



## **Bank Information Center**

# **Annual Report 2008**



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## I. INTRODUCTION

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### **The Bank Information Center: an advocate of environmental, social, and economic rights**

The Bank Information Center ([www.bicusa.org](http://www.bicusa.org)) partners with civil society in developing and transition countries to influence the World Bank and other international financial institutions (IFIs) to promote social and economic justice and ecological sustainability. BIC is an independent, non-profit, non-governmental organization that advocates for the protection of rights, participation, transparency, and public accountability in the governance and operations of the World Bank, regional development banks, and the International Monetary Fund (IMF).

During 2008, we deepened our outreach and support services (information sharing, analyses, trainings, and strategic advice) to civil society partners in Asia, Africa, Europe and Central Asia, and Latin America, to better assist them in pushing for greater social and economic justice in the policies and projects of the international financial institutions (IFIs). BIC also pursued various reform initiatives at the IFIs in ways that ensures that the rights of communities are respected, and environmental and social sustainability are well integrated into IFI development operations.

The main outcomes achieved during the grant period include:

- 1) ensured broad civil society input in the Asian Development Bank's draft Safeguard Policy Review (includes policies on resettlement, environment, and indigenous peoples),
- 2) increased pressure on the World Bank and International Finance Corporation (IFC) to promote revenue and contract transparency, including actual IFC action to create a dedicated webpage on client revenue payments,
- 3) empowered several civil society groups in Asia, Africa, South America, and Russia/Central Asia by equipping them with IFI knowledge and advocacy skills, enabling them to bring forward specific project concerns to IFI Board and Management and obtain increased access to decision-makers,
- 4) ensuring the completion of three key environmental studies before the Inter-American Development Bank approved a \$150 million loan on a major Amazon highway project in Colombia,
- 5) creation of permanent consultative mechanism (with first-ever civil society participation) at the Andean Development Corporation, to address social/environmental impacts of the Inter-Oceanic Amazon Highway Project in Peru,
- 6) significant increase in compensation for the affected communities in the West Africa Gas Pipeline Project that better reflected the true value of lost assets,
- 7) incorporation of reform language in a draft U.S. appropriations bill for World Bank's IDA that would make the Inspection Panel more responsive to claimants and to safeguard the Panel's independence,
- 8) inclusion of NGOs as observers to the World Bank's Forest Carbon Partnership Facility Participants Committee meetings, and
- 9) increased understanding and informed engagement of civil society on IMF transparency issues and its response to the food and fuel price crises and the global financial crisis.

## **II. AFRICA PROGRAM**

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During the grant period, BIC, led by our new Nairobi-based Africa Program Manager, conducted outreach and trainings, and provided advocacy support to a number of our partners in the continent.

### **A. Information Services, Outreach, and Capacity Building**

BIC conducted three trainings to raise awareness and capacity of African civil society to understand and influence the IFIs. Among these were trainings (i) in Mombasa, Kenya for ActionAid International Africa in May, (ii) for mining activist groups during the African Initiative on Mining, Environment and Society meeting in Accra, Ghana in June, and (iii) to activists/journalists from around the continent in August, during the Africa Jubilee South assembly in Nairobi. We continued to provide “early warnings” on IFI projects in the pipeline to groups across the continent, including Sierra Leone and Zambia, and raised awareness on IFI activities in Africa through writing/dissemination of six (6) “IFIs in Africa News Briefings.”

We facilitated high-level advocacy meetings in Washington for African partners from CENADEP (DRC), CED (Cameroon), and Group for Alternative Research and Monitoring of the Chad-Cameroon Petroleum Project (Chad) to ensure their concerns are heard. We hosted a fellow from Network Justice Movement for Democracy in Sierra Leone to increase the organization’s capacity to understand the IFIs and help construct a training module for activists in Sierra Leone and to engage in project advocacy. We assisted a colleague from Jeunes Volontaires pour l’Environnement (JVE-Togo) to secure funding to attend the World Bank Annual Meetings and climate change consultations in Washington. We also facilitated meetings with Bank staff and the Executive Director on the World Bank Board in charge of all of francophone Africa to discuss his concerns over pending projects in his native Togo and the Bank’s approach to climate change.

### **B. Strategic Support for Project Monitoring**

BIC pursued a variety of information services, training activities and advocacy support on several different “problem projects.”

**Mining, Forestry, and Energy in DRC (World Bank).** With unrivaled mineral reserves, the world’s second largest rainforest, and a population of over 60 million, the DRC is politically and ecologically pivotal for the region and the world. The World Bank has led the reengagement of the donor community in DRC, committing over \$2 billion in loans and grants since 2001, particularly in the natural resource sectors. Other actors, such as the African Development Bank and Chinese Export-Import Bank, are also becoming more active in the DRC. For much of 2008, developments in the mining and forestry sectors were stalled as contract and concession reviews ran their course. However, during the World Bank’s annual meetings in October 2008, BIC co-hosted two Central African activists, one from CENADEP (DRC) and the other from Kids for Forests/Center for Environment & Development (Cameroon). BIC assisted in their presentation of a youth petition containing 40,000 signatures calling for improved forestry practices in DRC to Bank President Robert Zoellick, and with other meetings and presentations to World Bank officials, civil society, and the German Development Minister.

**Gold Mining in Ghana (IFC).** Despite continued high gold prices, Newmont put its plans to expand its operations to the second phase at the IFC-backed Ahafo gold mine on hold, though it continues to indicate its interest in pursuing development of another mine site in Ghana, located in a forest reserve. However, problems related to the operational first phase of the project at Ahafo South persist, where communities’ concerns about gold mining activities include the loss of access to farmland and lack of

alternative livelihood options, threats to water quality and supply, and the inadequacy of local benefits from mining revenues. BIC staff met with partners WACAM, Third World Network, ISODEC, and FIAN during two separate visits to Ghana during 2008, as we prepare for decisions by IFC, Newmont and local civil society about what directions to pursue.

**West Africa Gas Pipeline (WBG).** After a prolonged investigation, the World Bank's Inspection Panel issued a report in August 2008 in response to a complaint filed by communities in densely-populated southwest Nigeria affected by a Chevron/Shell-led gas pipeline built with World Bank financing. The 680-kilometer pipeline that transports gas from Nigeria's Niger River Delta to Benin, Togo and Ghana has had a negative impact on the communities' livelihoods and safety. BIC worked with partners at Environmental Rights Action/Friends of the Earth-Nigeria to frame a public response, including press statements, to the critical Inspection Panel report, and to the Bank's promises of compensatory action. BIC played a crucial role in putting to use its contacts with those involved in the project to draw out and act on the critical outstanding issues.

The Panel found that community members were in many cases paid only one-tenth the value of their property, that land of equivalent quality was not made available to those dislocated, and that the Bank participated in raising expectations about the project's capacity to reduce gas-flaring in the Delta that were not met. One key outcome of the Inspection Panel process was that project-affected people received a significant increase in compensation that better reflected the true value of their lost assets.

**Bujagali Dam, Uganda (WB/AfDB).** The Bujagali Hydropower Project is one of a series of hydroelectric dams planned on the Ugandan portion of the White Nile River, and is touted by the Government of Uganda as the solution to the country's persistent energy problems. This dam threatens to intensify the dire impact of climate change on Lake Victoria, Africa's largest lake, and will directly affect the livelihoods of about 6,800 people. The project's power-purchase agreement exposes the Ugandan government, and by extension its people, to large and unfair liabilities.

During the grant period, BIC worked with affected communities (through its partner in Kampala, the National Association of Professional Environmentalists) and the staffs of the World Bank Inspection Panel and the African Development Bank's Independent Review Mechanism to ensure that their respective reports reflected the project's serious flaws. Both the AfDB and WB report (disclosed in June and December respectively) confirmed over 30 violations of Bank policies on resettlement, participation, environment, dam safety, and others. BIC conducted direct advocacy with key board members, which bore fruit during Board discussions on the project in December, where some prominent board members voiced their concerns about management's inadequate response to the Panel's recommendations, creating some space to push for additional actions. BIC will be working with NAPE and International Rivers to advocate for meaningful changes in the Bank's approach in 2009.

**Gilgel Gibe III in Ethiopia (AfDB).** Working with International Rivers' Yaoundé office, BIC has been seeking information on the Gilgel Gibe III hydroelectric project in Ethiopia. On a trip to Addis Ababa, BIC met with Ethiopian environmental organizations who were aware of problems with the project, but declined to become actively involved because of government intimidation. BIC has developed contacts with an anthropologist working in the Omo River delta to learn about probable impacts of the project on the numerous indigenous groups there. BIC has also made contact with Friends of Lake Turkana, a Kenyan organization composed of indigenous peoples living near the world's largest desert lake, on the Ethiopian border. The lake would likely be seriously affected by the project, so the group is considering a claim to the African Development Bank's Independent Review Mechanism, with our assistance. We have also assisted the Kenyan group with organizing and media strategy, and anticipate further work on this project throughout 2009.

### **C. Reform of Policy and Strategy Framework**

**AfDB accountability: tracking the institution's growth and footprint.** In 2008, BIC placed special emphasis on educating various civil society groups on the operations and lending impact of the African Development Bank, which remains a highly secretive and opaque public institution. Since 2005, the AfDB's significance has been increasing rapidly, with concessional lending expected to increase by 50%, a near-quadrupling of commitments to the private sector, and heavy involvement in extractive industries and infrastructure lending across the continent. Despite its existence for four decades, access to information by civil society groups/communities on AfDB's programs and projects remains limited. This is compounded by the institution's poor record of enforcing its safeguard policies. BIC remains one of the few organizations following the Bank's activities.

BIC assisted in (i) writing a call-for-transparency statement by Mozambican civil society on the AfDB annual meeting in Maputo in May 2008; (ii) meeting with numerous executive directors and high-level staff at the AfDB's temporary headquarters in Tunis to strengthen channels of communication on transparency and participation issues, and (iii) giving strategic advice and advocacy support organizations working with, or contemplating working with, the AfDB's Independent Review Mechanism (see above). BIC also began networking with various African organizations to begin the process of setting up a permanent African-led monitoring network on the AfDB.

### **III. ASIA PROGRAM**

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During the grant period, BIC's on-the-ground regional presence in Bangkok, Jakarta, and Delhi enabled it to deepen its engagement with civil society organizations in Vietnam, Cambodia, Thailand, Indonesia, India, and Burmese exile groups. We also continued our outreach with Chinese organizations based in Yunnan and Beijing with an eye on IFI operations in Laos. The most significant outcomes achieved during this grant period were: (i) ensured broad civil society input in the Asian Development Bank (ADB)'s draft Safeguard Policy Review (includes policies on resettlement, environment, and indigenous peoples), and (ii) empowered Vietnamese and Indonesian groups by equipping them with IFI knowledge and advocacy skills, enabling them to bring forward specific project concerns to ADB Board and Management.

#### **A. Information Services, Outreach, and Capacity Building**

In 2008, BIC responded to numerous information requests, and disseminated relevant developments on the IFIs in a timely fashion. BIC's role as a source for accessing practical information on IFI sub-regional and country operations has been reinforced by the growing requests from local and international CSOs. BIC produced and circulated a total of fifty (50) early warning updates for India, Pakistan, Nepal, and Bangladesh that list World Bank and ADB projects in the pipeline.

BIC continued to bolster the IFI advocacy capacity of local and national groups in Asia by conducting more than twenty IFI training-workshops in Southeast Asia (Jakarta, West Java (Indonesia), Beijing, Bangkok) and South Asia (India, Nepal). These trainings were designed to increase CSO competency in the basics of World Bank and ADB policies/operations, key thematic issues, and potential impacts of their country operational plans. Participants came from various professions, including women activists, rural and urban community organizers, student leaders, local government delegates, and many other civil society actors. Each were (i) exposed to tools intended to access IFI information, (ii) guided on how to use the information to advance their advocacy objectives, and (iii) learned how to use the Banks' safeguard policies and complaint mechanisms as means to prevent, expose and address the social and environmental harms resulting from Bank-supported projects.

BIC initiated and will soon complete an in-depth research report on how the World Bank and ADB reshape urban infrastructure finance and governance in India, which will be shared with groups monitoring urban development in India as an advocacy tool.

## **B. Strategic Support for Project Monitoring**

BIC conducted assistance on five “problem projects” in the region.

**Song Bung 4 Hydropower Project, Vietnam (ADB).** This Asian Development Bank’s \$196 million investment is the Bank’s first public loan for a 156 MW hydropower project in the country. Triggering all Category A (=heavy environmental/social) impacts under its Involuntary Resettlement, Environment and Indigenous Peoples’ Policies, this dam will flood at least 143 hectares of farm, forest and residential lands and is expected to uproot over 200 families, belonging mostly to *Ka Tu* ethnic minority group.

In January 2008, BIC conducted a fact-finding visit (met with community leaders, affected households) with a key local partner, Rural Development Services Center (RDSC), to obtain the extent of compliance/non-compliance of the ADB’s safeguard and disclosure policies. BIC found that ADB’s draft resettlement plan: (i) were not disseminated timely to stakeholders, (ii) did not involve meaningful stakeholder consultation, and (iii) did not satisfactorily address livelihood restoration, proper compensation for lost assets, land access, and representation at the grievance/resettlement committee. BIC and RDSC then brought these findings and recommendations to the ADB Board and Management. By doing so, ADB management and Board spent more attention on the project (Board date was postponed five times), and the U.S. Executive Director abstained from voting on the project loan.

Even though the project was eventually approved, RDSC will continue to post-approval safeguard compliance and plans to work with the new Project Officer in ensuring proper implementation of resettlement activities. As a result of BIC’s in-country advocacy support and capacity-building effort, Vietnamese CSOs such as the RDSC and members of the Aid Monitoring Group (AMG) have felt more empowered in taking action to address their concerns. Aside from continuing their advocacy efforts on Song Bung, they are also getting involved with the preparation of a collective response to ADB’s safeguard policy update, and the proposal to initiate southern Vietnam CSOs into an informed engagement with the IFIs. BIC’s involvement with this problem project was its first attempt to engage local partners in Vietnam who navigate inflexible political spaces.

**Integrated Citarum Watershed Resources Management Investment Program (ICWRMIP), Indonesia (ADB).** The Citarum River is one of the most critical river basins in Indonesia. Located in the province of West Java, the basin extends over 13,000 square kilometers, which provides home and life to over 10 million people. It supplies about 80 percent of metropolitan Jakarta’s water needs, irrigates over 240,000 hectares of rice and other agricultural crops, and is the source of 1,400 MW of hydroelectric power. The first phase of this \$500 million program would divert water from the Citarum River for industrial use, and threatens to displace close to a thousand households without adequate resettlement plans.

Following two joint information sharing/strategy workshops in February and July 2008 in West Java organized by BIC and six Indonesian NGOs, the Peoples Alliance for Citarum (ARUM) was created to monitor and advocate CSO concerns regarding the ICWRM investment program. ARUM attracted various stakeholders including activists, academicians, religious groups, media, and various other civil society actors. BIC provided its package of support including intelligence gathering, information provision, training, strategy, campaign and advocacy to the Board, media messaging, guidance on monitoring, and other strategic interventions.

With BIC's help throughout the year, ARUM undertook research that showed gaps on the ADB safeguard policy compliance on Citarum project, as well as issues on transparency, consultation practice, and anti-corruption measures. ARUM campaigned to ensure these measures were addressed by the ADB Board and Management, and succeeded in forcing the ADB in carrying out more due diligence on the project. This campaign also sparked interest among Indonesian human rights, water watch, environmental, and anti-corruption groups to re-examine ADB's lending activities in their country.

**Lafarge Surma Cement Project, Northeast India (IFC, ADB).** Local communities' concerns were centered on environmental damage from mining blasts and the loss of livelihood due to the takeover of agricultural land. BIC facilitated the writing of a disclosure appeal to ADB to obtain more information about the project, undertook an on-site visit in March, and provided/summarized ADB project documents to our local partner.

**Phulbari Coal Project, Bangladesh (ADB).** The proposed 30-year open pit coal mine would extract 15 million tons of coal per year from Phulbari, a key rice producing area that contributes to the food basket of Bangladesh. The project has fuelled a strong grassroots movement in the Phulbari area and has raised major environmental, social and human rights concerns for both the indigenous and local residents of Phulbari. An Expert Committee Report commissioned by the Bangladesh government found that over 129,000 persons would be directly affected and 220,000 persons would be indirectly affected. The mining company also has no viable plan to prevent acid mine contamination of the soil and water. BIC collaborated with local groups in mapping out strategies, assessed the filing of a case with the ADB Accountability Mechanism, met with ADB Directors, and provided two critiques of the draft environment and resettlement plans. The ADB pulled out its financing plans in April 2008 due to intense CSO pressure.

### **C. Reform of Policy and Strategy Framework**

**ADB Safeguard Policy Update -- "No to Weakened Safeguards."** The ADB's efforts to update its existing social and environment policies, under the Safeguard Policy Update exercise, have reached a mid-point. Together with NGO Forum on ADB, BIC sparked interest among over fifty Asian/global groups to actively participate in the ADB's safeguards policy review. Throughout 2008, BIC conducted/facilitated strategy meetings, regional preparatory workshops, international media work, advocacy with ADB Board and Management, and CSO coalition building. BIC also managed to convince the U.S. Congress to write a key official letter to the ADB management stating that U.S. support for the Asian Development Fund's (ADF, source of ADB concessional loans) replenishment was contingent upon the satisfactory outcome of the review. Several other ADF donors made references to the need for strengthened safeguards in their Statements at the 2008 ADB Annual Meeting.

Through these efforts, the ADB agreed to produce a 2<sup>nd</sup> draft of its ADB Safeguards Policy Update for civil society comment, and to hold multi-stakeholder international consultations in November 2008, to which BIC also involved in preparatory organizing. In December 2008, BIC, as well as the 250-member strong NGO Forum on ADB, submitted detailed comments/recommendations<sup>1</sup> to the ADB on the 2<sup>nd</sup> Draft Safeguard Policy Statement, which explains in detail how the dilution of existing policy has occurred in a multitude of ways. CSOs are awaiting the release of the third and final publicly available draft. BIC hopes these efforts lead to a strengthened ADB policy that would prevent/minimize unfair resettlement of local communities, loss of livelihoods and indigenous lands, and environmental damage.

**Accountability Mechanisms.** In 2008, BIC worked to ensure the selection of competent and CSO-friendly members to the quasi-independent accountability mechanisms of the World Bank and ADB. After conducting an initial candidate search, BIC screened and contacted several who were interested, and

was able to convince strong candidates to apply for the World Bank Inspection Panel position (including a commissioner in the highly respected World Commission on Dams, and a former ADB Director General of Operations Evaluations Department who was a force behind the existing ADB Accountability Mechanism Policy).

#### **IV. EUROPE AND CENTRAL ASIA PROGRAM**

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During 2008, BIC's Europe and Central Asia (ECA) Program worked to promote revenue and contract transparency for extractive industry (EI) projects financed by the IFIs and to expand our outreach/capacity building work to civil society partners in Russia, Kazakhstan, Mongolia, Azerbaijan, the Kyrgyz Republic, Tajikistan and Georgia.

##### **A. Information Services, Outreach and Capacity-Building**

Key information services and capacity building activities were provided to the region, including:

**Country Updates and Issue Updates.** Country updates provide CSOs and journalists with information regarding active and emerging developments related to the IFIs. The ECA program completed six country updates (on Mongolia, Kyrgyzstan, Kazakhstan, Russia, Azerbaijan and Georgia) and distributed them to CSO partners in the region. In December ECA started another round of country updates, starting with Kyrgyzstan and Mongolia.

**Outreach Trips and IFI Seminars.** In March 2008, BIC made a presentation to a seminar in Moscow on Cooperation between Indigenous Peoples and Extractive Industries Companies. BIC's presentation focused on the IFI policies, including a discussion of how revenue transparency requirements for extractive industries companies are an essential component of benefit sharing and long-term development outcomes.

In July 2008, at the regional Bankwatch conference in Almaty, Kazakhstan, an ECA staff member discussed with partners the process of EITI (Extractive Industries Transparency Initiative) implementation in countries of Central Asia and Caucasus and made a presentation on the potential role of the IFC in promoting contract transparency in EI projects and on the World Bank's role in shaping country mining, land use and other regulatory norms. He also traveled to Bishkek, Kyrgyzstan to meet CSO partners involved in the EITI process and establish contacts with new organizations mostly interested in EITI in Kyrgyzstan. In Dushanbe, Tajikistan, BIC met with a representative from EcoCenter to explore areas of cooperation, such as engaging Tajik CSOs in the process of review and consultation on IFI policies.

In October 2008, an ECA staff member traveled to Odessa, Ukraine to attend the Fourth EITI Regional Conference and present the findings of the latest BIC research on World Bank and IMF extractive industry transparency implementation (see section C below). Civil society groups working on EITI in Mongolia, Azerbaijan, Kazakhstan, Kyrgyzstan and Georgia participated in the meeting. In addition, CSO representatives from Ukraine, Moldova and Russia participate as observers.

**Partner Exchange Program.** The Partner Exchange Program brings BIC's partners from the region to Washington to help NGOs develop a better understanding of the World Bank and other Washington-based international financial institutions and NGOs. BIC sponsored two partners – one from CEE Bankwatch in the Czech Republic and another from the Russian environmental organization Save Yuntolovo – to participate in the Annual General Meetings of the World Bank. In December, a partner from Greenpeace Russia participated in ECA's fellowship program. He met with CSOs and World Bank

officials about Greenpeace's efforts to develop voluntary standards for private banks that finance development projects in Russia.

**Database on Extractive Industries.** BIC continued to maintain a database of extractive industry projects and programs supported by the IFC, World Bank, European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), ADB, Inter-American Development Bank (IDB), and AfDB for **all regions** (see <http://www.bicusa.org/en/Article.3395.aspx>). The database provides key data, including amounts and project-level requirements for revenue and contract transparency, for IFI activities in the extractive industries. The latest data demonstrate that the World Bank Group, specifically the IFC, and the European Investment Bank (EIB) are the leading lenders to the extractive industries by a large margin. The database also reveals that the World Bank Group provides an average of approximately \$1 billion annually to the extractive industries. Aside from civil society, journalists, including Bloomberg and the Financial Times, used the figures generated from BIC's database.

## **B. Strategic Support for Project Monitoring**

BIC supports civil society in the region in their monitoring of key projects financed by the IFIs. Because of their potential or actual adverse environmental and social effects, projects in the extractive industries of the Caspian countries (including Russia) are particularly controversial.

**Caspian gas pipelines.** Feasibility studies and negotiations on major gas pipeline projects in the Caspian region are currently underway. The European Investment Bank, the World Bank and the European Bank for Reconstruction and Development are considering financing for two projects –the **TransCaspian Gas Transportation Project**, which would transport gas from Turkmenistan to Azerbaijan through the Caspian Sea, and the proposed **Nabucco Gas Pipeline Project**, which would transport gas via Turkey to Austria via Bulgaria, Romania, and Hungary. These pipelines are intended to decrease Europe's energy dependence from Russia. BIC has been monitoring possible IFI commitments to these pipelines due to the anticipated adverse environmental and social effects. In 2008, BIC prepared two updates on the status of the proposed gas pipe lines in region and disseminated them to partners. If the IFIs decide to finance the projects, BIC will work to ensure that IFI safeguard policies on resettlement and environment are implemented properly and will advocate for comprehensive revenue and contract transparency requirements.

**Karachaganak Oil and Gas Condensate Field, Kazakhstan (IFC).** The Karachaganak oil field situated in northwestern Kazakhstan contains one of the world's largest deposits of oil and gas. In 2002, the IFC approved a \$150 million loan to Lukoil (Russia) to double the oil production in the field. Residents have reported daily exposure to black clouds of burn-off and industrial effluents, noted an increase in health problems, and have consequently been lobbying to be resettled. In 2008, BIC, working with U.S. based Crude Accountability and the Ecological Society Green Salvation of Kazakhstan, continued to provide assistance to the local communities in their official complaint to the IFC's Compliance Advisory Ombudsman (CAO). In April 2008, the CAO released a report that found the IFC out of compliance with its own regulations for toxic emissions. The case remains open with the CAO because the IFC has failed to bring into compliance significant failures in the IFC's environmental monitoring of activities.

**Russkiy Mir II Oil Terminal, Russia (IFC).** IFC provided financing to the Russkiy Mir Group (largest private owner of railroad tank cars in Russia) to support the development and construction of the LPG/fuel oil terminal and port on the Taman peninsula. Environmental concerns include the threat of oil spills, which could seriously jeopardize the local economy, much of which is based on tourism and fishing. BIC continued to assist Russian environmentalists in their official complaint with the CAO.

**Aricom Iron Ore Mine, Russia (IFC).** This IFC project will support mine exploration activities by the Aricom Company. BIC is concerned about inadequate consultations with local indigenous people and the environmental impact of mining activities on local protected areas. BIC has been working with RAIPON, an indigenous association in Russia, in advocating due diligence and promoting long-term benefit sharing plans with project-affected communities, as well as helping them obtain more information about the project. BIC traveled with RAIPON staff to the Amur District in Siberia to discuss this topic with indigenous people who live near the project site. BIC found that local groups were not aware of the project manager's obligations to share benefits of the project and to publish payments to the government. No formal complaints have been filed on Aricom, but pressure from BIC has helped to convince managers of the project that they must disclose their payments to government to comply with IFC policy. In December 2008 BIC met with RAIPON staff again to follow up on their monitoring of the Aricom project. BIC agreed to provide further advice when Aricom drafts an Indigenous Peoples Action Plan for the project.

### **C. Reform of Policy and Strategy Framework**

**Assessment of World Bank Group-IMF Revenue and Contract Transparency Commitments.** In October 2008, BIC, in collaboration with Global Witness, completed an assessment of how the World Bank Group and IMF are implementing extractive industry (EI) transparency in their operations. The report, entitled "*Assessment of International Monetary Fund and World Bank Group Extractive Industries Transparency Implementation*,"<sup>iii</sup> looked at operations in 57 resource-rich countries from January 2004 to April 2008 and reviewed three elements of extractive industry transparency: 1) public disclosure of revenues paid to governments by the extractive industries; 2) public disclosure of EI contracts; and 3) civil society participation in the implementation and monitoring of the transparency process.

The major findings of the 25-page report were:

- World Bank and IMF implementation of their commitments on transparency is inconsistent and not comprehensive across resource-rich countries and EI projects.
- The World Bank and IMF have played an important role in getting countries to endorse EITI and assisting countries to implement EITI principles.
- The IMF used revenue disclosure as a program benchmark in 59% of countries with lending programs (or 10 out of 17). The WB rarely uses revenue disclosure as a performance indicator for resource-rich countries or EI specific projects (only 3 out of 16 countries).
- Contract Disclosure is largely not promoted. The IFC's policy requirement on contract disclosure has never been triggered. Since the policy took affect there have been more than 20 EI projects approved. The IMF has used contract disclosure as a benchmark in 2 country programs.
- The institutions do not ensure civil society engagement in their EI transparency activities, and often there is no evidence of significant engagement.
- Disclosure of payments to governments by IFC extractive industry projects varies greatly.

The report was well received by both the World Bank and IMF during meetings (WB spring and annual), panel discussions (attended by more than 100 people at the Wilson Center), closed-door meetings with the WB's Extractive Industries Advisory Group, and the U.S. Government. Both institutions agreed with the overall finding that more should be done to promote revenue and contract transparency. The report was featured in the news media, including articles in the United Press International (UPI) and Inter Press Service. Several groups are also using report in advocacy aimed at their parliaments and government departments, including in Belgium, UK, the Netherlands, Germany, and Italy.

**Advocating IFI Revenue and Contract Transparency.** BIC conducted a number of advocacy efforts to promote revenue and contract transparency at the IFIs.

- 1) During meetings with U.S. Treasury officials, BIC proposed that the U.S. Government strongly advocate that the IFC Sustainability Policy requires contract disclosure for all EI projects; and that the U.S. Executive Director at the World Bank should vote no on projects and country program loans that do not adequately address revenue and contract disclosure and civil society engagement. The U.S. Treasury representative said they were interested in following up on these suggested actions.
- 2) Through Senator Feingold's office, BIC provided comments to the Senate Financial Services Committee hearing in September 2008, on the Treasury Department's report on IFI Projects that Support Extractive Industries. As a result of advocacy efforts of BIC and other Publish What You Pay coalition members, Senator Feingold's office wrote a critical letter to the U.S. Treasury asking what specific steps the Treasury will take to press the IFIs to prioritize transparency in loans related to extractive industries.
- 3) BIC advocated that the IFC take direct responsibility for publishing on its website links to project reporting on revenue transparency. As a result, the IFC created a web page with links to the information on payments to governments.<sup>iii</sup>
- 4) In November, BIC worked with 24 CSOs in 13 countries to draft a letter to the President of the IFC calling for contract disclosure for all IFC extractive industry projects. BIC provided the important finding that none of the more than 20 extractive industry projects approved since 2006 has qualified for the IFC's Sustainability Policy's requirement on EI contract disclosure for significant projects.

## **V. LATIN AMERICA PROGRAM**

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During the last year, BIC continued to ramp up its campaigns around emblematic projects in South America, in particular mega-infrastructure projects under the Integration of Regional Infrastructure in South America (IIRSA) Initiative. Since 2005, BIC's Latin America Program has been providing critical support to a wide variety of civil society organizations to help them analyze and influence economic integration projects and policies in the Andes-Amazon. Our work has contributed to a significant opening of policy space, as well as concrete changes that have altered the economic thinking about IIRSA as a sustainable integration model.

### **A. Information Services, Outreach, and Capacity Building**

**BICECA Website.** In 2008, BIC integrated our BICECA website (*Building Informed Civic Engagement for Conservation in the Andes-Amazon*) into the primary web site and added new tools, which will continue to strengthen this portal as the most widely used, independent, online resource on IIRSA (website: [www.biceca.org](http://www.biceca.org)). The website has facilitated a constant exchange of partner experiences, knowledge, and breaking news, and has significantly increased civil society access to independent information, monitoring and engagement of IIRSA projects. BIC and our partners received constant indications from government and IFI officials (ej. recognition of visits to track postings on the site) that they are using the BICECA website as a measure of civil society vigilance over IIRSA decisions and a barometer of public opinion. The IDB was forced to overhaul its official IIRSA site to match information disclosure at BICECA website.

**IIRSA Analytical Bulletins.** In 2008, BIC continued to produce regular analytical bulletins", which include monthly and trimester BICECA Bulletins as well as periodic info briefs. These bulletins offer

relevant and up-to-date news and information to civil society about projects and policies associated with the IIRSA.

**Workshops and Seminars.** BIC continued to help empower citizens to shape development decision-making and to influence policy through training, workshops, seminars and conferences relating IIRSA to various aspects of public and private project finance. BIC conducted six workshops/trainings in the region (Colombia, Brazil, Peru, Bolivia, Ecuador, Argentina) during the grant period, the aim of which was to promote a basic understanding of economic integration projects and policies; the role of public financial institutions; international standards on environmental and social impacts; and the right to information. The target audiences of such training activities have been local communities, indigenous leaders, civil society organizations, government officials as well as specialists and managers of IFIs and private banks. Over the past three years, BIC's informational and capacity building activities have trained over 4,000 individuals and 100 organizations in over 80 local workshops or presentations, 9 regional seminars and 9 international conferences.

**Civil society capacity building.** Through BIC's efforts to build partner capacity and open political space through the past three years, key BIC partners are now recognized experts on IIRSA, and have access to and are exercising influence over high-level decision makers in governments. The BICECA network has been identified by governments, IFI officials, social movements, & NGOs as reliable resource partners. For some of the countries where BICECA worked, the researchers became de facto authorities on IIRSA for peer organizations and in some instances, the government, due to the complete failure of the official IIRSA initiative to disseminate meaningful information to the public. This recognition has translated into greater access to key decision makers and to relevant information.

## **B. Strategic Support for Project Monitoring**

In 2008, BIC completed its case studies on infrastructure mega-projects including Corredor Norte Highway in Bolivia, Pasto-Mocoa Highway in Colombia, and Madeira Hydroelectric Complex in Brazil. These road and dam projects threaten to displace thousands, disrupt livelihoods (reduced crops, fishing), affect indigenous communities, and destroy rich biodiversity in the Amazon. BIC has begun to disseminate and present these studies at various conferences, and is leading advocacy planning work to promote the recommendations.

**Río Maderia Complex (Brazil).** This \$25 billion hydroelectric, waterway and transmission project complex is the largest single initiative included in the IIRSA portfolio. The project is conceived to increase the area planted in soy and other monocultures in the Andean Amazon. If the project proceeds, the habitat of 750 fish species and 800 bird species would be endangered, and floodplain agriculture would be rendered unfeasible downstream.

In June 2008, BIC produced and launched the book entitled "*Águas Turvas: alertas sobre as conseqüências de barrar o maior afluente do Amazonas*" ("Muddy Waters: Alerts on the Consequences of Damming the Biggest Tributary of the Amazon"), which explains the contradictions of the Hydroelectric Complex and the hydroways of the Madeira River and the outstanding questions concerning its socio-environmental feasibility. This case study continues to provide leverage for local groups to engage in more effective policy advocacy in valorization of direct/indirect impacts, evaluation methodology, and compensation funds. The study was done in partnership with International Rivers and several experts from Brazilian and foreign institutions, including the National Institute for the Research of the Amazon (INPA), Yale University, Federal University of Rio de Janeiro (UFRJ) and the Universidad Mayor de San Andrés (Bolivia).

**Northern Corridor (Bolivia).** Financed mainly by the IDB and the Andean Development Corporation (CAF), the Northern Corridor is an Amazon highway that crosses areas of tropical forests and reserves that are priorities for both conservation and sustainable development. If constructed with the appropriate safeguards, the project could provide an impulse to the region's sustainable and equitable development. BIC's partner, the Bolivian Forum on the Environment and Development (Fobomade), has established critical channels of influence with the new MAS government that may help in this project's reform.

In 2008, BIC and Fobomade completed the Corredor Norte case study research, and is expected to be launched in Bolivia around April 2009. The study assesses the process and content of the IDB-funded Strategic Environmental Assessments (SEA) and establishes a set of recommendations for differentiating between an export corridor that make many ongoing economic and conservation activities unsustainable and an integration program that privileges local knowledge, institutions and livelihoods. Through preliminary findings and associated advocacy efforts of BIC and our partners, we have in part influenced the Bolivian government to rethink plans for the integration of the Northern Amazon region and slow the unconditional investment in highway loans without adequate institutional provisions.

**Pasto-Mocoa Highway (Colombia).** As an anchor project for the Amazon hub, the proposed Pasto-Mocoa road is aimed to facilitate exports of goods from the Amazon region, and unlock commercial cargo traffic between Ecuador and Venezuela. The scheduled road presents many social and environmental risks, traversing one of the most conflictive regions of Colombia, transecting an indigenous reserve and fostering speculation by colonists as well as oil and mining companies. The regional development organization, CORPOAMAZONIA, is not equipped to manage the anticipated risks to the Forest Reserve of the Upper Mocoa River Basin, Laguna de la Cocha – a Ramsar site, as well as the collective properties and indigenous reserves of the Inga, Kamentza and Quillacinga peoples.

BIC and its strategic partner ILSA (the Institute for Alternative Legal Studies) in Colombia supervised a case study in conjunction with WWF-Colombia, Semillas and others. The study entitled "*Selva Bierta: Via Pasto-Mocoa e hidrovía del Putumayo*" (Open Forest: The Pasto-Mocoa Highway) was presented in Bogotá on Feb 2008 and in Mocoa, Putumayo in March 2008. Advocacy efforts of BIC and our partners was instrumental in blocking IDB efforts to rapidly approve a \$150 million loan (CO-L1019) to fund this project without the completion of three key environmental studies. The space created for the more effective consultation of local actors has led to more effective negotiation of social and environmental conditions on any eventual financing of the highway, including more sustainable financing for the management of affected reserves. The IDB has financed 3 new Technical Cooperations to address sustainability concerns associated with the project by BIC's case study, as well as increased the proposed loan amount to account for greater investments in complementary activities also pointed out by our collective advocacy. The expected loan approval date in the first half of 2009 should mark an important milestone in negotiations between civil society and the Colombian government upon which further improvements during the project implementation period can be built.

**Strategic Environmental Assessments.** The three case studies and associated advocacy efforts around them also had a significant impact in promoting a CSO convergence around increased participation in Strategic Environmental Assessments (SEA) for projects. SEAs take into account the indirect impacts of large infrastructure projects (e.g. health effects, strain on local development due to migration), allow for sector-wide planning (instead of piecemeal projects), and are participatory in nature. In December 2008 in Bogota, BIC convened a successful dialogue between CSOs from South American countries and the Inter-American Development Bank regarding the misuse and success stories of SEAs. BIC plans to continue to work with CSO partners in convincing the IDB and other IFIs to adopt SEA minimal standards.

## C. Reform of Policy and Strategy Framework

**IDB 50<sup>th</sup> Anniversary Campaign.** BIC is supporting the efforts of some 35 other Latin American organizations in the preparation of a campaign to contest the 50<sup>th</sup> Anniversary Celebrations planned by the Inter-American Development Bank in March of 2009. With Colombian partner, ILSA, BIC co-sponsored a two day strategy workshop with about 20 other national and international partners to plan a parallel Popular Forum in Medellin, Colombia to counter the messaging of the IDB regarding its 50 year legacy in Latin America. In 2009, BIC will support the logistical and analytical preparations for the Medellin Popular Forum as well as facilitate the participation of partners from 6 countries.

**Andean Development Corporation.** The Andean Development Corporation (Corporación Andina de Fomento or CAF), is a regional financial institution providing an increasingly larger share of overall support to IIRSA projects. In 2008, BIC worked on demystifying this institution by engaging CAF senior management and project specialists, writing a thematic report on CAF's policy matrix, and launching a new webpage on the institution. The increased flow of information on CAF to civil society actors is exposing the financial institution as a threat to sustainable management of protected areas in the Andean-Amazon region. BIC's case study on the Southern Interoceanic Highway also helped pressure CAF to create an unprecedented \$17 million compensatory fund to address the direct impacts of the project, and create a consultative mechanism to allow direct oversight by two civil society representatives in the administration of the project.

## VI. POLICY PROGRAM

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In 2008, BIC's Policy Program focused on transparency issues at the World Bank, strengthening of the World Bank's Inspection Panel, human rights issues, and tracking the World Bank's energy and extractives portfolio, new climate investment funds, and forest carbon initiative.

### A. Transparency at the World Bank

BIC (together with the Global Transparency Initiative, GTI) had expected the World Bank to conduct a review of its Policy on Disclosure of Information in 2008. For various reasons—including a preference by World Bank President Robert Zoellick not to launch the review so early in his tenure—the review has been postponed until 2009. In preparation for the review, BIC/GTI wrote to President Zoellick in February 2008 in order to call his attention to the GTI Transparency Charter for IFIs and to present recommendations for an open, participatory review process.

BIC and GTI groups have discussed the GTI Transparency Charter for IFIs with World Bank staff this past year and have shared our comparative analyses of IFI transparency standards. It is our understanding that an approach paper to the forthcoming policy review shares some of the same principles articulated in the Charter, and that GTI's comparative analysis has been widely circulated within the Bank. BIC will help lead a global advocacy campaign on the review in 2009.

In addition, BIC together with freedominfo.org, conducted a GTI Transparency Charter training during the annual meetings of the World Bank/IMF in October 2008. We introduced charter concepts and presented GTI's analysis of access to information at the World Bank and IMF to a range of civil society organizations and broadened our outreach list.

## **B. Accountability and International Standards**

**World Bank Inspection Panel.** On June 18, 2008, the House Financial Services Committee conducted hearings regarding the fifteenth replenishment of the International Development Association (IDA-15), the World Bank's concessional lending arm. BIC coordinated civil society input regarding reforms to strengthen the World Bank's Inspection Panel—which provides project-affected communities an opportunity to have their complaints investigated by a body independent of Bank management. BIC's consultant Lori Udall presented testimony on behalf of BIC, Center for International Environmental Law (CIEL), Environmental Defense Fund, International Accountability Project, National Wildlife Federation, Oxfam America, and World Wildlife Fund. Ms. Udall's testimony argued for key reforms to make the Panel more responsive to claimants and to safeguard its independence, including:

- earlier claimant access to the Panel's final report
- Panel review of claimant's role in developing remedies
- claimant access to Bank's Board of Executive Directors during process
- Panel monitoring of implementation of remedial measures
- an open nominations process for selecting Panel members
- increased budget and budgetary control.

The recommendations were well received by the Committee and incorporated, in modified form, into bill language. Given disagreements within Congress and with the Bush Administration, the FY09 appropriations process was delayed. The Committee states that the reform language will most likely be incorporated into an appropriations bill in early 2009.

In recent years the World Bank Inspection Panel has explicitly addressed issues of international human rights as they relate to claims brought before the Panel. BIC and CIEL produced a draft paper on "Bringing Human Rights Claims to the World Bank Inspection Panel" to assist civil society groups to incorporate human rights issues into potential claims. The paper will be finalized in 2009 and circulated widely.

**IFC and Human Rights.** Over the last several years, the International Finance Corporation's Performance Standards—and the Equator Principles derived from the IFC Standards—have become the most widely-accepted framework among international project financiers for managing environmental and social risks of projects in the developing world. These standards have been adopted by a number of leading international banks and export credit agencies.

BIC and CIEL, with support from the World Resources Institute (WRI), Oxfam Australia and Banktrack, assessed the extent to which the Performance Standards/Equator Principles (PS/EP) provide sufficient guidance for project sponsors to manage the human rights risks of their operations. The report finds that PS/EPs do not provide project sponsors with a robust framework for meeting their responsibility to respect or remedy human rights. In particular, the report finds that PS/EPs fall short in terms of substantive standards, due diligence procedures, and grievance mechanisms.

In August 2008, BIC, CIEL, WRI, Oxfam Australia and Banktrack submitted the study to the U.N. Special Representative to the Secretary General on Human Rights and Transnational Corporations and other Business Enterprises, John Ruggie. BIC has made several submissions to Mr. Ruggie, arguing that his mandate should include a review of IFC policies given that the IFC serves as a standard setter for the corporate sector. The U.N. Special Representative responded that our

“... analysis will be very useful to me as I set out in the course of my current mandate to ‘operationalize’ the policy framework that I had proposed to the UN Human Rights Council, and

which it welcomed unanimously in June. The analysis is relevant to all three pillars of the framework: the state duty to protect human rights, the company responsibility to respect human rights, and access to effective remedy. In particular, it will serve as a useful reference point for any work we may undertake to operationalize what it means for investors, lenders, and asset managers to respect human rights and avoid complicity in human rights abuses.”<sup>iv</sup>

In addition, BIC was invited to London in July 2008 to discuss with Amnesty International staff human rights issues at the World Bank as well as general IFI advocacy strategies. Amnesty International is planning to launch a campaign on poverty and human rights, and will include the World Bank and IMF.

### **C. Monitoring World Bank Environmental Policies/Initiatives**

**Climate Investment Funds.** In July 2008 a new set of donor trust funds were established at the World Bank. The Climate Investment Funds (CIFs) position the World Bank to play a more central role in managing financial mechanisms related to international climate agreements. At present the Bank has been given authority by its shareholders to operate a Clean Technology Fund (to finance lower-carbon energy provision in large developing countries), a Strategic Climate Fund (a catch-all fund for a range of climate initiatives which includes a sub-fund for forests, the Forest Investment Program), and a Pilot Program on Climate Resilience (to fund adaptation initiatives).

BIC has shared widely information on the CIFs with civil society groups and global climate networks. BIC presented recommendations to the Bank, US Treasury, and Congress regarding transparent operations of the funds. BIC also convened the first meetings between civil society groups and the World Bank to discuss the funds and the Bank’s Strategic Framework on Climate Change and Development. BIC facilitated a panel discussion on the Framework at the World Bank spring meetings in April 2008 and a panel on MDB climate initiatives at the fall Annual Meetings of the World Bank/IMF (October 2008).

**Forest Carbon Partnership Facility.** In December 2007 the World Bank launched the Forest Carbon Partnership Facility (FCPF) to assist developing countries to prepare to bring forest carbon stocks into an international carbon market. Due to earlier interventions by BIC and other NGOs, the FCPF had agreed to include NGOs as observers to the FCPF Participants Committee meetings. In October 2008 BIC attended the Washington, DC, FCPF meeting as part of a team of ad hoc NGO observers. BIC is assisting with devising a structured nominations and selection process for NGO observers to the facility. BIC has established a listserv on the FCPF ([fcpf-ngo@googlegroups.com](mailto:fcpf-ngo@googlegroups.com)) for NGOs. The NGO observer selection process and reporting functions will take place over this listserv.

**World Bank Group Extractive Industries, Energy, and Climate.** BIC maintains a database on WBG extractive industries investments. BIC-generated data has strengthened CSO arguments that the Bank is not aggressively shifting its energy portfolio away from the most carbon-intensive sources. BIC will release an analysis in early 2009 on the carbon intensity of the World Bank Groups energy and extractives portfolio.

## D. New Financial Flows

As part of BIC's strategic planning process for 2009-2012, BIC contracted a study on the shifting landscape of international development finance. Before the onset of the current global financial crisis, many debates centered on the rise of private capital flows as well as external Chinese and Brazilian investments, with speculation that the IFIs had entered a phase of relative decline and increased competition. BIC commissioned Sony Kapoor, director of a new development think tank and a long-time development finance analyst and advocate, to analyze these shifting dynamics. Kapoor finds that the IFIs have been busily adapting their business models to this shifting environment, developing new facilities and product lines. He concludes that the IFIs will remain influential actors for some time to come, particularly among lower income developing countries, and that CSOs need to sharpen their IFI advocacy agendas.

## VII. IMF INITIATIVE

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In 2008, BIC's initiative on the International Monetary Fund focused on four key areas of work: (a) transparency and participation, (b) the food and fuel price crises, (c) the global financial crisis, and (d) advocacy within the U.S. Congress. These topics reflect the most urgent areas of concern for global civil society during the year, as well as pivotal areas of policy influence within the IMF's Executive Board as well as the U.S. government. . In coordination with civil society partners, policy experts, and academics, the IMF Program at BIC has been driven by the objective of achieving policy and process change within the IMF in order to champion accountability, transparency, and economic policies that do not harm the real economy.

The IMF Program collaborated with a wide range of CSOs globally. Over the last 18 months, collaboration and/or communication has occurred with a total of 32 different CSOs. This has taken the form of joint advocacy initiatives and of participation in networks such as the IMF Campaign and the IMF Working Group. Out of these 32 CSOs, 18 are based in developing countries and 14 in developed countries. They represent 22 countries—15 in the south and 7 in the north.

**Transparency.** The IMF Program has been working with the Global Transparency Initiative (GTI) on research, analysis and advocacy for increased transparency and access to information at the IMF. The ultimate goal is to dramatically improve the IMF's transparency policy so that it implements and enforces the principles and best practices of the GTI's *IFI Transparency Charter*. To this extent, BIC's IMF Program co-authored a policy brief in October 2008 titled, "*Right to Information at the IMF: How to improve the Fund's transparency policy.*" This policy brief makes a central demand for the IMF to recognize the right to information, and recommends 11 specific changes to document and information access across a range of IMF document categories, including policy papers, archives materials and board documents.

The brief demonstrates that the IMF fails to meet five of the nine openness principles in the GTI Charter, and only partially meets the other four. On a comparative level, the IMF fares significantly worse than the World Bank in meeting these principles. The executive summary argues that the IMF should use the upcoming transparency policy review, scheduled for mid-2009, to make a bold move towards recognizing the right to information.

BIC is also continuing to facilitate civil society inclusion in IMF processes, ranging from meetings and workshop sessions during the Annual or Spring Meetings to conference calls. Throughout 2008, BIC has been regularly gathering information on new IMF policies, loans, and processes from the staff as well as from the Executive Board (senior advisors and Executive Directors). Global civil society partners have

expressed repeatedly that this is a useful contribution which informs and enhances their own work, particularly when it comes to advocating and campaigning for pro-growth and pro-people economic policies on the national level.

**Food Crisis.** The IMF has placed itself at the center of the multilateral response to the food and fuel price increases of 2008. The food and fuel price crises that has unfolded over the last year has severely impacted developing countries who are dependent on imports of basic food staples and fuel, particularly as import bills have surged, creating massive balance of payments problems. The IMF responded by re-designing their Exogenous Shocks Facility (ESF) loan program, a short-term concessional loan intended to address externally generated shocks in low-income countries.

The IMF Program took the leadership in August and September 2008 in a joint civil society effort to press the IMF Executive Board to ensure that the ESF was designed in a manner that adequately responded to the magnitude of the food and fuel price crises. An advocacy letter was drafted to the Executive Board to demand that the ESF be re-designed with no conditionality attached, open access amounts, maximum leeway for national policy space, and transparency and inclusivity on the Board and mission team level in recipient countries. Partner civil society organizations were African Network on Debt and Development, Oxfam International, Bretton Woods Project, ActionAid International, and the European Network on Debt and Development.

A policy report was also co-authored by BIC's IMF Program and European Network on Debt and Development and ActionAid USA, titled "*Quick Fixes or Real Solutions: The IMF and World Bank response to the global food and fuel crisis*"<sup>v</sup> and released during the 2008 Annual Meetings. The report analyzed the World Bank's Global Food Crisis Response Facility and the problematic agricultural model promoted by the Bank, as well as the IMF's fiscal, monetary and exchange rate advice to countries affected by the commodity crises and the important flaws in the re-design of the ESF loan program. The report was distributed to civil society networks and used in a seminar program during the Annual Meetings, where civil society views were presented alongside senior staff from the World Bank and IMF as well as developing country civil society. In December 2008, BIC and ActionAid USA wrote a policy brief for the G24 focusing on the IMF's policy and loan framework in response to the global food crisis.

**Global Financial Crisis.** Starting in September 2008, the IMF Program tracked the rapid unfolding of the global financial crisis, credit crunch, and ensuing economic recession. The IMF's role and actions in the global financial turmoil was critical and at the center-stage, particularly due to the broadened mandate and strengthened power ascribed to it through the G20 financial summit. Brief articles were produced to generate information, awareness and understanding of how the IMF was coming 'back into business' through the financial crisis. A critical aspect of this analysis is how the new loans being disbursed to countries hit hard by today's credit crisis are coming attached with contractionary and austere macroeconomic conditionalities that sharply contradict the economic stimulus policies being pursued by developed countries across the west and East Asia.

**Congressional Advocacy.** BIC's IMF Program is a core member of a U.S.-based coalition of civil society organizations working on IMF policy reform. This coalition has argued that U.S. Congressional approval of IMF gold sales should encourage policy changes within the IMF that address its negative impact on economic and social development across developing countries. These changes include the elimination of unnecessarily restrictive deficit- and inflation-reduction targets which constrain public spending for social sectors, namely the health and education sectors. They also include process demands such as dramatically improved transparency, meaningful external participation in policymaking and enhanced parliamentary participation. Debt cancellation is also a central aspect, with the argument that a portion of the gold sales proceeds must go toward debt cancellation, rather than having all the proceeds be used for the administrative budget.

**Seminars and workshops.** At the World Bank/IMF Spring Meetings of 2008 BIC's IMF initiative participated in sessions to discuss the Policy Support Instrument of the Fund, the Independent Evaluation Office's review of IMF structural conditionality, and the IMF's role in low-income countries. During the Annual meetings of 2008 seminars, BIC moderated a panel session on the IFI response to the food crisis, and engaged with the Independent Evaluation Office regarding their review of the IMF's role in trade liberalization in developing countries.

## VIII. INFORMATION SERVICES PROGRAM

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During 2008, the BIC's Information Services Program provided a wide range of services to BIC partners in the world.

**Website: Increased audience and new multilingual features.** In 2008, BIC continued to explore ways to further upgrade the organization's website, thus setting the stage to increase outreach efforts many times over using the site's affiliated tools, including the monthly electronic newsletter and searchable documents database. In April 2008, BIC was awarded a Google Grant for non-profit organizations that provides roughly \$10,000/month (\$330/day) worth of free advertising using Google's Adwords program. As a result, BIC's website traffic doubled from 2007, and now averages 30,000 absolute unique visitors per month. BIC uses Google advertising to draw attention to its website, particularly its institution and issue pages. This feature is especially important during the World Bank and IMF Annual/Spring meetings when BIC creates and maintains a summary of events and calendar webpage for partners and other interested parties.

In November 2008, BIC began the transition of the entire website into a multilingual format. BIC's website now supports content in English, Spanish, Arabic, Russian and French languages and possesses a simplified and more intuitive Content Management System (CMS). The Information Services Program continued to work with other regional programs to translate and provide additional content in regional languages. The merger of the BICECA (BIC's IIRSA website) and transition to the multilingual site brought on average 300-500 more absolute unique visitors/day. Further adjustments to the website are planned for 2009 including more multimedia support and a user-interactive format.

**IF-Eye Newsletter.** BIC continued to produce its flagship monthly electronic newsletter, the IF-Eye, which strives to provide analysis related to current IFI discourse. Newsletter components include: IFI Updates, Civil Society Highlights, Issue Spotlights, and Announcements and Resources. In 2008, circulation of the IF-EYE newsletter increased by 20%; BIC distributed 11 issues of the IF-EYE since the beginning of the year to over 8,000 subscribers worldwide.

**IMF/World Bank Annual and Spring Meetings facilitation.** BIC continued its historical role as a principal provider of information about World Bank and civil society activities during the annual/spring meetings. BIC sent regular email updates in the months leading up to the meetings providing event details, participant lists and logistical information. BIC also maintained a webpage providing a calendar of events and contact information for visiting colleagues, and facilitated civil society meetings and social events. During the Annual meetings in October, BIC organized and/or helped facilitate a record 10 events, either as part of the World Bank's Civil Society Policy Forum or as separate civil society events.

**Publications and Branding.** The Information Services Program continued to translation BIC's toolkit on the World Bank "*Tools for Activists: An information and advocacy guide to the World Bank Group.*" The toolkit was translated into Russian and Chinese<sup>vi</sup> versions in addition to the existing English, Hindi

and Bahasa Indonesian versions. BIC also redesigned and developed a new institutional brochure that was produced in English and Arabic formats at the request of BIC's Middle East and North Africa Program.

## IX. FINANCIALS

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Below is a summary of the organization's expenses from January 1 to December 31, 2008. Our 2008 audited financial statements is available upon request.

<b>Expense Item</b>	<b>Amount (US\$)</b>
Salaries	\$ 954,030.55
Benefits	\$ 188,961.47
Program Services	\$ 238,762.21
Consulting	\$ 228,039.80
Subgrants	\$ 43,525.00
Travel Expenses	\$ 205,881.52
Office Expenses	\$ 73,173.09
Rent	\$ 145,026.75
<b>TOTAL EXPENSE</b>	<b>\$ 2,077,400.39</b>

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<sup>i</sup> Visit <http://www.bicusa.org/en/Article.10963.aspx> for BIC's comments and

<http://www.bicusa.org/en/Article.10972.aspx> for the full text of the NGO Forum on ADB comments..

<sup>ii</sup> The full report is also available on BIC's website at <http://www.bicusa.org/admin/Document.11479.aspx>.

<sup>iii</sup> IFC web page on extractive industry client government payment disclosure is

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTOGMC/0,,contentMDK:21675007~isCURL:Y~menuPK:463163~pagePK:148956~piPK:216618~theSitePK:336930,00.html>

<sup>iv</sup> <http://www.business-humanrights.org/Links/Repository/119238>

<sup>v</sup> [http://www.eurodad.org/uploadedFiles/Whats\\_New/Reports/Quick%20Fixes%20or%20Real%20Solutions.pdf](http://www.eurodad.org/uploadedFiles/Whats_New/Reports/Quick%20Fixes%20or%20Real%20Solutions.pdf)

<sup>vi</sup> See <http://www.bicusa.org/en/Page.Toolkits.aspx> for links to the Toolkit and all available languages.