Kept in the dark

A briefing on parliamentary scrutiny of the IMF and World Bank

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Executive summary

In 2003, the Ghanaian government introduced tariff increases on rice and poultry. Despite receiving parliamentary approval, and despite being consistent with rates allowed by the World Trade Organisation, all it took was a couple of meetings with the International Monetary Fund (IMF) to persuade the government to overturn these tariffs. The IMF pressurised the Ghanaian government into acting unconstitutionally.

This example is by no means rare. It stems from the lack of democracy that pervades all levels of the international financial institutions (IFIs), from the appointment of their senior staff by the leaders of the US and Europe, to the way the IFIs work in developing countries.

It is the role of a parliament, or legislature, to represent their constituents, approve new legislation, and monitor and scrutinise the activities of the elected government. These are responsibilities that parliamentarians in developing countries are finding hard to discharge. This explains why so many have signed up to the international parliamentarians' petition for democratic oversight of the World Bank and IMF.[1] They believe that parliamentarians should be the final arbiters of economic decisions. Current practice, however, means they are not.

While this touches on the difficult area of executive/legislative relations, this briefing will present evidence that the IFIs are complicit in the attack on the authority of national parliaments. The IFIs continue to use their power to influence key decisions around economic policy reforms, often pushing governments to overrule or sidestep parliaments, or reduce their role to rubber-stamping loans agreed between government and the IFIs.

The IFIs increasingly recognise the importance of good governance in bringing about successful developing country growth and poverty reduction. A legislature that is strong enough to hold its executive to account is vital. But if the IFIs' rhetoric is to become a reality, a number of important changes need to be implemented – both in the way the IFIs work, and in member states to strengthen the oversight by parliaments of these powerful international institutions. Parliamentarians and citizens' groups need to work together to push for these changes.

This briefing recommends that:

- IFIs in programme countries stop imposing economic policy conditions, respect national laws regarding grants and loans, and devise minimum standards in dealing with sovereign states.
- IFIs open up their own decision-making to full parliamentary scrutiny and that power within the institutions is more evenly distributed.
- Developing developing country governments establish or extend the opportunities for parliamentary oversight and scrutiny of external grants and loans, and create a greater role for parliaments in the formulation of poverty reduction strategy papers (PRSPs).
- All IFI member states increase the opportunities for their national parliaments to scrutinise their government's policies on IFIs.

Introduction

A functioning democracy with an effective legislature ensures that the individual human rights of citizens to take part in their government can be realised.[2] In legislatures, elected officials represent their constituents, approve new legislation, and monitor the activities of the elected government. This includes the activities of a government within its borders, but should also extend to their government's activities beyond them.

An effective legislature also helps facilitate economic development and poverty reduction. 'Good governance' has become the cornerstone of development practice.[3] Accountability, transparency and participation are its underlying principles, while electoral reform, judicial reform, anti-corruption and efficient public finance systems are some of its strategies. An effective legislature ensures the success of these strategies.

The World Bank Group portfolio is approximately US$25 billion, while the IMF has nearly US$100 billion of loans and credits outstanding to 89 countries. Over time, the World Bank and IMF have come to be viewed as the holders of expert knowledge in development and economic policy respectively. The combination of their perceived expertise and financial clout gives these institutions significant policy influence in developing countries. Worryingly, this clout is increasing as other donors look to the World Bank and IMF to assess whether a country is performing well enough to receive their financial support.

During the 1980s and 1990s the IFIs took advantage of their influence to force countries to implement structural reforms, including privatisation and trade liberalisation, despite widespread condemnation of the harmful effects of these policies on poor people.[4] Often recipient governments had to force these policies through the legislative branch to ensure access to IFI resources.

At the same time, however, evidence was starting to show that imposing policy reforms on developing countries was ineffective, and that for policies to be properly implemented they needed to be 'country-owned'.[5]

In response, the IFIs began requiring low-income recipient countries to prepare medium-term PRSPs – outlines of the policy measures necessary to reduce poverty in return for debt relief, grants and loans. Formulation and implementation of these PSRPs should, say the IFIs, be led by the government, following extensive participation of individual citizens and other stakeholders.[6]

PRSPs thus have a dual, somewhat contradictory, role. On the one hand they appear to promote broader participation in the policymaking process. Yet at the same time they are a mechanism to influence countries to implement certain economic policies.

This new, participatory approach has changed little. It does not extend to the bulk of IFI loans and grants, something which has particular significance for middle-income countries that are not in the PRSP process. Citizens the world over are still campaigning furiously against policies such as trade liberalisation and privatisation policies, yet their governments continue to adopt these policies in return for IFI funds.

This briefing will present evidence that IFI pressure is still making executives overrule or sideline their legislature, which is clearly far removed from the principles of good governance described above.

There are very limited checks and balances on these institutions, so it is difficult to challenge this state of affairs. Authority has shifted to the international level for many key decisions, yet mechanisms for participation and holding decision-makers to account remain firmly rooted at the national level. Citizens and their representatives may have the right to take part in the government of their country, but it is far from clear if or how they can influence these powerful institutions of global governance.

1. IFIs, conditions and national policy space

The contradiction between country-led development strategies and the continued use of conditions by the World Bank, IMF and other donors remains controversial. Despite a commitment to reducing the number of conditions, evidence shows that the World Bank and IMF are still using different types of conditionality to impose specific policy reforms on the countries where they work.[7] The examples below highlight some of the tensions between the use of conditions, and the principles of good governance and country ownership.

IFI conditions undermining national parliaments

Ghana – 'special dispensation' to violate the constitution

In 2003 the parliament approved a new budget which included increases in the tariffs on rice and poultry. The tariffs were to help local farmers compete with subsidised imports and were fully consistent with (and, indeed, considerably below) tariff rates allowed by the Agreement on Agriculture under the World Trade Organisation. However, the government lacked 'special dispensation' to implement these tariff increases as it had not negotiated the increases with the IMF prior to finalising its budget.

Following meetings with IMF staff, the government did a U-turn on this policy, telling the customs union to stick with original tariffs. This was in direct violation of the Ghanaian constitution which stipulates that only the parliament can overturn or change any aspect of a parliamentary approved budget. This example demonstrates that, where there is a tension between complying with constitutions and keeping on the good side of the IFIs, IFI pressure often encourages developing countries to stick with the hand that feeds them.[8]

Georgia – can't teach an old Fund new tricks

IMF loans generally set limits for the extent to which borrowers can go into deficit. In 2003 Georgia's deficit exceeded their IMF limit. The IMF demanded that Georgia consequently revise its budget for that year, but the parliament refused to pass it. Rather than recognising the sovereignty of this decision, the IMF instead let their lending programme with Georgia expire. This lead to rumblings from the World Bank that it too would pull the plug on existing projects.[9]

Despite the deficit that so alarmed the IMF, its concerns were not realised as 2003 saw rapid growth in Georgia.[10] Fortunately, the government respected the decision of the parliament. Had the government overruled its parliament, the IMF programme would have been maintained but the budget would have been cut – potentially at the expense of many key services. Subsequently, a new IMF programme was approved in 2004. But rather than heed the lessons of 2003, the IMF sought assurances from the government that the parliament would not again threaten the targets agreed bilaterally between the IMF mission and the government.[11]

Malawi – assessment? What assessment?

For 10 ten years the World Bank has wanted the government of Malawi to privatise ADMARC, the state agricultural marketing board, because they felt that intervention was distorting prices and generally impeding the development of markets. Legislation to start the privatisation process was rushed through a special parliamentary session during the Christmas holidays in 2003. Some Malawian MPs felt this behaviour was a clear example of the lack of meaningful oversight by parliament, to the point that they even boycotted the actual session.[12]

Malawi's parliament had been actively involved in the debates about ADMARC. Its agriculture committee even produced its own analysis that showed that privatisation would harm poor communities. But it is hard for parliamentarians to counter the influence of the IFIs.

A new loan in February 2004 for US$50 million was seen by campaigners as an incentive to ensure privatisation of ADMARC. And alarmingly, a Poverty and Social Impact Assessment commissioned by the World Bank, showing that ADMARC's privatisation could have a negative impact on poor and vulnerable people, was held back for two years until just after the parliamentary vote.[13]

True country ownership means that policies should be selected through above-the-board, democratic processes, rather than meetings of donors and finance ministers that take place behind closed doors. However, the examples above show that IFI pressure has seen governments overturn policies that have been approved by parliaments, reducing parliamentary approval to a mere rubber-stamp of reforms that were agreed beforehand. For the IFIs, the threat of withholding funds and the promise of substantial new financial support are used in tandem.

The Country Policy and Institutional Assessment (CPIA) is a very good example of an IFI incentive. This tool allows the World Bank to score country performance in a variety of areas, including governance and economic management, even measuring the degree to which a country has reduced its trade barriers. The higher a country scores, the more resources it can obtain. Currently the CPIA is not fully disclosed, so most citizens and parliamentarians would have little knowledge of, let alone have any say over, the assessment of their country.[14] Whilst some criteria for allocation is necessary, rewarding countries that implement certain policies is very far removed from the principle of autonomous and democratic policy-making.

2. Poverty Reduction Strategies

PRSPs have been criticised widely since their inception. Despite their participatory tone, civil society groups have documented how small a part is played by domestic stakeholders. Furthermore, the major economic policy decisions continue to be decided through IFI-executive programme negotiations rather than through the PRSP.[15]

There is evidence of a considerable lack of parliamentary involvement in PRSPs. A review of parliaments and the PRSP in sub-Saharan Africa found that the marginal role of parliaments 'contradicts democratic principles and in some cases even breaches explicit constitutional rights'.[16] This was echoed in the IMF's Independent Evaluation Office assessment of the PRSP process, which noted that parliamentary involvement has been largely absent and that the process is rarely designed to 'strengthen existing domestic institutional processes for policy formulation and accountability (e.g. through parliament)'.[17]

With the odd exception, parliaments have been 'hardly aware' that the PRSP is being formulated because of the emphasis on 'diffuse and non-committal dialogue' with civil society organizations.[18] Where parliamentarians have been involved, this has been due to individual attendance at consultation sessions, rather than systematic involvement. The PRSP approach to date has relied on ad-hoc participatory processes, sidelining national democratic institutions.

This effectively creates a parallel policy-making process that is undermining rather than building national democratic systems.[19]

Involving national institutions such as parliaments in the formulation of PRSPs is vital to ensuring ownership. While it is inappropriate for the World Bank and IMF to dictate the degree and extent of parliamentary involvement in PRSP formulation, parliamentarians should be demanding greater involvement – and donors should support them in this.

Matters are exacerbated by the limited legislative role in approving the final PRSP. The degree of parliamentary involvement in PRSP approval varies from country to country. But because they are not binding legislation, most countries do not require that they are sent to parliament for approval. Some constitutions do require a formal vote on new development strategies such as the PRSP. But even then some governments have ignored such constitutional provisions, as was the case in Ethiopia.[20]

Despite shifting from the Joint Staff Assessment to the Joint Staff Advisory Note,[21] the PRSP is still perceived as having a Washington sign-off, something that will only change when the responsibility for approving PRSPs shifts from the boards of the IMF and World Bank to national parliaments.

There have been similar weaknesses with parliamentary monitoring of PRSP implementation. One of the major roles for parliament is to approve and scrutinise the government's annual budget. However, the difficulties that have been experienced in translating PRSPs into governmental activities that could be identified in annual state budgets make it difficult for parliaments to monitor government progress against its PRSP commitments. This is the area where quite a lot of innovative work is taking place, not least by donors such as the World Bank, who perceive this as the key role for parliaments to play. While monitoring and evaluation are very important, they should not come at the exclusion of a stronger role in overseeing the whole process, particularly in representing electorate views during PRS formulation.

It can be limiting to focus solely on the problems of the PRSP process. The loans agreed between the IFI and the government seem to undermine, rather than underpin, the PRSP.[22] The IFIs argue that their conditions are drawn from the PRSP, yet the IMF's Independent Evaluation Office and the World Bank's Operations Evaluation Department showed that neither was successful in significantly aligning its support with PRSPs.[23] True ownership will only exist when citizens and parliamentarians are able to effectively scrutinise, and potentially reject, these programmes.

3. New loans and grants

The IFIs agree a large number of project and programme loans with governments of middle- and low-income countries each year. Scrutiny of these loans is vital to ascertain whether a country actually needs the money, whether it can manage the repayment schedule and resultant increase in national debt, and if the strings attached to them are acceptable.

Civil society groups are increasingly striving to understand how the loan cycle works in their countries. They are looking into how far existing legislative provisions allow citizens and their representatives to have their say on the design of a new loan proposal, to evaluate its effectiveness, or even to reject it altogether.

This research has shown that the degree of oversight of IFI loans varies from country to country. In Zambia and Mozambique, for example, there is no legislation requiring parliamentary approval for new loans. Instead, the decision falls to ministries of finance and central banks.[24] In other countries, parliaments have a statutory role in loan decisions, mainly to ensure new debt falls within debt ceilings.[25]

In Brazil, a ‘parliamentary front’ has united citizens’ groups and parliamentarians in the search for legislative approaches to strengthening parliamentary and civil society involvement in decisions on IFI programmes and projects.[26] In southern Africa, groups have been working with parliamentarians to encourage them to use existing mechanisms and push for greater oversight of new loans.[27] Both groups believe that democratic scrutiny of new loans is important in ensuring that a substantial escalation in public debt is avoided.

Research has shown that current legislation focuses predominantly on loans, to the exclusion of grants. Yet, as the IFIs and other donors look likely to increase the use of grants, it becomes crucial that legislation is updated to allow for parliamentary scrutiny of new grants. Development Finance International has shown that enhancing national policies and legislation regarding all external development finance is crucial in ensuring the effectiveness of aid to the most heavily indebted African countries. It found that aid has been ineffective because of its lack of flexibility and its excessive conditionality. Its one key recommendation is that the external financing policies of African governments be revised and extended and, furthermore, that they be enshrined in law.[28]

Such legislation would allow control for driving national aid policy to shift from donors to recipient governments. This would allow governments to:

- ‘improve aid management via new loans, procedures and coordination structures
- assess donor performance (and their own) in increasing high-quality flows
- analyse fully their own aid needs, how to improve their procedures, absorptive capacity and the effects of aid flows on long-term debt sustainability.’[29]

Enshrining extensive external aid policies in law would clearly provide much greater opportunities for parliamentarians to scrutinise the activities of different donors.

However, just as weak legislation is only part of the problem, so extending or improving current legislation represents only part of the solution. Where provisions are in place, research has shown that governments and IFIs often negotiate and sign loan agreements in non-transparent and unaccountable ways. As the following example shows, sometimes governments overrule their parliament’s objections to a loan, and often parliament’s role is reduced to rubber-stamping new lending agreements.

Loan decisions in Uganda

Uganda has a clear legislative framework in place. It requires parliament to scrutinise each development proposal, whether funded through loans or grants, for compliance with the goals outlined in their PRSP. Yet the legislation only goes so far. In 2002 the Ugandan government overruled objections to an agreement to build a dam at Bujagali Falls. It pushed the parliament to approve the deal despite protests from parliamentarians, civil society organisations and environmentalists. The government took a World Bank grant to guarantee future repayments to the private company behind the project. Groups in Uganda have argued that the World Bank gave the government bad advice and misled the public about the actual cost of the project.

In the end the project was stopped because of a combination of public opposition to the dam, bribery allegations and the collapse of Enron, a major shareholder in the company.[30]

MPs on Uganda's Committee of the Economy have expressed concern about the way they are asked to approve loans that have already been approved by the World Bank board, making it difficult for them to have any meaningful input. For example, in November 2004 the committee was asked by the government to approve a loan that had been approved already by the board two months earlier. One MP was quoted as saying: 'we are told it is too late to change anything so you just endorse "for the good of your country".'[31]

4. Improving parliamentary scrutiny

'The global landscape has changed dramatically as international financial institutions have realised that domestic oversight of governmental actions is crucial to the fight against poverty and that parliaments are key oversight institutions.'[32]

This is a welcome realisation on the part of the World Bank. Parliaments do have a key role to play. For too long most donor attention has focused predominantly on the executive. Parliamentarians, meanwhile, have been consistently under-resourced to effectively carry out their oversight role.

Slowly this realisation is translating into action, particularly around building the capacity of legislatures to do their work. The World Bank has developed a programme that aims 'to enhance parliaments' capacity to effectively fulfill their responsibilities'. This places emphasis on the national budget process, PRSPs and supporting parliamentary networks, such as the Parliamentary Network on the World Bank (PNOWB).[33]

Established in 2000, the PNOWB aims to increase parliamentary involvement and encourage dialogue between the World Bank and MPs.[34] It currently has 140 members from 60 countries. While helping parliamentarians to develop a better understanding of how the World Bank operates, there are questions about its composition and its independence from its chief financial backer.

World Bank, privatisation and parliaments

In its work with parliaments, the World Bank has consistently and actively promoted a privatisation agenda. A 'toolkit' on the World Bank's website[35] provides a matrix of suggested communications objectives to various target audiences. The objective to the parliament or legislature of a country that is considering a privatisation programme is to:

- build understanding and support for privatisation
- ensure the timely approval [of] privatisation transactions
- solicit the legislature's input, while managing expectations on the role they have to play.[36]

The toolkit then suggests that the messages that parliamentarians should receive from the communications strategy are:

- I will support the privatisation program with my vote
- privatisation will benefit my constituents and happy constituents are likely to return me to office.[37]

There is a clear tension between World Bank attempts to strengthen national parliaments, and their strategies to persuade parliamentarians of the benefits of specific policy options. But it is the former that is the key to bringing about the democratic policy-making processes that are so important to poverty reduction. Indeed, it is truly democratic decision-making that will make constituents 'happy'.

The IMF has recently reviewed its own outreach to parliamentarians, arguing that:

> 'a dialogue with parliamentarians would be helpful in two ways; (i) it would provide the IMF with an opportunity to assist the executive branch in informing the legislative branch of the role of sound fiscal policies in promoting growth and stability, including the trade-offs involved in different policy choices in areas that are relevant to the Funds' work; in doing so, the impression needs to be avoided that the dialogue is an opportunity to engage in progamme negotiations with legislators; and (ii) it would provide the IMF with an opportunity to listen to the concerns of parliamentarians and to improve our understanding of the political and social context in which economic decisions are taken'.[38]

It is encouraging that the IMF sees dialogue as a two-way process. However, it is obviously of concern that a major reason for enhancing communication was, as with the World Bank, to persuade parliamentarians of the benefits of IMF policies.

Any IFI engagement with parliaments should be impartial. It should focus on building a parliament's long-term capacity to exercise its responsibilities to its citizens, rather than on pushing specific policies through. To balance the views provided, parliamentarians should establish systematic dialogue with national citizens' groups as happens at development committee hearings in the UK parliament.

To ensure that capacity-strengthening work is impartial, the PRS principles could be extended to parliamentary strengthening initiatives. Parliamentarians should lead in the design of a medium-term strategy, developed with the participation of key stakeholders, with donors giving funds to a central pot, disbursed within parliament.

5. Parliamentary scrutiny of IFI decision-making

Decision-making in IFIs is not transparent. It is difficult for citizens and their elected representatives to find out whether their government supported a specific policy or project, as detailed board transcripts are not available. Key documents can be equally elusive. For example a paper laying out governance reform options for the IFIs fell foul of disclosure rules – this is ironic, seeing as it dealt with how to open up decision-making and participation within IFIs. This lack of transparency is increased because of the practices of member states regarding their policies and activities on the boards of the institutions.[39]

Freedom of information laws could open space for citizens and their representatives to monitor more closely the activities of both the IFIs, and of their own governments on the IFIs' boards. This opportunity for increased scrutiny has concerned the IMF, who drafted in a lawyer to show that countries implementing new freedom of information laws must ensure that IMF documents are not obtainable by citizens and their representatives through these processes.[40]

Recruitment and selection

The appointment of Paul Wolfowitz as World Bank president is a glaring example of the undemocratic governance of the IFIs. Traditionally, the US nominates the head of the World Bank, while Europe nominates the head of the IMF. The boards generally rubber-stamp the nomination, although in recent years the gentlemens' agreement has shown strain, with the US opposing Europe's selection for IMF head in 2000. These recruitment procedures are neither democratic nor transparent. Citizens, their representatives and most governments (bar a few exceptions in Europe and the US) have no say about who takes on this key job.

In Brazil, the parliamentary front is attempting to get legislation passed that will allow the senate to approve the Brazilian executive director and scrutinise his or her activities. The parliamentary committee noted that: 'the requirement (introduced by the bill) improves the control exerted by society and thus strengthens democracy. The agreements with the IMF permeate our choices of economic policy. It is only natural that the Senate is empowered to monitor Brazilian representatives in this and any other organisations'.'[41]

The undemocratic nature of the IFIs is exacerbated by the unequal distribution of power on their boards. Votes and seats on the executive board of each institution are allocated according to economic wealth, which means the world's eight richest countries have a seat on the board of each institution, while the rest of the world is squashed into the remaining 16 seats.[42] This restricts the voice of developing nations in board decisions, with Kenya, for example, vying with 21 other countries to influence their executive director on each board. This in turn makes it virtually impossible for citizens and their representatives in poor countries to influence and hold their governments and other board members to account for decisions made on these boards.

Conclusion – calling for democracy

To date approximately 1,000 MPs from all over the world have signed the petition for democratic oversight of the World Bank and IMF. The overall purpose of this growing campaign is to ensure that national parliaments are allowed to take on their rightful and fundamental role in developing, monitoring and amending development policies that affect their countries, and in providing real democratic oversight of the IFIs.

But at the same time, the IFIs must cease undermining parliaments by interfering in the economic policy-making of developing poor countries. Instead they need to facilitate the process of democratic decision-making by becoming fully transparent and accountable themselves.

The following steps are recommended for **the IFIs in programme countries**:

1. Stop imposing economic policy conditions; citizens and their representatives should have the final say over economic policy choices.

2. Respect national laws and constitutional provisions regarding grants and loans – for example, on domestic borrowing and repayment ceilings. If provisions for parliamentary approval exist, and a parliament either partially or fully rejects a loan, the IFIs should withdraw or renegotiate these proposals.

3. Agree minimum standards that will ensure due diligence and impartiality of World Bank and IMF staff when dealing with sovereign democracies, developing an accompanying complaints procedure to address cases where these have not been upheld.

4. Help build the capacity of parliaments to play an effective role in negotiating or monitoring IFI financed projects and activities. This should include ensuring parliamentarians are provided with pertinent information to inform their decision-making.

The following steps are recommended **to open up IFI decision-making**:

1. Publish detailed minutes of meetings of the executive boards and senior management and overhaul their disclosure laws to ensure publication of key documents and information. Introducing formal voting would help increase accountability.

2. Reform governance structures so as to have a more equal distribution of votes and seats, giving developing countries a greater voice in the institutions. Leadership selection should be based on transparent and merit-based criteria.

3. Devise minimum standards with and for member states. Among other things, these should cover publication of votes and policy statements, selection of executive directors, especially in constituencies, and the formulation and monitoring of government and executive director policy positions on the boards.

The following steps are recommended for **developing country governments, parliamentarians and citizens**:

1. Establish or extend provisions for parliamentary involvement and scrutiny of all external financing proposals, including grants. Such steps should ensure proposals comply with national development and poverty reduction objectives, as well as borrowing and repayment ceilings.

2. Create a stronger role for parliaments in PRSP formulation and monitoring, and secure parliamentary approval of PRSPs

The following steps are recommended for **all member states**:

1. Allow parliamentary scrutiny of government policy on the IFIs, and encourage regular reporting to parliament on government's activities within these institutions. This should include making available the policy positions of and statements made by executive directors at board meetings and an annual presentation of executive directors' activities to parliament (or delegate in very large constituencies).

2. Open up the selection process for executive directors, accountable to both government policy towards the institutions and the decisions of the institutions themselves, to scrutiny by relevant national bodies, such as senatorial or parliamentary sub-committees, or ombudsmen.

Annex 1. The International Parliamentarians' Petition for Democratic Oversight of the World Bank and IMF

For a full list of signatories, please visit www.ippinfo.org

Petition text:

We the undersigned Parliamentarians;

Noting this is the 60th anniversary year of the creation of the International Monetary Fund (IMF) and World Bank – the Bretton Woods Institutions (BWIs).

Recognising that the IMF and World Bank have voiced a commitment to ensuring individual countries determine their own economic policies.

Noting that key economic policies continue to be imposed by both the World Bank and IMF as conditions for receiving debt relief and new loans, with the Boards of the BWIs retaining the power of veto over all measures including those in Poverty Reduction Strategy Papers.

We therefore call on the BWIs and their principal shareholders to ensure that the democratically elected representatives of recipient nations are the final arbiters of all economic policies in their countries. It is vital that national parliaments in recipient nations have the right and obligation to be fully involved in the development and scrutiny of all measures associated with BWI activities within their borders, and hold the final power of ratification.

Ensuring the primacy of sovereign national parliaments in this way will improve implementation of measures to reduce poverty, enhance good governance, and foster democracy.

Signature of Parliamentarian:

Printed:

Country/State:

Endnotes

1 For more information on the petition, visit www.ippinfo.org
2 For example, articles 21 (1) and (3) of the Universal Declaration on Human Rights state that 'everyone has the right to take part in the government of his country, directly or through freely chosen representatives' and 'the will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or by equivalent free voting procedures'.
3 For a introduction to the World Bank's understanding of and work on governance, please see www.worldbank.org/wbi/governance/about.html#approach
4 See Structural Adjustment Participatory Review International Network, *The Policy Roots of Economic Crisis and Poverty: A Multi-Country Participatory Assessment of Structural Adjustment*, SAPRIN, Washington, April 2002.
5 For an explanation of these terms, see ActionAid, *Money Talks, How aid conditions continue to drive utility privatization in poor countries*, ActionAid, 2004.
6 It is an underlying principle of the PRS approach that the process should be country-driven, which includes participation; other underlying principles are that PRSPs should be comprehensive in their analysis of poverty, results-oriented, partnership-oriented and long-term. Operations Evaluation Department, *The Poverty Reduction Strategy Initiative: An independent evaluation of the World Bank's support through 2003*, World Bank, 2004. p 3.
7 See for example Action Aid, *Money Talks, How aid conditions continue to drive utility privatization in poor countries*, Action Aid, 2004.
8 Christian Aid, *Struggling to be heard: democratising the World Bank and IMF*, Christian Aid, 2003, p9.
9 IMF, *Georgia: Staff report for the 2003 Article IV Consultation*. IMF, September 2003. Interfax, *Georgia's problems with IMF threaten World Bank projects*, Interfax News Agency, Moscow, 13 September 2003.
10 IMF, *Georgia: Request for a three year arrangement under the Poverty Reduction and Growth Facility*, IMF, 2003 p 4.
11 Ibid p 8.
12 Bretton Woods Project, *World Bank pushes Malawi agriculture privatization*, Bretton Woods Project, 5 April 2004.
13 Ibid.
14 Nancy Alexander, 'Judge and Jury: The World Bank's Scorecard for Borrowing Governments', Citizens' Network for Essential Services, 27 August 2004.
15 For critical analyses see: Jeremy Gould and Julia Ojanen, *Merging the Circle: The politics of Tanzania's poverty reduction strategy*, Institute of Development Studies, University of Helsinki, 2003. UNCTAD, *Economic Development in Africa – From Adjustment to Poverty Reduction: What is new?* United Nations, 2002. Rick Rowden and Joyce Ocaya Irama, *Rethinking participation: questions for civil society about the limits of participation in the PRSP*, ActionAid International US/ActionAid International Uganda, 2004. Caoimhe de Barra, *PRSP as theatre – backstage policymaking and the future of the PRS approach*, CIDSE/Caritas Internationalis, 2004. Paul Ladd, *Too hot to handle? The absence of trade policy from PRSPs*, Christian Aid, 2003.
16 Dr Walter Eberlei and Dr Heike Henn, *Parliaments in Sub-Saharan Africa: actors in poverty reduction?* GTZ, December 2003 p 9.
17 Independent Evaluation Office, *Report on the evaluation of poverty reduction strategy papers (PRSPs) and the Poverty Reduction and Growth Facility (PRGF)*, IMF, July 2004, p 7.
18 Dr Walter Eberlei and Dr Heike Henn, *Parliaments in Sub-Saharan Africa: actors in poverty reduction?* GTZ, December 2003 p 29.
19 See in particular Jeremy Gould and Julia Ojanen, *Merging the Circle: The politics of Tanzania's poverty reduction strategy*, Institute of Development Studies, University of Helsinki, 2003.
20 Dr Walter Eberlei and Dr Heike Henn, *Parliaments in Sub-Saharan Africa: actors in poverty reduction?* GTZ, December 2003 p 30.
21The Joint Staff Assessment is the name of the IFI's evaluation of each PRSP. These go to the boards of the IFIs to assist members in deciding whether to accept or reject the PRSP. The new Joint Staff Assessment Note aims to reduce the perception of a Washington "sign-off" of the PRSP.
22 Soren Kirk Jensen and Caoimhe de Barra, *The Other Side of the Coin: An alternative view on the role of the International Monetary Fund in Low-Income Countries*, Trocaire, September 2004.
23 Independent Evaluation Office, *Report on the evaluation of poverty reduction strategy papers (PRSPs) and the Poverty Reduction and Growth Facility (PRGF)*, IMF, July 2004, and Operations Evaluation Department, *The Poverty Reduction Strategy Initiative: An independent evaluation of the World Bank's support through 2003*, World Bank, 2004.
24 Afrodad and Christian Aid, *Owning the Loan: poor countries and the MDGs*, Christian Aid, 2004, p. 18.
25 Ibid.
26 Bretton Woods Project, *"Parliamentary Front" on IFIs*, Bretton Woods Project, 26 May 2003.
27 For example, AFRODAD organised a dialogue with the SADC Parliamentary Union, more information available at www.afrodad.org/archive/SADCCSOForum.pdf
28 Development Finance International, *The Effectiveness of Aid to Africa since the HIPC initiative: Issues, evidence and possible areas for action*, Development Finance International, August 2004, p iv.
29 Ibid, p vii.
30 Basil Kandyomunda, *Making the loans work for the poor in Uganda: study report*, AFRODAD, 2004.
31 Interview with Irene Wekiya, Action Aid International UK, 2004.

32 World Bank, ‘Helping Parliaments to Help the Poor’, *Findings*, No 222 (January 2003).
33For a summary of the activities of the World Bank Institute in particular, see web.worldbank.org/WBSITE/EXTERNAL/WBI/WBIPROGRAMS/PSGLP/0,,contentMDK:20282841~menuPK:461615~pagePK:64156158~piPK:64152884~theSitePK:461606,00.html
34 PNOWB activities include facilitating field visits of members, hosting an annual conference where senior IMF/WB staff attend and monitoring progress on achieving the MDGs. More information available at www.pnowb.org
35 Available from the World Bank website at:
www.worldbank.org/developmentcommunications/Publications/wb%20toolkit%20book%203.6.02.pdf The toolkit is produced by the Development Communication Unit of the World Bank’s External Affairs Vice-Presidency.
36 Ibid p 62.
37 Ibid p 62.
38 IMF, *Report of the Working Group of IMF Executive Directors on Enhancing Communication with National Legislators*, IMF, 15 January 2004.
39 For a fuller discussion, please see Halifax Initiative, Agir Ici, Campagna per la della Banca Mondiale, *Who’s Minding the Store: Legislator Oversight of the Bretton Woods Institutions*, Halifax Initiative, September 2004.
40 Toby McIntosh, *IMF seeks comment on relations with parliamentarians*, Freedominfo.org, 24 February 2004. The legal advice is as follows: William E. Holder, *Publication policies of the Fund*, IMF, 7 May 2003.
41 Bretton Woods Project, *Brazilian bill requires approval of IFI reps*, Bretton Woods Project, 27 July 2004.
42 For more information, see Christian Aid, *Struggling to be heard: democratizing the World Bank and IMF*, Christian Aid, 2003.