives and a degree of moral hazard among lenders and borrowers alike. Finally, it demonstrates that the Fund is more interested in its own self-preservation than the interests of its member countries – in 1995, in discussions about how IMF debt cancellation should be paid for, the IMF outright refused to sell any portion of its gold reserves demanding that donors front the costs. As the Washington Journal says, "This is a recipe for policy mischief."[vi] At a time when the Fund has been castigated by its internal auditor both with respect to the qualitative and quantitative conditions it imposes on countries, this is the wrong signal to send an institution struggling to reestablish its credibility and legitimacy.

5) A new strategic direction for the Bank – unfocused and forgetful

> *"For the Bank to maximize its effectiveness, it needs a strategy that helps it focus on its strengths within each of the six broad areas, rather than spreading itself too thinly."*
>
> *"It is important that the Bank improve coordination across its different agencies to better leverage all of its tools to maximize development impact." P. 52*
>
> <u>*Forward looking action:*</u> *"Urge the Bank to ensure the quality and systematic use of Poverty and Social Impact Analysis (PSIAs) are sustained and strengthened."*
>
> *"Support the Bank's adoption of new tools for clean energy and climate change-related actions that complement or enhance existing initiatives." P. 79*

In October 2007, World Bank President Robert Zoellick announced a new six point agenda for the World Bank, 1) Meeting the needs of the poorest, particularly in Africa; 2) Fragile and post-conflict states; 3) Middle-income countries; 4) Regional and global public goods (GPGs); 5) the Arab and broader Islamic world; and 6) the development learning agenda.

Although the details for this new and expansive agenda have yet to be formulated, we generally agree with the Canadian government that at a time when the Bank has been asked to focus its priorities, it has chosen to cast its net even wider. In addition, we feel it has forgotten its priorities, ignored past lessons and continues to meddle in affairs where it does not have either a place or a comparative advantage.

"Meeting the needs of the poorest, particularly in Africa", should be the foremost priority for the Bank. However, to date, Bank policies have often failed to lead to positive development outcomes for both key constituencies, such as the poor, rural communities, women and indigenous peoples, and issues key to the poor such as food security, sustainable livelihoods and access to essential services for these communities. Despite both the Bank and Fund affirming their commitment to poverty eradication, and developing tools such as Poverty and Social Impact Analysis (PSIA) to identify the consequences of a range of different policy actions on the poor, both institutions have failed to systematically assess the major distributional impacts of their policies. This is in part a failure on the part of both institutions to ensure that ex-ante, country-led PSIAs are conducted as part of an existing or proposed

Poverty Reduction Strategy Paper (PRSP) process. But it is also a failure on the part of both institutions to open up the negotiations around PRSPs to public and parliamentary scrutiny and democratic accountability.[vii] In this vein, we support the government's position with respect to strengthening PSIAs and encourage the government to take PSIAs one step further in terms of disclosure by advocating for them to be *ex-ante* and country-led.

The focus of the Bank on middle-income countries is geared towards providing new services to clients from a "competitive menu of development solutions". Targeting middle-income countries is a logical move. Middle-income countries (MICs) are increasingly important players in the global economy and they should take on responsibilities commensurate with this, in particular with respect to the co-management of global public goods. Demographics have changed: 50 years ago, two thirds of the developing world lived in low-income countries; now four out of five people live in middle-income countries.[viii] And while economic growth is on the rise, even in countries in Sub-Saharan Africa, inequality within countries – including within MICs - has also risen. From a historical perspective, the Bank has also largely neglected MICs as development partners. Responding to their needs, through for example, local currency denominated lending, currency/interest rate/commodity swaps, local currency bond market development, support for development of GDP-linked bonds, and disaster insurance, would likely be welcomed. That said, within its focus on MICs, the Bank should ensure that its environmental and social safeguards are not weakened within its project lending, and that any concessional financing to MICs should include a country led *ex-ante* PSIA to address the significant distributional impacts of that lending. Without doing this, the Bank will be no more successful at tackling poverty in MICs than in LICs.

Perhaps the most worrisome development is the Bank's foray into regional and global public goods (climate change, communicable diseases, international financial crises, and free trade). Here in particular, the Bank needs to be mindful of spreading itself too thin, and undermining existing initiatives and processes. The World Bank's climate investment funds (CIF) is a case in point. The CIF have come under fire from developing countries and civil society groups since details of their proposal were first leaked in February 2008. The final CIF documents were published at the start of July, just before the G8 summit in Japan. Criticisms have focused on establishing a set of funds within a parallel external structure dominated by the G8, which falls outside the UN Convention on Climate Change (UNFCCC). Developing countries have repeatedly argued that any proposed funds for climate change, particularly in such significant amounts, should come under the direction of the state parties to the UNFCCC. Not doing so undermines ongoing negotiations, and has the potential to generate inconsistency and incoherence with internationally agreed priorities and principles on climate change. Furthermore, providing climate aid, particularly for climate change adaptation, through the CIF in the form of loans rather than grants contradicts internationally agreed principles on climate change – namely that developed countries should shoulder the main burden for tackling climate change.[ix] Canada should not channel funds for climate change through the CIF, and should respect the more transparent and democratic UNFCCC process and its negotiated outcomes.

In terms of development learning, the Bank is a stubborn student that fails to learn from past mistakes. For example, in the past ten years, the Bank has commissioned three independent studies of its support for large dams, for extractive industries and its use of structural adjustment policies. In all three cases the Bank almost wholeheartedly dismissed the respective reports' findings.[x] Similarly, audits by the Compliance Advisor Ombudsman are routinely ignored, and recommendations by the Independent Evaluation Office and Group and the Fund and Bank, still have weak implementation, monitoring and follow-up. In terms of research, in December 2006, an internal audit released by 25 academics seriously questioned the reliability and independence of World Bank research. The report found that, while the Bank does produce some "outstanding work", almost two-fifths of this research was simply used to "proselytize" the Bank's policies, "without demonstrating balance in the presentation of the facts", and that "internal research that was favourable to Bank positions was given great prominence and unfavourable research ignored".[xi] More recently, the Bank was heavily criticized internally for its failed track record on agriculture in sub-Saharan Africa, and externally for the vision for agriculture it presented in its 2007 Annual World Development Report[xii]. Finally, the emphasis on strengthening development research remains focused on strengthening the institutions' own research within the Development Economic Unit. Instead, it should strengthen in-country research and statistical capacity at independent Southern research institutes and universities. A focus on development learning helps maintain the Bank's monopoly over development knowledge.[xiii] In this light, delivering relevant and timely knowledge and learning to enhance development is not the challenge. Breaking the Bank's stranglehold over this is.

6) Policy conditionality at the World Bank and at the IMF

> *"Canada strongly supports the [World Bank's good practice] principles, which facilitate the country-led formulation of economic and other reforms critical to the development process. We believe that conditionality can provide important incentives for meaningful reform, but that conditions applied should be limited to only those essential for the success of the program or project." p. 58*
>
> <u>Forward looking action</u>: *None*

In 2006, in response to stakeholder concerns around policy conditionality, the World Bank introduced five good practice principles (GPPs) to help it focus its policy conditionality. These are country ownership, harmonization, criticality, transparency and predictability, and customization to country circumstances. Bank staff annually review the implementation of these good practice principles, often highlighting the more sparing and focused use of policy conditions in Bank programs.

Numerous hard-hitting reports[xiv] have challenged the extent to which progress has been made on conditionality since the Bank introduced its GPPs, often citing the decline in policy conditions, but the rise of benchmarks and other formal and informal triggers that still constitute conditions. The Bank has responded to these reports by arguing that this type of critique is unhelpful since it becomes a counting exercise based on how conditions are defined. That critique aside, there is a growing body of evidence to suggest that on two issues that are fundamental to the success of the process - ownership and transparency – there has been mixed or little success. Government ownership is still too often limited to Finance Ministries and Central Banks, ostracizing Parliamentarians, civil society and the public from the process, and forestalling and progress towards achieving real "democratic ownership". Meetings are conducted in secret, or with limited notice and information to potential stakeholders. Combined with three recent and extremely critical reports by the institution's internal auditors on the lack of progress and severe shortcomings in Bank and Fund conditionality[xv], this raises the question of whether even "more focused" Bank and Fund conditions are having any desired impacts, let alone helping countries fight poverty and achieve the Millennium Development Goals. In fact, in response to these and other critiques, the Norwegian, British and Dutch governments have all untied their own bilateral aid from economic policy conditions.

In light of the above, and in particular the recent adoption of bill C-293 that puts poverty reduction, human rights and the views of the poor at the center of Canadian aid, Canada needs to rethink its approach to aid and conditionality. Among other things, this would mean no economic policy conditions and limiting other conditions to terms focused on making sure that money lent or released by debt relief is used transparently and accountably.[xvi] For Canada, it also means within its bilateral and multilateral relations with aid recipients, that the government should push for real democratic ownership of policies, by opening up negotiations of Bank, Fund and other donor initiated processes to transparent and well-informed domestic debate among parliaments and citizens. Current proposals on improving conditionality under the Paris Declaration and at the Accra High Level Forum are inadequate, not the least because they fall short of allowing full democratic ownership of the development policy agenda, including of determining the type of conditionalities that may be acceptable. Only through processes that promote transparency and accountability can there be real democratic ownership by recipient countries of aid and development. In this vein, we fully endorse, and urge the Canadian government to support, the recommendations on this issue in the Better Aid: A Civil Society Position Paper for the 2008 Accra High Level Forum on Aid Effectiveness.[xvii]

7) Fossil fuel subsidies and positive development impacts

> *"And, while we encouraged the Bank to scale up its support for clean energy sources to support the [Clean Energy for Development Investment Framework], we also realize that oil and coal will continue to be a major fuel source for the world's poorest people for the foreseeable future and that extractive industries will remain important for the economies of many developing countries. We therefore supported the Bank's plan to retain some level of participation in the oil and coal sector (less than 5% of total lending per year), as we believe that by staying engaged, it can have an influential role in ensuring that the best environmental and social practices are followed and that the goal of sustainable poverty reduction is achieved", p. 55*

In 2004, the World Bank -commissioned Extractive Industries Review (EIR)[xviii] recommended immediately phasing out Bank lending for the coal sector and for the oil sector by 2008. Instead, the Bank has done the opposite. Between 2005 and 2008, World Bank Group support for fossil fuels (excluding the Multilateral Investment Guarantee Agency) increased from $376 million to $2.275 billion, an increase of 605%.[xix] The International Finance Corporation's fossil fuel portfolio constitutes the majority of this rise in fossil fuel lending. In contrast, while support for renewable energy did increase during the same period, these figures exaggerate the Bank's actual spending on new renewables, such as wind, solar, biomass and small hydro. The NGO International Rivers, for example, has noted that large hydro projects still dominate more than half of the Bank's funding for all renewable energy and energy efficiency projects,[xx] and that support for new renewables and energy efficiency projects is still stuck at five percent of the energy portfolio. [xxi] These projects also included projects funded by the GEF and carbon finance funds, which are technically separate from the World Bank.[xxii] Besides not being deemed a *bona fide* source of renewable energy because of their documented environmental and social impacts[xxiii], large dams have also been found to be a significant source of greenhouse gas emissions.[xxiv] How can the Bank (and in turn the Canadian government) be taken seriously in its role fighting climate change and energy poverty when Bank support for the types of industries that are the root cause of the problem are increasing so significantly? The Canadian government needs to promote an aggressive program of energy efficiency and new renewables within the Bank, and a phasing out of financial, policy and technical support for fossil fuels.

Finally, the Bank often touts the influential role it can play through its own involvement in programs and projects by ensuring the best environmental and social practices are met and poverty reduction achieved. This is fiction, corroborated by both internal and external criticisms of the Bank, and the Canadian government should not be treating it as fact. For example, the April 2008 report that the Compliance Advisor Ombudsman did on the Karachaganak oil project, found that despite promises to the Board that the project would comply with IFC requirements, "There are only limited signs of IFC guidelines influencing the monitoring programs [of ambient air quality]"[xxv]. In fact, the company didn't even include the Bank's safeguards and guidelines as part of the loan covenant.

While the Board is placing increasing emphasis on the development impacts of IFC-funded projects, IFC has resisted all efforts to disaggregate its reporting by project or expand its indicators for measuring this "development impact". Currently, the majority of development impacts are skewed towards measuring profitability and economic costs and benefits, rather than poverty reduction, economic diversification, revenue transparency, improved social and environmental conditions or community support. Through this scheme, extractive and infrastructure industries had the highest development rating – a finding that contradicts the Bank's own studies on extractive industries and large dams.[xxvi] Furthermore, combined with the fact that in 2007, more than 50 percent of IFC projects were concentrated in middle-income, rather than "frontier", countries, it would seem the IFC has both lost its focus and forgotten its purpose.

Finally, since it is essentially the same staff who approve IFC projects as report on them, the quality and independence of the IFC's development impact reporting is questionable. The Canadian government would do well to more critically evaluate the positive influence that IFC support is purported to have on bank-funded projects and to challenge the real development benefits that such support is lending such projects. Otherwise, how different is IFC support from that of a commercial bank?

Halifax INITIATIVE d'Halifax

153 Chapel Street
Ottawa ON K1N 1H5
Canada

TEL: (613) 789-4447
FAX: (613) 241-4170
WEB: www.halifaxinitiative.org

i The 1944 Bretton Woods Conference actually established the International Monetary Fund and International Bank for Reconstruction and Development (IBRD), otherwise known as the World Bank. Today the World Bank Group is comprised of IBRD, the International Development Association, the International Finance Corporation, the Multilateral Investment Guarantee Agency and the International Centre for Settlement of Investment Disputes.

ii The Bretton Woods and Related Agreements Act authorizes Canada's participation in the World Bank Group and International Monetary Fund. Under Section 13 of the Act, the Minister of Finance must table a report to Parliament on or before March 31, or on any of the first thirty days after Parliament is back in session. This year the report was tabled on March 31, 2008.

[iii] World Bank and International Monetary Fund, "*The Draft Joint Report of The Bank Working Group to Review the Process for the Selection of the President & The Fund Working Group to Review the Process for Selection of the Managing Director*", April 25 2001, on-line at http://www.imf.org/external/spring/2001/imfc/select.htm

iv See Bretton Woods Project, "Double majority decision making at the IMF Implementing effective board voting reform", October 2007, on line at http://www.brettonwoodsproject.org/doc/wbimfgov/implementingDM.pdf

v Independent Evaluation Office, "An Evaluation of The IMF and Aid to Sub-Saharan Africa", March 12, 2007, on-line at http://www.ieo-imf.org/eval/complete/eval_03122007.html

[vi] The Wall Street Journal, "Global Gold Diggers", June 7, 2008; Page A10, on-line at http://online.wsj.com/article/SB121279522791553609.html?mod=opinion_main_review_and_outlooks

[vii] Oxfam International et al. "Blind Spot – The continued failure of the World Bank and IMF to fully assess the impact of their advice on poor people", September 2007.

[viii] Halifax Initiative Coalition, The Changing Face of Global Development Finance – Final Report, First Keynote Speech by Amar Bhattacharya, 2008.

[ix] For further details, see Celine Tan, "No Additionality, New Conditionality: A Critique of the World Bank's Climate Investment Funds", Third World Network, May 2008 and The Guardian, "Campaigners attack UK government over climate change 'loans'", http://www.guardian.co.uk/environment/2008/may/19/climatechange.internationalaidanddevelopment

x See the World Commission on Dams, "Dams and Development", November 2000, on-line at http://www.dams.org/, World Bank, "Striking a Better Balance: The Extractive Industries Review", January 2004, on-line at http://go.worldbank.org/PIW55278X0; Structural Adjustment Participatory Review International Network, "Structural Adjustment: The Policy Roots of Economic Crisis, Poverty and Inequality", 2004.

[xi] An evaluation of World Bank Research 1998-2005, http://siteresources.worldbank.org/DEC/Resources/84797-1109362238001/726454-1164121166494/RESEARCH-EVALUATION-2006-Main-Report.pdf

xii Bretton Woods Project, Failing small farmers: The World Bank and agriculture, http://www.brettonwoodsproject.org/art-558763

xiii See for example, Norman Girvan, "Power Imbalances and Development Knowledge" in Southern Perspectives on Reform of the International Development Architecture, The North-South Institute, September 2007, http://www.nsi-ins.ca/fran/pdf/Power_Imbalances.pdf. Shripad Dharmadhikary, "World Bank as Knowledge Creator", September 2007 and Robin Broad, "Research, knowledge and the art of "paradigm maintenance" The World Bank's development economics vice-presidency", International Political Economy, 13:3 (August 2006): 387-419.

xiv For example, see Jeff Powell, "The World Bank policy scorecard: The new conditionality?", An Issue, Update 43 (The Bretton Woods Project 2004), available online at: http://www.brettonwoodsproject.org/art.shtml?x=84455; ActionAid International, *What progress? A shadow review of World Bank conditionality,* 2006. Oxfam International, Kicking the Habit: How the World Bank and the IMF are still addicted to attaching economic policy conditions to aid, November 2006; Eurodad, Untying the Knots Untying the knots - How the World Bank is failing to deliver real change on conditionality, 2007

[xv] Independent Evaluation Group, Annual Review of Development Effectiveness (ARDE), December 2006; Independent Evaluation Office, An Evaluation of the IMF and Aid to Sub-Saharan Africa, March 2007; and, Independent Evaluation Office, An IEO Evaluation of Structural Conditionality in IMF-Supported Programs, January 2008.

[xvi] See for example *Eurodad's Charter on Responsible Financing, http://www.eurodad.org/whatsnew/reports.aspx?id=2060*

[xvii] See Recommendation 2 and 3 in Better Aid: A Civil Society Position Paper for the 2008 Accra High Level Forum on Aid Effectiveness, available on-line at http://www.betteraid.org/downloads/Better%20Aid%20-%20final%20final.pdf

[xviii] World Bank, "Striking a Better Balance: The Extractive Industries Review", January 2004, on-line at http://go.worldbank.org/PIW55278X0

[xix] See Heike Mainhardt, "World Bank Group Financing for Extractive Industries and Fossil Fuel-based Development FY05-FY08". Bank Information Center, July 3, 2008, on-line at http://www.bicusa.org/proxy/Document.11277.aspx

[xx] Shannon Lawrence, "The World Bank's Big Dam Legacy", International Rivers, October 2007, on-line at http://www.internationalrivers.org/files/The%20World%20Bank's%20Big%20Dam%20Legacy.pdf

[xxi] A recent report by the World Wildlife Fund calculated that between 2006-2007, the actual increase was in fact only 2%. See World Wildlife Fund, "The World Bank and its Carbon Footprint – Why the World Bank is still far from being an environment bank", June 2008, online at: http://www.wwf.org.uk/filelibrary/pdf/world_bank_report_-_final.pdf

[xxii] Bretton Woods Project, *Global energy solutions bank on carbon trading*, http://www.brettonwoodsproject.org/art-547310

[xxiii] See "Dams and Development: A new Framework for Decision-Making", Report of the World Commission on Dams, November 2000.

[xxiv] International Rivers, "Greenhouse Gas Emissions from Dams FAQ", May 2007, on-line at http://www.internationalrivers.org/en/climate-change/greenhouse-gas-emissions-dams-faq

[xxv] Compliance Advisor Ombudsman, "CAO Audit of IFC, Karachaganak Project, Case of Residents in the Village of Berezovka", April 25, 2008, http://www.cao-ombudsman.org/html-english/documents/CAO_Audit_Report_C_I_R7_Y06_F079_ENGLISH.pdf

[xxvi] See for example the reports cited under footnotes xviii) and xxiii)