



Bank Information Center
IFIs in Africa News Briefing
July 24, 2006

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Christian Aid report calls for UK to withdraw funds from WB/IMF

July 5, 2006 - The London-based charity organization Christian Aid UK has taken a hard line with the British government, demanding that it withdraw its funding from the World Bank and International Monetary Fund (IMF). In its new report *Challenging Conditions: A new strategy for reform at the World Bank and IMF*, Christian Aid UK has criticized these international financial institutions for pursuing damaging policies against the poor in the developing world through the conditionalities they attach to aid, using development models that have failed to alleviate poverty. The report cites specific examples of the harmful effects of liberalization and privatization policies promoted by the Bretton Woods Institutions on the world's poor. While pressure from civil society groups led Britain to announce the removal of explicit conditionalities from its own aid, Christian Aid thinks it should go a step further by withdrawing its support for the IFIs unless they too follow suit.

Read the press release on the Alert Net website:

<http://www.alertnet.org/thenews/fromthefield/218275/115210403977.htm>

G8 Summit outcomes: implications for Africa

July 18, 2006 - A recent Voice of America article on the conclusion of the latest G-8 Summit in St. Petersburg featured an interview with the economist Dr. Roger Bate, who cautioned African countries that they could expect little from this latest summit at which the previous year's commitment to Africa was not widely addressed and no new substantive issues on the region were discussed. Perhaps the aspect of the talks that is

most relevant for Africa is the G-8's stated commitment to work through the World Trade Organization (WTO) to remove tariffs and subsidies for agricultural products from the developing world, and in Africa in particular. However, if a new trade deal is not pushed through to bridge the gap between rich and poor countries, Bate warned, "all the rest of it is just window dressing."

Read the VOA article: <http://www.voanews.com/english/Africa/2006-07-18-voa47.cfm>

Africa: A year after Gleneagles

July 3, 2006 - An article in *Business in Africa* reflects on progress made in Africa since the G-8 Gleneagles Summit held a year ago, where donors marked the "year of Africa." The article explains how the G-8 failed to meet its well-intentioned pledges to drastically increase aid to Africa, as in some cases G-8 members' contributions actually declined from the previous year (e.g. United Kingdom, Germany). The promises to establish more equitable trade policies for developing countries have also gone unfulfilled, with the Doha trade round stalled. The article asserts that the only bright spot in the implementation of the Gleneagles commitments is the fulfillment of debt relief promises to 18 countries, 14 of which are in Africa, and the resulting increase in expenditure on development programs in those countries. The article quotes Tony Blair's recent remarks on the progress since Gleneagles, where he admitted that "these issues were not high up the political agenda in the UK, let alone internationally" and that the G-8 commitments were made for an ideal scenario which weren't expected to be met.

Read the article: http://www.businessin africa.net/news/southern_africa/107924.htm

Another article in the Mail and Guardian outlines the findings of a report by Debt Trade AIDS Africa (DATA), which slams the G8 for being "completely off-track" in fulfilling its commitments on aid, trade, and debt:

<http://www.mg.co.za/articlePage.aspx?articleid=276786&area=/insight/monitor/>

Read more reflections on the G8 summit, including analyses by Eurodad, Oxfam, Afrodad, the Jubilee Debt Campaign, and more at: <http://www.if WATCHNET.org/>

World Bank to help East African power crisis

July 13, 2006 - Reuters has reported that the World Bank is considering lending Tanzania and Uganda \$180 million to address their ongoing energy crises, caused by a three-year drought and over-releases from dams that have severely reduced the water level in Lake Victoria from which the countries derive much of their power. The power rationing resulting from the decreased energy production is expected to seriously affect the countries' economic competitiveness in the region over the next few years.

Read the Reuters article:

http://za.today.reuters.com/news/newsArticle.aspx?type=topNews&storyID=2006-07-13T123041Z_01_BAN345001_RTRIDST_0_OZATP-AFRICA-WOLFOWITZ-20060713.XML

See also: <http://www.voanews.com/english/2006-07-14-voa42.cfm>

EU to increase infrastructure investment in Africa

July 13, 2006 - An article from IAfrica.com announces the July 13th approval of a new EU-Africa Partnership that commits €5.6 billion to investment in regional infrastructure projects as laid out in the African Union's New Partnership for Africa's Development (NEPAD) agenda. The Partnership, which prioritizes energy, water, telecommunications and transport, will be supported by the European Investment Bank (EIB) to co-finance infrastructure development for the duration of the European Commission's European Development Fund--from now through 2013. As the EIB expands its operations and commitments for future investment in Africa, civil society groups have raised questions about the institution's transparency and accountability for the impacts of its activities outside of Europe.

Read the article at Iafrika.com: <http://business.iafrica.com/news/681676.htm>

World Bank and Chad reach agreement on oil revenues

July 15, 2006 - After months of dispute over the government of Chad's decision to dismantle the revenue management system designed to funnel oil revenues to poverty-reduction expenditures, the World Bank and Chad reached a new agreement on Friday, July 14th. According to the memorandum of understanding signed by the two parties, the government of Chad has agreed to designate 70% of its 2007 budget (including oil and non-oil revenues) for spending in priority sectors, leaving 30% for other uses, including military spending. The agreement does not provide specifics on the future role of the government-civil society oversight body designed to track the use of oil revenues nor does it indicate whether the government will publish income tax earnings and other duties received from the oil sector, as well as production and revenue figures from new oil fields soon to be on-line. Tax revenues from the oil sector are expected to amount to \$1.5 billion in 2007, more than doubling the country's current budget. Civil society groups continue to doubt the will of the government to deliver on its commitments and have questioned the significance of the agreement in light of continued political instability in the country and scarce evidence of any changes in the government or the oil companies' operations that would increase the likelihood of benefits for the poor.

While the World Bank and government of Chad praise the new agreement, local human rights organizations report a wave of repression and human rights violations in the country's capital.

Read more at Reuters.com:

http://today.reuters.co.uk/news/newsArticle.aspx?type=worldNews&storyID=2006-07-15T170617Z_01_L14455566_RTRUKOC_0_UK-CHAD-DETENTIONS.xml&pageNumber=0&imageid=&cap=&sz=13&WTModLoc=NewsArt-C1-ArticlePage3

Trade campaigners welcome collapse of WTO trade talks

July 24, 2006 - Fair trade campaigners Friends of the Earth International have welcomed the collapse of the latest round of the World Trade Organization (WTO) negotiations, arguing that the proposals under discussion subordinate the interests of developing countries to those of multinational corporations, and calling for a more fundamental reconsideration of the international trade system.

Read FOEI's press release: <http://www.foei.org/media/2006/0724.html>

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