



Friends of
the Earth
International

BANK NOTES

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For questions & contributions, contact Janneke Bruil janneke@foei.org & Longgena Ginting ginting@foei.org

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1. world bank

World Bank blowing hot air on carbon credits

International River Network (IRN) have exposed the World Bank's false claim that it is helping China reduce greenhouse gas emissions by three million tons, through buying carbon credits from a hydropower dam, The Bank applied for the spurious credits to be certified by the Kyoto Protocol's Clean Development Mechanism (CDM) and signed an agreement to buy the credits from the Xiaogushan Dam. This large dam is due to be completed in 2006 regardless of whether or not it receives carbon credits. The Bank is giving the project developer an increase in revenues (the credits are worth approximately \$13 million), but not actually reducing China's emissions by a single gram. For further information, please see IRN comments regarding Xiaogushan Large Hydroelectric Project at <http://www.irn.org/programs/greenhouse/index.php?id=050823xiaogushan.html> or contact Patrick McCully (IRN) (patrick@irn.org).

Civil society declaration on the BTC pipeline

In September, civil society organisations from Azerbaijan, Georgia, Turkey and Europe met in Tbilisi to plan the next phase of their scrutiny of BP's Baku-Tbilisi-Ceyhan pipeline. Groups including FOE Georgia and FOE EWN committed to increase their efforts to scrutinize the project during the pipeline's operation phase over the coming years. Groups reaffirmed their commitment to demand resolution of existing problems, such as inadequate monitoring of pipeline impacts, and to continue holding to account the companies and financial institutions that backed the pipeline, pushing for their urgent reform, and ensuring that the problems of BTC are not repeated in future projects. For further information, please contact Kety Guzaraidze, Green Alternative, Georgia (greenalt@caucasus.net)

Glamis gold campaign update

On September 7, the CAO published its assessment of mining in Guatemala, and while it dismisses some of the claimants' complaints, it is also very critical of the Guatemalan government, the company Glamis Gold and in particular, the IFC.. The CAO report can be read in English at <http://www.cao-ombudsman.org/pdfs/CAO-Marlin-assessment-English-7Sep05.pdf> or in Spanish at: <http://www.cao-ombudsman.org/pdfs/CAO-Marlin-evaluacion-final-8sept-05.pdf>. Please also see updates on the the FOE Canada websites at:

<http://www.foecanada.org/index.php?option=content&task=view&id=201&Itemid=113> or contact:

Karyn Keenan, FOE Canada (kkeenan@foecanada.org) or Naty, FOE Guatemala (natyceiba@intelnett.com)

At the end of September, FOE Canada and FOE US submitted an amicus brief in a legal case brought against the US Government by Glamis Gold. Glamis Gold, a Canadian company but with headquarters and main operations in the US, is seeking US\$50 million compensation from the United States in a North American Free Trade Agreement (NAFTA) lawsuit over a California law that requires mining companies operating near Native American sacred sites to comply with more stringent

environmental standards. The Canadian company feels that as a non-US corporation it should not be forced to abide by regulations that are targeted at local companies. For more information, please contact David Waskow, FOE US (DWaskow@foe.org).

Pipe dreams: WAGP is energy enslavement

The West African Gas Pipeline, one of the region's largest trans-boundary investments, is projected to cost 617 million USD and will ultimately transport gas from Nigeria through Benin and Togo to Ghana. The World Bank and project sponsors including Shell and Chevron claim that the pipeline will contribute to putting an end to dangerous gas flaring in Nigeria, that it will provide cheap energy, and that it will promote regional integration.

Civil society groups from West Africa met in Accra two weeks after the construction of the West African Gas Pipeline (WAGP) began off the Ghanaian coast. The groups warned that the pipeline project and the so-called 'WAGP Treaty' seriously undermine the national sovereignty of Ghana, Togo, Benin and Nigeria and subvert these countries' rights to seek alternative energy options. At the same time, the project enshrines the energy monopoly of oil giants Chevron and Shell in the region. The groups maintain that the pipeline project risks prolonging ongoing conflicts in the oil and gas-rich Niger delta. Please read the pipeline dreams at: http://www.eraction.org/modules.php?name=ERA_News&file=article&sid=37 or for more information, please contact Asume Osuoka of FOE Nigeria (oilwatch@phca.linkserve.com) or Noble Wadzah, FOE Ghana (kowadzah9@yahoo.com).

The World Bank undermines democratic principles in Slovakia

Friends of the Earth Slovakia accused The World Bank of co-financing a study that aims to manipulate the opinion of Slovak citizens in order to keep the present government in power after next year's parliamentary elections. The study was co-financed by a grant from the World Bank as a response to a request made by the Slovak government in August 2004. CEE Bankwatch Network and Friends of the Earth Slovakia explicitly asked the Bank to avoid participation in the manipulation of public opinion in order to ensure additional support for the reform program. Read more at: http://www.bankwatch.org/issues/wb-imf/downloads/wb_slovak_study_10-05.htm or contact CEPA-Friend of the Earth Slovakia (cepa@foe.sk).

IFC Safeguards Review

The controversial review of the International Finance Corporation (IFC) environmental and social safeguard policies or 'performance standards' is drawing to a close. The IFC, the World Bank's private sector arm, is attempting to dilute its environmental and social standards to make them easier for private companies to implement, and to encourage private banks to sign up to the Equator Principles. Meena Raman has written to the World Bank executive directors outlining FOEI's concerns with the proposals. Of particular concern to FOEI, aside from the weakening of the standards, is the continued lack of coherence of World Bank policy with on the ground project practices, and until this is addressed, policy details are of little value. For more information contact Hannah Ellis at FOEI (hannahe@foe.co.uk).

FOE-US report reveals how the world bank is missing renewable energy targets

The new report titled 'Power Failure: How the World Bank is Failing to Adequately Finance Renewable Energy for Development', questions the central role that the World Bank claims it wants to play in financing renewable energy. The report finds that the World Bank, despite being asked by G8 countries to develop a framework for financing renewable energy sources, fell far short of its own target for increasing financial support for renewable energy and energy efficiency. The Bank increased funding by only 7%, or \$14 million, in fiscal year 2005 – less than half its announced target of a 20% increase annually over the next five years.

The renewable and efficiency financing by the World Bank in 2005 represents only 9% of Bank financing in the energy sector. Meanwhile, the Bank continues to finance fossil fuel pipelines and is making a move back into destructive large dams for energy generation in the south . Read the full report at: <http://www.foe.org/camps/intl/cleanenergy/wbreport/> or contact: David Waskow (dwaskow@foe.org) or Elizabeth Bast (ebast@foe.org) at FOE-US.

2. asian development bank

European NGOs eager to work more on the ADB

A dozen IFI campaigners from different groups based in Europe met in Brussels from 22-23 of November to share and discuss ADB campaign strategy. Hemantha Withanage, Director of Forum NGO on ADB presented the update of campaigns and the main activities in the years ahead, including the water conference in November in Manila and the next annual meeting Forum in May 2006 in Hyderabad, India. Ginting was appointed by the groups as a liaison person for the ADB campaign in Europe. After the meeting, FOEI and BothEnds assisted Hemantha in planning meetings with relevant government institutions, NGOs and funders in the Netherlands. Please contact Ginting (ginting@foei.org) for more information.

Manila water conference

The conference was held in Manila from 13-15th November 2005 and organised by NGO Forum on ADB. This conference was organised in light of the ADB regional water policy consultation in Manila on the 18th November 2005. FOE Nepal and FOE Indonesia presented their cases in the conference and they will be included in a joint water publication. For more information about the issue please see: <http://www.forum-adb.org/>, or contact Ram, FOE Nepal (science@propublic.wlink.com.np) or Radja Siregar, FOE Indonesia (radja@walhi.or.id).

ADB annual meeting 2006

The Thirty-Ninth Annual Meeting of the Board of Governors of the ADB will be held in Hyderabad, India from Wednesday, 3 May to Saturday, 6 May 2006. For information about the event see (<http://www.adb.org/AnnualMeeting/2006/default.asp>). Some FOE groups in Asia are interested in organising parallel events with other groups in the region. For more information, please contact Ginting (ginting@foei.org).

Norway pulled out from Melamchi water project

The government of Norway had pulled out of an agreement of funding US \$ 28 million for the Melamchi project in Nepal. Norway is one of many donors involved in the project, other actors include the ADB, Japan Bank for International Cooperation (JBIC), Swedish International, Development Cooperation Agency (SIDA), and OPEC.

The loan, approved in November 2000, was for a water-diversion scheme intended to provide drinking water to the Kathmandu valley. Local and regional NGOs have criticised the project for the effects of water diversion on the people living along the Melamchi, inadequate information disclosure, lack of participation, resettlement and violation of indigenous peoples' rights. Please read more at <http://www.kantipuronline.com/kolnews.php?&nid=54071> or

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<http://www.kantipuronline.com/kolnews.php?&nid=53776>. For further information, please contact Ram Shah, FOE Nepal (science@propublic.wlink.com.np).

3. interamerican development bank

IDB rushed its new indigenous people's policy

The IDB is in the process of finalizing its Operational Policy on Indigenous Peoples and Strategy for Indigenous Development. Final drafts of the Policy and Strategy have been sent to the Board of Executive Directors at the Bank. The Indian Law Resource Center (ILRC) has released a press release and letters to the President of the IDB, Enrique Iglesias, and to Executive Director, Hector Morales, complaining about the rushed process of approval for the new policy. The consultation and review process for this new policy has been controversial. The ILRC note a lack of widespread consultation and a selective invitation process for the one regional consultation held in Costa Rica.

Please read the IDB policy and strategy on indigenous people at: <http://www.iadb.org/sds/doc/IND-PGN2386E.pdf> and <http://www.iadb.org/sds/doc/IND-SGN2387E.pdf>. For more information, please read:

http://www.bicusa.org/bicusa/issues/indigenous_peoples_and_the_interamerican_development_bank/2337.php#bicintro.

4. european bank for reconstruction and development

NGOs tell EBRD not to finance Sakhalin II

FOEI with other NGOs sent a letter to Jean Lemierre, the President of EBRD regarding the Sakhalin II Oil and Gas project. The letter emphasized that the Sakhalin II project is unfit for its purpose. FOEI urge the bank should make a final decision not to finance Sakhalin II. Please contact Hannah (hannahe@foe.co.uk) for more information. Please read 10 reasons why EBRD should not finance Sakhalin II at CEE Bankwatch web:

http://www.bankwatch.org/publications/issue_papers/2005/ten_reasons_sakhalin.pdf.

In France, FOE France, Pacific Environment-US and Sakhalin Environment Watch-Russia met with the French Ministry of Finance in October. They had in depth discussions regarding the Sakhalin II Project, and groups advised the Ministry of Finance not to agree the EBRD loan for the project arguing it involves many violations of EBRD policies. Please contact Sebastien (finance@amisdelaterre.org).

Please also support our cyberaction centre to send a message to EBRD president Jean Lemierre, asking him not to approve public funding for this project at:

<http://www.foei.org/cyberaction/sakhalin.php>

5. european investment bank

“Public funds for public benefits” exhibition

Activists from Friends of the Earth Finland and CEE Bankwatch organised an exhibition “EIB: Public Funds for Public Benefits” calling for the long overdue institutional reform of the EIB, one of the most influential EU institutions. Activists from the organisations claim that EIB is still living in the dark ages. As an EU’s biggest financial institution, the EIB has to ensure that its multi-billion euro resources are fully benefiting people and the environment it needs to address its own internal shortcomings.. Posters were displayed of designs by central and eastern European artists. Please contact Mixu Lauronen mixu.lauronen@kolumbus.fi Also please see posters at: <http://www.bankwatch.org/contest/mcontest.html>

The EIB is currently reviewing its information policy, and groups including CEE Bankwatch Network and FOE Europe are demanding that the EIB implement a presumption of disclosure. However, the EIB are resisting reforms and appear to not be significantly altering existing policy that prohibits the vast majority of EIB project documents entering the public domain. For more information about the campaign contact Robert Cyglicki (robertc@bankwatch.org).

6. export credit agencies

A trojan horse for environmental destruction

NGOs have for many years advocated that Export Credit Agencies offer favorable financial terms for sustainable energy technologies like wind, solar, and geothermal. In April 2005, OECD governments agreed to do this but included hydropower in the proposals. Large dams are typically the most controversial and highest-impact infrastructure projects in Southern countries, and their inclusion undermines the credibility and intent of the original proposal. International Rivers Network (IRN) says that by extending special export subsidies to large dam projects, the OECD governments are turning a positive environmental initiative into a Trojan horse for environmental destruction. NGOs published a report which examines the social and environmental impacts of large dams that are being financed by Export Credit Agencies in China, Laos, Lesotho, the Philippines, and Turkey. The report finds that the record of dams financed with export credits is one of massive detrimental social and environmental impacts. Please read the joint report at: www.eca-watch.org/problems/fora/oecd/ECAW_reportondams_2sept05.pdf or for further information, please contact Peter Bosshard (peter@irn.org).

Future role for ECAs in development finance

The World Resource Institute (WRI) launched its report on ECAs and their role in development finance. This report proposes that reform continues to be preferable to the abolition of ECAs, suggesting structural and governance reforms could enable ECAs to make modest but significant contributions to sustainable development outcomes, and identifies national and international opportunities for stakeholders to work toward these changes. To date, public resources directed via ECAs to support export promotion have contributed very little to sustainable development or the MDGs more broadly. Questions thus arise as to whether ECA reform can increase those agencies' contribution to sustainable development, and whether reform is preferable to the elimination of official export credit supports. Please read more at: <http://pubs.wri.org/divergingpaths-pub-3930.html>.

NGOs address urgent issues at OECD ECAs annual meeting

ECAs of the OECD held its annual consultation of civil society organizations on ECA issues in October. FoE France attended the consultation with some 15 other NGOs. The meeting discussed issues including large dams and renewables; the revision of OECD Common Approaches on environment and public export credits; bribery; and unproductive expenditures. ECA-Watch submitted a general progress report on OECD ECAs, and position papers and reports on big dams and bribery. They can be found at www.ECA-watch.org. Please contact Bob Thomson (bob.thomson@amidelaterre.org).

7. other program news

Janneke visited Guatemala mining

Janneke just visited the Glamis gold mine in Guatemala financed with a US \$45 million loan from the World Bank. Project proponents claim that the mining development will generate revenues and employment, the reality however is that only 150 long-term jobs will be created, mostly for skilled workers. In addition, the corporation negotiated a deal with the Guatemalan government which implies that only 1% of the revenues will stay in Guatemala. In other words, 99% of the gold mine's profits will go into the pockets of the Canadian corporation. Please read her report titled: "Sitting on gold and silver" at www.guatemala-mining.org.

Exchange: ruth in the IS

Ruth Pune of FoE Papua New Guinea has spent a month working at the International Secretariat in Amsterdam last September. She is also a regional IFI coordinator for the APO region. The exchange proved a very interesting and valuable experience for Ruth and all at the IS and we believe such exchanges should be promoted more in the future. Ruth and all at the secretariat learned a lot from each other and have lots of ideas on how to improve our coordination at the regional and international level as well. Despite her busy weeks, Ruth organised a PNG day with A Seed Europe, a public meeting on WB roles in PNG, and met with Meg Taylor of the IFC's Ombudsman (and also from PNG). Please contact her (campaign@celcor.org.pg) to hear the story.

FOE France launched campaign on access to water

FOE France launched their campaign on access to water in spring with 20 other French NGOs. The campaign's main goal is to denounce the lack of transparency and undemocratic mechanisms in World Bank backed water projects, and help shape a debate in France around alternative projects. They gathered case studies and published them in the very recent publication "Managing water with citizens, what alternatives?" This publication aims to communicate on what, concretely, is a participatory water project, and what are the processes, the benefits and sometimes the weaknesses. They hope the campaign will help to raise awareness in France on the fact that there are alternatives to the French model in other parts of the world. For more info please see: http://www.amisdelaterre.org/article.php3?id_article=1650 (currently only in French). Please also contact Majda (majda.bouchanine@amisdelaterre.org) if you have information to share on socially unsustainable water projects or on alternatives that work in your country.

APO IFI campaigners meeting in Penang

Asian IFI campaigners had a two-day meeting on October 3-4 in Penang. The meeting was the first IFI meeting for most of the Asian IFI campaigners and participants found it was very useful for their campaign. The campaigners exchanged their experiences, views and strategies. They have agreed

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on work plans and and look forward to working together more closely. Please contact Ginting (ginting@foei.org) or Ruth (campaign@celcor.org.pg) for the minutes of the meeting.

Energy discussion in Penang

13 groups who came to the EGM in Penang and the coordinators of the Climate Change, IFIs and Corporate program met briefly on October 7th in Penang and agreed on how to proceed with an internal process on energy policies within the network with the 2005 BGM in Nigeria in sight. This meeting was held following initiatives taken by FOE Colombia during the AGM in Croatia 2004 on an energy survey; and by research commissioned by the IS on renewable energy policy. The groups agreed to move forward and will submit the results of the meeting to the Activity Committee of FoEI. For more information about the energy initiative, please contact Hildebrando (energia@censat.org) and Yuri (yurio@iea.att.ne.jp).

New FOEI film!

"Pumping Poverty" is a new FOEI film released in October. It documents a speakers' tour of FOEI representatives demanding the end to the misuse of aid money by IFIs and identifies the impacts of IFIs support for multinational corporations' investment in oil, gas and gold. Theo Anderson, Asume Osuoka, Kety Gujaraidze, and Mario Antonio Godínez López describe the effect of projects in Ghana, Nigeria, Georgia and Guatemala. Manana Kochaldze, Goldman Prize Winner says that "Pumping Poverty is a must see film for campaigners and concerned citizens all over the world."

The Pumping Poverty DVD includes a 24-minute film plus extras including a 5-minute interview with each speaker evaluating the situation in their country. Film subtitles are available in Spanish, French, Dutch, Russian, English, and Georgia, please see at:

<http://www.if-watchnet.org/eyes/item.shtml?x=44730>. To obtain a DVD copy of Pumping Poverty please contact: Tanja (foei@foei.org).

New international coordinator

José Luis Utrera is the new international coordinator of FOEI. José joined the International Secretariat in Amsterdam on September 15, 2005. He is from Guatemala but is currently based in the Netherlands. Jose has a wealth of experience at the local as well as the international level. He has worked for several international networks as a campaign coordinator and as an advocate on global policy issues. José can be contacted through (coordinator@foei.org). Welcome Jose!

Janneke on short leave

From September 21 to December 15 2005, Janneke will not be in the office. She is taking two months unpaid leave which she will spend in Indonesia and New Zealand. Between Oct 15 - Dec 15, part of her work will be taken over by Hannah Ellis (FOE EWNI). During this period please contact Ginting (ginting@foei.org) and Hannah (hannahe@foe.co.uk) regarding all IFI related matters. Janneke will take up her work again on Dec 16.

Water struggle for life

A two-day public meeting on "The Struggle for Life and Against the Privatization of Water and Public Resources in Uruguay and in the Region" was held in Uruguay in October. The gathering took place one year after the Uruguayan plebiscite that supported making water and sanitation services public.

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National and international activists gathered in the meeting along with social movements and the general public. Please contact REDES-FoE Uruguay, (prensa@redes.org.uy) for more information.