

Improving Accountability and Governance in Global Financial Institutions

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The objectives of first meeting of the working group on improving accountability and governance in global financial institutions included identifying: urgent areas for reform in the governance of the global financial system (specifically to rank these in terms of tactical feasibility and in terms of overall importance for developing countries); specific questions which need further academic research which the group might commission; issues, which might be, delegated to smaller policy-oriented task forces or other forms of action or follow-up.

The group comprised former Finance Ministers, Central Bank governors and officials with experience in or with the IMF and World Bank from developing countries as well as scholars from both developed and developing countries.

The first day's sessions were concerned with identifying developing country needs and concerns (based heavily on the experience of developing country officials) in respect of three areas of the global financial system: the provision of research, expertise and appropriate policy advice; the provision of emergency financing; conditionality, restructuring and policy reform. On the second day the discussion focused on the agenda, organization and reform of the IMF and the World Bank, with the group exploring ways in which the Fund and Bank might better meet developing countries needs and concerns.

Below is an account of the issues raised in the discussion and some of the solutions debated among participants under the following headings:

- (1) The provision of research and expertise in the world economy**
- (2) The provision of emergency financing**
- (3) Conditionality, restructuring and policy reform**
- (4) Reforming the IMF and the World Bank**

¹. With many thanks to Amrita Narlikar, St John's College Oxford for contributing rapporteur's notes to the writing of this report.

(1) The provision of research and expertise in the world economy

Preamble

Economic policy-makers in developing countries need high-quality, appropriate and evidence-based policy advice. Do they get it? Do the IMF and World Bank provide it? If not, why not? Who else ought to? The discussion was led off by present and former Finance officials and Central Bank governors, who highlighted several important gaps and problems not just with the quality and applicability of existing research, but also of its dissemination. Various members of the group then picked up and elaborated on the points as highlighted below.

(a) there is an absence of real input by developing countries into rethinking the role of international financial institutions

The recent and unprecedented questioning of international financial institutions (IFIs) was noted such as expressed in recent reports by the G-7, the APEC, and the G-20. However, the role of developing countries in this process is not evident. The much-debated IFIAC (Meltzer Commission) report commissioned by the US Congress examining the reform of global economic institutions and the IMF and World Bank in particular undertook no consultations with recipients of IMF or World Bank money, i.e. no developing country officials or scholars. The G-20 was created as a forum in which emerging market countries would have a voice. Yet one policy-maker with direct experience of the G-20 pointed out that the dominance of the G-7 makes developing countries very reluctant to question the established order in that forum.

(b) there is an absence of case-based and hands-on policy-relevant research and studies which would be useful to developing countries

It was agreed that both the IMF and the World Bank produce some extremely useful research. However, together with the regional development banks they could better leverage their knowledge to present cross-regional, comparative and case-based studies, rather than focusing on applications of more abstract economic theory. Policy-makers present made many suggestions in this regard (see (d) below on neglected issues for research). One international example was comparative analysis of the international, regional and sub-regional lending institutions. The CAF was cited as an example of a regional institution which others could learn from: it allocates a part of its portfolio in very safe developed countries and co-finances with the IFIs and private investors to enhance the credibility of its loans. What would be useful to policy-makers is a sense of the practical lessons and pitfalls to be learned from this example. Also national development banking was discussed and the need, again, for practical case studies of successful development banking upon which the IFIs could offer technical advice about how successfully to do this: i.e. How do you make a national development bank work? How do you allocate the portfolio? What kinds of projects can national development banks usefully finance? With what degree of co-financing and project financing?

The wider issue raised here is: who defines what research is undertaken by the IFIs? And what percentage of that research is directed towards development issues of immediate relevance to

developing country members?

(c) there is too much `filtering' of knowledge through the narrow lenses of the IMF and the World Bank; and too little dissemination of alternative research

Concern was expressed about the extent to which information and knowledge is filtered within the IMF and World Bank so as to fit in with generally agreed policy frameworks. Maverick findings and ideas are simply not circulated within or outside the institutions (an observation by one member of the group with considerable knowledge of the World Bank's history and research). A further concern was expressed about the balance between research and dissemination of ideas: the Bank is apparently now spending more on external relations than research.

It was agreed that the IMF and World Bank should pay more attention to building research capacity within recipient countries. However, the view was also expressed that exchanges of experience and information without the filter of the traditional World Bank/ IMF research staff would be valuable. However, the issue here is not just to complete such research, it is equally - if not more - to find ways effectively to disseminate it and to ensure that `networks' of experts emerge. It was noted that a lot of research already exists which meets the interests of developing countries yet which finds no voice in mainstream reports or in negotiations or preparations of developing countries. One member with direct experience of producing and disseminating such research noted that a working paper that fits into the assumptions of the IMF/ World Bank appears easily in publications like the Economist, but it is very difficult to publish alternative research. The essence is to find ways to feed research into the global policy community.

(d) practical areas of economic policy on which developing countries need better research and guidance

During the discussion a number of different kinds of research were identified as important and deserving of more emphasis. Policy-makers argued that they need evidence-based analyses of issues such as:

- the problems of inflation-targeting as an anchor in a labour-surplus country;
- private sector deficits and their interplay with externally provided loans;
- the monitoring of private sector deficits, and what to do about them (especially in the context of capital account convertibility);
- how to shift from one exchange rate regime to another (practical steps);
- how to shift from an IFI-based financing regime to a capital-market one (again, practical steps).

(e) broad areas of research which need more attention

There was also concern for better research into broader areas of policy such as:

- international prudential regulation;
- changing areas of policy such as optimal exchange rate regimes where previously accepted answers are now in question;
- research into the appropriate role and relevance (and limits thereof) of the IFIs;

- research into how and where existing research is being conducted - who is benefitting from existing research budgets (e.g. are the IFIs tending to commission most research from US academic institutions);

(f) how can more leverage be gained from small-scale research efforts?

Finally, the discussion turned to how small initiatives such as this one might advance solutions in this area. It was proposed that rather than attempting to parallel or replace existing research inside (and outside) the IFIs, small independent research projects could be used to make large scale research more effective. Specifically smaller-scale, independent, developing-country focussed research might be used:

(1) to alter the research agenda of the IMF and the World Bank;

(2) help developing countries to identify and frame specific questions to which the IMF, World Bank and MDBs can offer more useful answers (for instance, Chile asked the IFIs for advice on how to modernise its tax system, and benefitted significantly from the answers, yet a country wishing to know how it might best implement capital account controls will find the IFIs unlikely to provide any useful answers);

(3) to build up direct links among researchers from the developing world which might facilitate the development of research into questions which the IFIs have tended to ignore; and also to develop the capacity to benefit more from research funding (both from the IFIs and other agencies).

Additionally, it was noted that developing countries need to be better prepared collectively to understand and to respond to large strategic shifts in the roles and jurisdictions of IFIs. Here research is also vital. For example, developing countries signed up to the Financial Services Agreement of the WTO largely unaware of the implications it would have in setting the pace for financial liberalisation. A discussion ensued of the developing countries' position at the Hong Kong Meetings at which the Interim Committee presented a communiqué on the alteration of the Articles of Agreement - proposing to include promotion of capital flows. After much pre-negotiation consensus building, developing countries did not present any joint position opposing the move. It was proposed that the process of building this consensus and the trade-offs made among developing countries may well be worth further study.

(2) The provision of emergency financing

Preamble

The debate about the international financial architecture has focused on the development of codes and standards for universal application. Yet among developing countries there is consensus that this approach does not resolve key problems of economic stability in the world economy. The agenda developing country policy-makers are more concerned about includes: capital controls, liquidity provision, the clarity of ex-ante solutions, and the correct balance between national, regional, and international responsibilities. In the discussion of these issues, the following points emerged:

(a) there is insufficient clarity as to how and when emergency financing can be used

Moves towards new facilities and greater transparency in emergency financing for emerging market economies were recognized. However, two core problems remain:

- (1) problems of access which further intensify the crisis;
- (2) lack of clarity about useage of emergency financing.

Although some moves towards better provision of emergency financing look good on paper, the terms and conditions on which the resources can be used once accessed are often unclear. This has obvious negative implications for policy-making and negotiations with the private sector - yet the G-20 have paid little attention to this issue.

(b) developing countries need better advice and institutional assistance on the management of pro-cyclical lending and the prevention of crises

Pro-cyclical lending (both official and private) is a serious problem for many developing countries. In respect of financial shocks, the major problem is boom and bust lending patterns in capital markets. The booms (or 'excess financing during good times') may well be exacerbated by access to emergency financing since creditors will believe they will be bailed out. However, because mobility of capital alone can provoke a crisis, emergency funds are necessary. Not enough attention has been paid to:

- the development of empirically sound (and constantly updated) ideas about managing capital inflows or outflows (this is an area in which the IMF and G-20 could bring more expertise and case knowledge to bear) cf Mexico's recent attempts to armour-proof its economy by presenting all financing available to it as a defensive package against the markets;
- longer term solutions such as ways for (at least some) countries to find international acceptability of their domestic currency and in particular to sell domestic-currency denominated bonds (cf Chile's attempts and sales of bonds in pesos);
- the possibilities and limitations of regional institutions (the practical lessons from the CAF etc)

(c) financial crises are not the only exogeneous shocks which require emergency financing

The attention being given to financial crises risks side-lining the other situation in which emergency financing is required: where countries are hit by exogeneous shocks such as commodity price changes. At the same time, the provision of emerging financing in these situations shares three features with emergency financing in financial crises:

- the need for emergency financing is exacerbated by pro-cyclical ODA as well as private flows (insofar as ODA flows are based on performance);
- the terms of useage of the funds need to be clearly defined (and not in all cases heavily conditional);
- the analysis preceding emergency assistance needs to be much better (the IFIs have failed properly to distinguish solvency and liquidity crises).

(d) the IFIs have done a poor job of distinguishing solvency and liquidity crises

In managing crises provoked by exogeneous shocks (whether in finance or other sectors), the international institutions have not distinguished well between liquidity crises and solvency crises.

For example, loans made under the compensatory financing facility (CFF) in the IMF were made for a long time on the basis of poor IMF forecasts which wrongly identified solvency crises as liquidity crises. As a result, countries could not repay CFF resources. Their inability to repay was subsequently used as a rationale for transforming the CFF into a conditional instrument - yet it should have led to better analyses of the nature of each country's crisis and better forecasting of their capacity to repay.

Similarly in the recent financial crises, it became clear that where the crisis is a liquidity crisis (such as Korea) short-term concessional loans provide a significant part of the solution. In other cases, where adjustment is necessary, policy-conditional loans (rather than loans-of-last-resort) can play an important role. There was (perhaps surprising) agreement among all developing country officials that conditionality can be necessary, useful and constructive, if the right conditions are deployed at the right times (see below).

(e) flaws in the G-7 approach to codes and standards

It was generally agreed that codes and standards (whilst not a bad thing) would not do much in the short or medium term to bring about international financial stability. Two particular problems were highlighted in discussion:

- 'If you have everything you have nothing': even after rationalization, the quantity and detail of codes and standards make them desirable but unworkable for most developing countries.
- G-20 and G-7 discussions are premised on unrealistic expectations about how quickly countries can develop regulatory and prudential institutions which work. This is encouraging the IFIs to pay insufficient attention to short-term measures and advice on how to manage capital inflows and outflows while institutions develop. Staff within the IFIs should be asked to make their assumptions about how soon reforms might yield effective institutions explicit

It was noted that more attention should be paid to:

- international prudential regulation
- the surveillance of private sector deficits.

(f) concerns about 'standstills'

Standstills are being advocated by some countries on the grounds that they are a way to share burdens more symmetrically between private and public sector institutions. It was widely agreed that standstills will always occur. Some of the working group strongly support initiatives to formalize and strengthen the capacity of governments to call standstills and to gain 'breathing space' for the orderly resolution of crises. Yet others highlighted that setting out conditions for standstills might carry the following risks for developing countries:

- it casts emphasis on the 'exceptionality' of emerging and developing countries, rather than their marketworthiness (e.g. collective action clauses must be put in place by G-7 governments before being required of developing countries);
- if standstills enable IFIs to decide when a country is unable to pay and institutionalize a standstill, it strips developing country governments of vital decision making capacity, it also engenders great bitterness in the markets and among private actors.

(3) Conditionality, Restructuring and Policy Reform

Preamble

Over the past decade the conditionality faced by developing countries from a wide range of donors has multiplied. Countries face a larger number of conditions which now range much more broadly across almost all aspects of economic and social policy. This session addressed a number of questions about conditionality. Under what conditions is conditionality useful or positive? At what level and by which institutions should conditionality be applied (cf international, regional and national agencies)? Who monitors the quality of conditionality (i.e. quality of analysis and prescription in the agencies applying conditionality)? Developing country policy-makers opened up the debate and the following points were highlighted in the ensuing discussion.

(a) conditionality can be desirable and necessary

Conditionality is useful where adjustment is required but blocked by domestic political interests, such as where domestic bank owners need to bear costs and seniority rules need to be applied strictly. Equally, conditionality can be useful in bolstering proper governance and monitoring within the economy, such as in requiring accounts of actual rather than seeming budget allocations, or in-depth assessments as to how social safety nets work. Another policy-maker mentioned the uses of conditionality as a way of getting a useful 'second opinion' on a programme. However, excessive adjustment and over-harsh conditionality is a real problem for most developing countries. It is both ineffective and costly since there are serious opportunity costs to the time and investments required both in formulating and attempting to implement conditionality.

(b) multiple and superfluous conditionality erodes private sector confidence

Experienced policy-makers noted that too often conditionality undermines private sector confidence, exacerbating a country's problems because

- the adjustments required do not improve confidence in the private sector
- too many superfluous conditions are imposed and this confuses the markets, and dilutes the effectiveness of any one condition.

(c) liquidity crises should not be used as an 'opportunity' to impose structural reforms

Structural reform is virtually always desirable in every country in the world economy. However, it is not appropriate to impose conditions for such reforms when a country is facing a short-term liquidity crisis catalyzed primarily by an exogeneous shock. The negative consequences were amply demonstrated in the wake of the East Asian crisis.

(d) good conditionality is based on thorough empirical analysis, country-specific knowledge and is realistic about how long particular goals will take to be achieved

There is a danger that conditionality is turning into donor 'wishlists' (as highlighted by the albeit extreme case of Rwanda where 100 conditionalities were imposed on the country just after it had gone through a genocide). Several requirements for good conditionality were emphasized.

Where conditionality is applied, more attention needs to be paid to ensuring that conditions are prioritized and sequenced in a way that reflects:

- empirical evidence-based analysis;
- country-specific knowledge of institutions and forces within the economy.

Conditionalities should be clearly ranked according to the objectives to be achieved and not (as at present) in terms of the instruments and policies. For example if the number one objective is to prevent crisis or to improve repayment capacity, that should be explicit in the conditionality.

Much of the 'new conditionality' relating to institutional strengthening and reform makes idealistic assumptions about how soon outcomes might be achieved. It was suggested that experts in the IFIs (and bilateral donors) should be encouraged to include explicit estimates as to how long (and in what phases) they are assuming that proposed changes may be expected to come about.

(e) more attention should be paid to monitoring the donors

Conditionality sets up a strong set of monitoring and reporting procedures which at present are lopsided, leaving the donors under-monitored. Three aspects of donor behaviour in particular ought to be monitored (on this issue, see the OECD, Development Committee's guidelines on the principles which should underpin aid relationships):

- * the keeping of pledges (cf the many instances where pledges are not kept and promised money not disbursed)
- * the tying of aid and resources (often inappropriate to development needs)
- * the failure to live up to rhetoric about national and local ownership.

A simple reform would be to ensure that an independent body monitors and reports on donor behaviour to a country's Consultative Group. Moves in this direction have been particularly weak, with donors being unwilling to be individually accountable (and to accept the naming of specific donors).

(4) Reforming the IMF and the World Bank

Preamble

Developing country participation and representation in the IMF and World Bank has long been a source of tension and debate within the institutions. The working group discussed many larger issues of structure and voting of the institutions, including critically examining the relationship of the Bank and Fund to regional and national development banks. However, the discussion also highlighted several smaller-level changes which could usefully enhance the contribution of developing countries. These are noted below. It was noted that broader ideas about reform should be marshalled before the 12th Quota Review which will be coming up in the next two years:

(a) ensuring better representation of developing countries on the Executive Boards

The largest constituencies represented by just one Executive Director highlight the problem of insufficient formal representation on the Board (21 African countries in IMF, and 22 in the World Bank). This might be overcome by:

- another (non-voting) seat on the Board for large constituencies;
- an additional Alternate Executive-Director in the largest constituencies e.g. to deal with policy issues leaving the existing Alternate Director to deal with country issues;
- better staffing (see below).

(b) enhancing the capacity of developing countries to contribute

Executive Directors need independent analysis of the highest quality to play a constructive role in Board discussions. E-Ds of large industrialized countries enjoy input from their own home agencies. This is difficult for developing countries because their own home agencies are often over-stretched but equally because as constituency Executive-Directors they must represent all members in their constituency. This magnifies the importance of the number and competence of DC-based staff they have at their disposal. The record suggests not just that E-Ds would benefit from more staff, but equally importantly, that the staff they have must be rotated so as to ensure a constant inflow of relevant expertise and experience. Stricter short-term assignments of staff are perhaps in order here.

(c) use the G-24 and existing institutions better (see Appendix A on research needed by E-Ds)

The Group of 24 (an advisory group of developing countries) was discussed since it already exists within the Fund and Bank (with a Liaison Office based in the Fund). It was widely agreed that the Group's research efforts need to be more closely linked to the immediate agendas of the institutions so as to assist developing country Executive Directors in formulating and expressing positions. Two specific suggestions were made:

- use the published work programs of the institutions to direct at least some of the group's research efforts;
- translate the research into short, sharp briefs and alternative scenarios which Executive-Directors and their staff could use directly to shape their input on the Board.

The point was also made that E-Ds should avail themselves more of IMF and World Bank staff expertise (appointed E-Ds do this more at present). The question was asked as to whether developing country Executive-Directors should push for an allocation of staff and resources to service their needs from outside their own offices i.e. from within the staffs of the Fund and Bank.

(d) use the corporate governance model to rethink the structure of representation and accountability

It was proposed that lessons from corporate governance might usefully be applied to the Fund

and Bank, for instance:

- Political power should be separated from economic rights in thinking through the governance of the institutions;
- The members of the institutions should enjoy the right to 'equality of provision of services' and 'uniformity of treatment';
- The majority shareholders should not use their control to violate the economic rights of minority shareholders;
- The minority shareholders could form auditing committees to examine what the majority is doing and convoke a shareholders meeting to denounce any perceived abuse.

It was agreed that these propositions deserve further thought and research. More generally, it was argued that we need to consider more closely where political and voting power is appropriate and where it is not. It has been argued in the past that there is little rationale for weighted voting on technical issues since one should surely assume that brainpower (and the capacity to adjudicate on technical issues) is evenly distributed: what role therefore is weighted voting playing in these issues? It was also noted that there is a precedent within the IMF for the use of unweighted voting: the Committee on Interpretation of the Articles.

(e) limit and harness the role of NGOs

A wide-ranging discussion on NGOs and the Fund and Bank highlighted two issues in particular:

- a concern that while the Heads of the organizations were spending more time with NGOs this meant that they were spending less time with their Boards, and in particular with developing country members of the Boards;
- at the same time NGOs might play a constructive role in mobilizing political pressure within the industrialized countries: such as in the recent case of Zambia's HIPC negotiations where NGOs played an effective role in drawing attention to the contradiction of proceeding with HIPC just as Zambia's 5 year debt rescheduling came to an end.

(5) The Next Steps: plans for the working group

The first point that emerged in this concluding section was the limited set of effective groups in which developing countries express their collective voice. These include the G-24, G-77, G-15, the South Centre, and others. In spite of their existence, there is little research or actual participation in the IFIs forthcoming that expresses the interests and priorities of developing countries. The ineffective voice of developing countries is a result of three problems – a) incoherence i.e. different existing research capacities with no connection between them or the actual agenda b) no attempt to resources with each other and c) the end-products are often not focused – need for precise and concentrated research which focuses on particular issues.

Issues which emerged as critical to developing countries and in which they could take a proactive stance of agenda-setting include –

- Streamlining of conditionality – what does this mean and how can developing countries shape the debate to their advantage?
- Quota and representation – some initial ideas for 2002 are being discussed about a five-year

periodic quota review – developing countries should be ready with their preferences to press forth in the debate

- Capital flows - study the great differences between the emerging market economies and low income countries with respect to capital inflows and examine ways in which LDCs can graduate from their dependence on concessional aid. The group must take care in focusing not only on the emerging market economies, but also the basket cases ('the castaways of the international system').

- Operational issues such as the costs and timing of conditionalities also need to be addressed with respect to specific programs. Problems of professional inbreeding and how they affect the work of the Executive Directors and Staff need to be studied.

- Organisational links - both among groupings of developing countries, and the WTO (TRIMS/GATS) and the IFIs. Developing countries could potentially use these links to their advantage, but the area requires careful research.

- NGOs are an urgent factor that needs to be factored in. In some instances, NGOs have exercised a decisive and positive voice e.g. over debt relief, but have also contributed significantly to stalling several IFI projects. How this translates operationally still needs to be explored.

- The group might also try to exercise influence on the IMF staff to take on some issues of relevance to developing countries. For instance, case studies on how some countries have successfully got out of arrears would benefit both lenders and borrowers, and which the IMF would be well-equipped to carry out. The G-20 could also be used to air some of the views that do not get discussed elsewhere, and further link those issues with the capitals. This enterprise, however, needs to be carefully considered, given that the US Treasury might well withdraw from its support of the G-20, and that group itself has problems of transparency, accountability and inclusiveness vis-a-vis the developing countries.

- Outputs for the group to consider should include at the broadest level the media and journalism for highlighting issues for popular debate; and at the narrowest end, specific policy briefs for Executive Directors of the IMF, and possibly dialogue with the G-7 after some of the answers become clear.

FOLLOW-UP WORK:

* A working group meeting prior to the Fall meetings of the institutions

Follow-up: next meeting 28-29 June in Ottawa

* A paper on how developing countries might better coordinate their research and lobbying activities, with particular reference to (a) lessons to be drawn from the G-24 experience; (b) lessons and drawbacks of existing structures both within the offices (staffing etc) of developing countries' Executive Directors and among them. *Follow-up: paper now completed and circulated to the group.*

* An overview paper on developing countries and financial governance by Gerald Helleiner.

Follow-up: paper now completed and circulated to the group.

* Consultations with Canada, Japan, the UK, Italy, IMF and World Bank senior management, and private sector on some of these issues to be taken up by the Chair.

Follow-up discussions undertaken.

* An input into the 12th quota Review - with reference to post-Cooper report discussion on quotas, voting and representation. Need to develop this idea further, synthesize existing G-24 work on the issue, and consider whether further research needs to be commissioned.

Follow-up: Chair has collated existing research in this area, discussion to be furthered in the second meeting.

* Research on internal governance - possibly corporate governance principles and their application to the IFIs. Chair to consult with Manuel Marfan on this.

Follow-up: to be discussed at second meeting.

* A paper (or papers) on the practicalities of assembling emergency assistance packages, standstills, and related issues.

Follow-up: Chair is collating existing work on standstill (from G-7 and private actors). Further discussion to be had at second meeting.

* Research on how developing countries might more effectively use NGOs

Follow-up: discussion to be led on the agenda of meeting 2.

* Paper on how countries get out of arrears and on capital flows and graduation out of concessional resources - what is the exit strategy?

Follow-up: remitted to WG2 since it falls more readily into that group's agenda.

* The need for short briefings developed from G-24 research papers

(Chair to report this and develop it further in consultation with G-24 Research Director)

Follow-up: Chair has reported this to Dani Rodrik and opened up a discussion on it.

APPENDIX A: Specific research issues that would be useful to developing country Executive-Directors

1. Voting and Headship Appointments: the implications of qualified voting majorities, and alternative procedures for electing heads of the organizations.
2. Debt relief: how better to coordinate developing country strategies; and scenarios for what will happen in HIPIC III environment (issues, implications, pressure points).
3. HIV/AIDS: the implications of HIV/AIDS for the programmes of the Fund and the Bank (content, presumptions, macro indicators and forecasts and how they will change dramatically over the next 3 years).
4. Cataloguing adherence to conditionality and performance in sub-Saharan African countries over the last ten years (i.e. updating that done for ESAF after 10 years).
5. How can developing countries better market their successes?
6. An analysis of how Fund and Bank programs might better take account of regional context.
7. Using the committee structure: A comparative paper on the Committee system in the World Bank vs. the Board system of the Fund (with the exception of the budget committee), to assess which system works better for the developing countries.
8. How can developing countries better exploit the IFIs' budgets?
9. An analysis of new standards and codes with a simultaneous examination of the capacities of

developing countries to implement them. In particular, a brief assessment of: fiscal code; monetary and financial code; and statistical data compliance.

10. Upcoming debate on Fund conditionalities and ownership: would streamlining conditionalities (as per the aims of the new Managing Director) involve going back to the core mandate and shifting everything else to the World Bank? Or reducing conditionality per se?

11. Technical assistance: what kinds of technical assistance should developing countries demand? (Especially relevant to new codes and standards demands) What kinds of technical assistance do developing countries gain most from? (Mixed record of impact highlights need for updated analytical assessment of impact of technical assistance)

12. The coordination of debt relief with other parts of aid and assistance: in particular, the problem that countries receiving HIPC often have technical assistance and other parts of aid package cut.

13. Timing and feasibility of governance conditionality: a paper on how time frames and costs might be included in IFI programs - which might at least create a debate in the Fund and Bank about the feasibility of some measures.