

Magic Words

FYI [for your information]: This collection of acronyms and phrases is to help finding the way around in the labyrinth of US style speeches where everything is shortened to few letters or to a technical language of hocus-pocus.

ADB [Asian Development Bank]: Multilateral development finance institution founded in 1966 for promoting of social and economic progress of the Asia-Pacific region. ADB is lending around 5 billion USD a year, biggest borrowers are China and Indonesia. ADB Headquarters are in Manila, Philippines.

AfDB [African Development Bank]: Regional multilateral development bank that is committed to the economic development and social progress of its regional members. Established 1964, the AfDB sees its mission in assisting member countries to break away from the vicious cycle of poverty in which they are entrapped. AfDB is lending around 1.5 billion USD a year, and its biggest borrowers are Morocco, Algeria, Tunisia, South Africa and Ethiopia. ADB Headquarters are in Abidjan, Cote d'Ivoire.

AGM [Annual General Meeting]: Highest decision-making body of multilateral banks. Every member country of the bank is represented usually by finance minister and/or head of central bank (called Governor during AGM) and has equal voting share. It's more of a body talking about strategic issues and future directions, not about concrete projects. AGM is more sort of few-days cocktail party for delegates congratulating each other for great job they are doing. In order not to make it too boring for participants AGMs are often held outside of the bank's headquarters (for

example the World Bank/IMF AGMs have lately been holding AGM in Madrid, Hong Kong and Prague). AGMs are also participated by increasing number of NGOs who use it as a good chance to lobby big number of bankers and national delegates present, as well as to catch media attention during the event.

BP [Bank Procedures]: Few page documents for World Bank staff on how to implement Bank's policies while carrying out concrete projects. All BPs are included in the World Bank Operational Manual.

BWI [Bretton Woods Institutions]: Common name for International Financial Institutions that were established in small town of Bretton Woods in USA in 1944: the World Bank (that time only IBRD) and International Monetary Fund.

CAS [Country Assistance Strategy]: Document that World Bank prepares for each country in which it operates. The main objective of the CAS is to give a brief overview of key developments in the given country and to identify Bank's priorities and strategy for lending. In the past, the CAS was a secret document, however, since 1998, the public has often had some input and influence on the preparation of the CAS in their respective country. For key borrowers (i.e. Russia), the World Bank prepares a new CAS every 2-3 years, and for minor players (i.e. Estonia), CASs are prepared less often.

CCL [Contingent Credit Line]: IMF credit line for quick money disbursing in case of international financial crisis. CCL was established in 1999. Repayment

period of countries using CCL money is 1-2 years.

CDF [Comprehensive Development Framework]: A new attempt by the World Bank to give more weight to social, institutional, and other issues in its development paradigm and to encourage more partnerships. The CDF mechanisms were tested in number of pilot countries throughout 1999 and 2000.

CEE [Central and Eastern Europe]: A region east from Western Europe which everybody defines slightly differently. Always includes ex-communist countries of Central Europe (Czech and Slovak Republics, Hungary, Poland, Slovenia), East European countries (Bulgaria, Romania) and Baltic States (Estonia, Latvia, Lithuania). Often includes also Albania, Bosnia and Herzegovina, Croatia, Macedonia, Yugoslavia or eastern countries of CIS (Belorussia, Moldova, Ukraine). Geographically the CEE region includes eastern part of Russia.

CEM [Country Economic Memoranda]: World Bank review on performance of country's government in implementing economic reform programs. Memorandums also evaluate World Bank's past operations in the country and recommend type of future support.

CIS [Commonwealth of Independent States]: Countries of former Soviet Union (excluding three Baltic States): Armenia, Azerbaijan, Belorussia, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

DIA [Dynamic Impact Assessment]: A process that NGOs are calling on the World Bank Group and the IMF to conduct when preparing loan operations and country-wide strategies. The DIA process consists of three stages: (a) initial impact assessments prior to

embarking on a loan operation or country-wide strategy; (b) monitoring and retrofitting during the operation's life cycle to ensure positive results on the ground; and (c) evaluation. Groups affected by the proposed operation would play a leadership role during all three stages. Use of the DIA process by the IMF and World Bank can help create political space in borrowing countries for groups to speak out about the likely impact of proposed operations and alternatives to the proposed operations.

EA [Environmental Assessment]: Detailed studies by the borrowing country for World Bank projects likely to have significant environmental impact ("A" category projects). EAs are completed before the viability of the project is finally appraised.

EAP [Environmental Action Plan]: See "NEAP".

EBRD [European Bank for Reconstruction and Development]: Youngest amongst regional development banks, established in 1991 for lending and technical assistance to ex-communist countries of CEE and CIS regions. EBRD provides loans for both public and private sector projects. EBRD is lending around 2.5 billion USD a year, biggest borrowers from EBRD are so far Russia, Romania, Poland and Hungary. EBRD Headquarters are in London. Abbreviation EBRD could also mean 'European Bank for Radiation Development' (as EBRD is willing to finance completion of nuclear plants).

ECA [Europe and Central Asia]: One out of 6 regions where the World Bank is operating. ECA includes all former communist countries of CEE, SEE and CIS, as well as Turkey. The IFC uses different regional category.

ECAs [Export Credit Agencies]: Governmental agencies for supporting

private companies entering new markets with political risk insurance and/or loans. ECAs are also one of the most important sources of financing for socially and environmentally harmful ventures that other, public IFIs prefer not to finance because of the increased attention of civil society.

projects both inside and outside of the European Union. EIB is famous for being most secretive public financial institution, for example it does not release any information about projects it is preparing. EIB is lending some 30 billion USD a year and makes profit of around 1 billion USD. EIB Headquarters are in Luxembourg.

ED [Executive Director]: Person in multilateral bank (there are usually around 20 of them) who is voting on every single project or policy that the bank wants to approve. Draft decisions are prepared by management of the bank so in case an ED doesn't take the job too seriously he/she needs to leave golf course for voting in Executive Board only about once a week. Every ED has also an alternate and fully staffed office. To make picture more complicated most of EDs represent number of member countries of given bank. Usually the countries represented by one ED are from the same region but there are also very strange combinations.

Equity: Usually shares of the company. An equity investment is made when someone (could be an IFI) is providing money to a company (makes equity investment) and gets shares in the company in exchange.

EDS [Environmental Data Sheets]: One or two-page summary information on the environmental impacts of the World Bank project under preparation. Describes the studies that are to be done to address the issues raised and is updated quarterly.

ERS [Environmental Review Summary]: One or two-page summary information on the environmental impacts of the IFC project under preparation.

ESAF [Extended Structural Adjustment Facility]: IMF facility for low-income countries; was renamed to Poverty Reduction and Growth Facility in November, 1999. See "PRGF".

EFF [Extended Fund Facility]: An IMF tool for providing loans to countries for longer period. Extended Arrangements are intended for countries with balance of payments difficulties resulting primarily from structural problems.

ESW [Economic and Sectoral Work]: World Bank analysis of major economic sectors, poverty assessments and assessments of the private sector investment and public expenditure in given country. ESW is typically prepared as part of the development of the Bank's Country Assistance Strategy. After approval by the Board of Executive Directors, final Country Economic and Sector Work Reports should be publicly available. Documents available under this title include Country Economic Memoranda, Country Economic and Sector Reports, Poverty Assessments, and Country Assistance Strategy.

EIA [Environmental Impact Assessment]: A policy tool for reducing of negative environmental consequences of individual development projects.

EU [European Union]: A political and economic union in Europe, founded in 1958. Has currently 15 member countries from Western Europe and is planning to expand to Eastern Europe in coming years.

EIB [European Investment Bank]: The "home bank" of the European Union established already in 1958. EIB is lending for public and private sector

FDI [Foreign Direct Investment]: Investment to projects where a foreign corporation takes over a local firm or establishes a new office or factory. In recent years, much of FDI has led to increased concentration of companies and economic power of TNCs. The 100 richest TNCs control about 400 billion USD worth of foreign investment.

FY [Fiscal Year]: Financial year according to which financial institutions operate and report. For European banks (EBRD, EIB) FY is the same as calendar year while for the World Bank Group and IMF fiscal year starts in July 1. Thus the World Bank FY2000 starts in July 1, 1999 and ends in June 30, 2000.

G8 [Group of Eight]: Block of seven industrialized countries -**G7** - (Canada, France, Germany, Italy, Japan, United Kingdom and USA) plus Russia. Heads of G8 countries have annual meetings to discuss various global issues.

GATT [General Agreement on Tariffs and Trade]: Predecessor of WTO, existed in 1947-1994. Powerful multilateral treaty for trade liberalization.

GEF [Global Environmental Facility]: An instrument created for financing of environmental projects of global importance. GEF's projects are targeted to meeting of demands of conventions signed in 1992 in Rio de Janeiro (UNCED). As the World Bank is one of implementing agencies for GEF projects, it often uses those projects for greenwashing purposes.

GDP [Gross Domestic Product]: Main economic indicator invented to show how developed one or other country is in poor monetary terms. This indicator is calculated as total money value of goods and services produced in given country (also by foreign companies) in one-year period. It is usually described per capita

basis to give possibility for comparing wealth of different countries. GDP of USA is around 35,000 USD per capita and around 3000 USD per capita in Russia.

Gini coefficient: Index used for measuring the extent to which the distribution of income (or, in some cases, consumption expenditures) among individual or households within an economy deviates from a perfectly equal distribution. The coefficient ranges from 0 (meaning perfect equality) to 1 (meaning complete inequality).

GNP [Gross National Product]: Economic indicator very similar to GDP. It's calculated as total money value of goods and services produced by companies of given country (inside and outside country). Per capita GNP of USA is around 30,000 USD while some 430 USD in African countries as average.

GP [Good Practices]: World Bank guidelines (history of the issues, sectoral context, examples of best practices, etc.) that Bank's operational staff can use in implementation of policies. GP does not constitute mandatory actions for the staff. All GPs are included in the World Bank Operational Manual.

HIPC [Heavily Indebted Poor Country]: Term used by banks for poorest countries (in money terms) of the World. There is an Debt Initiative for HIPC according to which these poor countries may be granted debt reduction from bilateral and multilateral donors. However, such debt reduction is only granted if these countries carry out expensive and socially destructive structural adjustment reforms that meet these institutions' demands.

IADB [Inter-American Development Bank]: Oldest and largest regional multilateral development bank, established in 1959. It was created to help accelerate economic and social

development in Latin America and the Caribbean. IADB is lending around 10 billion USD a year. Headquarters of IADB are in Washington DC.

12): total some 20 billion USD for Fiscal Years 2000-2002. Biggest borrowers from IDA have been India, China and Bangladesh. IDA Headquarters are in Washington DC.

IBRD [International Bank for Reconstruction and Development]: Usually the same as the “World Bank” but actually just one out of several “sister banks” belonging to the World Bank Group. Established in 1944, the IBRD remains (in close cooperation with IMF) the most powerful and influential development institution reshaping economies of developing countries. IBRD provides loans and technical assistance for public sector institutions only. IBRD is lending around 20 billion USD a year and making healthy profit of 1.5 billion USD. Biggest borrowers of IBRD in last years were South Korea, Russia, Argentina and China. Generous and tax-free salaries makes IBRD a nice employer for over 11,000 staff members in Washington DC.

IFC [International Finance Corporation]: Established in 1956, the IFC is relatively new but increasingly powerful part of the World Bank family. IFC is providing loans for private sector projects in developing countries and in countries of transition. IFC is lending around 10 billion USD a year, biggest borrowers are Brazil, Argentina, Mexico and India. IFC Headquarters are in Washington DC.

IFI [International Financial Institution]: Common name for all banks and agencies covered by this publication.

ILO [International Labour Organization]: An agency for voluntary cooperation of countries to improve labor conditions and raise living standards. Founded already in 1919, headquarters in Geneva, Switzerland.

ICSID [International Centre for Settlement of Investment Disputes]: Member institution of the World Bank Group, provides facilities for the settlement of investment disputes between member countries and foreign investors. In FY99 ICSID was dealing with 11 such disputes.

IMF [International Monetary Fund]: Kind of global central bank-type of international institution for preventing of financial problems in member countries. Countries have to follow IMF strict guidelines for policy reforms if they want to get loans from IFIs. IMF works in close cooperation with the World Bank. IMF Headquarters are in Washington DC.

IDA [International Development Association]: Another "sister bank" belonging to the World Bank Group with the mission of reducing poverty and improve the quality of life in its poorest member countries. Established in 1960, IDA is providing very long-term loans (making them almost grants) in poorest developing countries (about 80 countries eligible). Due to soft loan conditions IDA needs to raise frequently new money for lending. Donor governments must therefore agree about their contributions, which are “replenished” in every 3 years. At the moment loans are given from money from IDA replenishment round 12 (IDA-

InfoShop: World Bank bookstore in Washington DC for bank’s publications and documents. Publications of other publishers in development issues are also available.

Inspection Panel: Independent body within the World Bank which can investigate upon affected people’s claim if the Bank has violated its regulations in implementing certain project.

IPDP [Indigenous People's Development Plans]: Documents prepared by the borrower when a World Bank investment project has a significant affect on indigenous peoples. It includes a culturally appropriate development plan and efforts to anticipate adverse trends and indigenous participation.

LCA [Loan and Credit Agreements]: Legal documents signed between the recipient government and IBRD or IDA. Are made public when the loan is ready for disbursement.

LIBOR [London Interbank Offered Rate]: An average commercial interest rate for borrowing money in London financial market. Interest rates offered by banks are often calculated in basis of LIBOR (LIBOR+1% for example).

MAI [Multilateral Agreement on Investment]: International treaty for liberalization and deregulation of foreign investment, negotiated at the OECD. Due to disagreements between governments and pressure from civil society groups MAI negotiations that were started in 1995 were canceled in 1998. Main objective of the MAI was to 'open' all sectors of countries' economies for all possible kinds of investments (FDI, stocks, bonds, intellectual property rights, property, etc).

MDB [Multilateral Development Bank]: Banks with aim of supporting development activities: EBRD, ADB, AfDB, IADB, IBRD. Similar to term 'IFI' but excludes the IMF and multilateral investment banks (like EIB).

MIGA [Multilateral Investment Guarantee Agency]: Member of the World Bank Group, kind of insurance company for promoting private sector development by providing guarantees against non-commercial or political risks. MIGA is issuing guarantees for more than 1 billion USD a year. MIGA

was set up in 1985 and its Headquarters are in Washington DC.

MOS [Monthly Operational Summary]: A comprehensive listing of the World Bank's (IBRD/IDA) entire portfolio of proposed projects, issued once a month. After loans or credits are signed, entries are dropped from the MOS. NGOs can subscribe to receive electronic version of MOS for free.

NAFTA [North American Free Trade Agreement]: A broad treaty signed in 1992 between USA, Canada and Mexico for reaching of a common free trade zone by around year 2010. As with any other free trade agreements the problem is that member countries can't improve environmental or labor legislation as it will be considered a trade barrier.

NEAP [National Environmental Action Plan]: Policy documents of the governments which describe major environmental concerns of a country, identifies main causes of problems and formulates policies and concrete actions to deal with the problems. Drafting of NEAPs are often heavily influenced by donors. There are also regional EAPs like the one for Central and Eastern Europe.

NGO [Non-Governmental Organization]: Citizen organizations which are independent from governments and are not profit-oriented.

NIS [Newly Independent States]: A term used mostly in USA instead of CIS with the same meaning of former Soviet Union countries (excluding three Baltic States): Armenia, Azerbaijan, Belorussia, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

OD [Operational Directives]: Documents outlining World Bank policies

associated with a range of issues. These documents or statements are approved by the Board of Executive Directors and are mandatory for all Bank staff. They are the policy statements formally used by the Inspection Panel to determine violations of policy when claims from affected citizens are presented. These Operational Directives are being converted into a three-tiered format comprised of Operational Policies, Bank Procedures, and Good Practices (OP/ BP/ GP).

ODA [Official Development Assistance]: Money flows to developing countries and countries in transition by governments or multilateral institutions. ODA is targeted for promoting economic development and welfare, it contains a grant element of at least 25%. Total annual ODA is around 50 billion USD.

OECD [Organization for Economic Cooperation and Development]: Club of rich Western countries for stimulation of economic cooperation and expanding of World trade. Being known mostly for gathering economic statistics the OECD is increasingly keen in working in investment issues (for example MAI was negotiated in OECD). OECD was founded in 1961, headquarters in Paris. In 1990s Czech Republic, Hungary and Poland also became members of OECD.

OED [Operations Evaluations Department]: A theoretically independent unit within the World Bank (IBRD and IDA) which is evaluating all Bank's completed lending operations and is reporting to Executive Directors on failures found.

OEG [Operations Evaluation Group]: A theoretically independent department of the IFC which is evaluating IFC activities that have already taken place, as well as policies and strategies and is reporting on failures found.

OP [Operational Policy]: Mandatory policies that the World Bank management and staff must implement in Bank's operations. All OPs are included in the World Bank Operational Manual.

OPIC [Overseas Private Investment Corporation]: one of the governmental export credit agencies of USA assisting (by risk guarantees) US companies in their foreign endeavors.

PAs [Poverty Assessments]: The tool that World Bank uses for studying poverty conditions in borrowing country. Includes

PAD [Project Appraisal Document]: The main World Bank's technical document outlining a given project and its intended outcomes. PADs are used by the World Bank's Board in deciding whether or not to approve a project. Until late 1996, it was known as a Staff Appraisal Report (SAR).

Paris Club: Common name for meetings of creditor governments for renegotiation of debt owed to official creditors. Although the IMF and the World Bank are not members of the Paris Club they have big influence over its decisions.

PCD [Project Concept Document]: The first official bank document outlining a project at its earliest stage in the project cycle. The PCD is not a public document but much of its contents are divulged through the Project Information Document (PID).

PER [Public Expenditure Review]: World Bank document for evaluating the efficiency and sustainability of borrowing country's spending priorities and operations. PER is concentrating on government's spending and budgets.

PID [Project Information Document]: Short, few pages summary which World Bank prepares about each of its project in pipeline.

PRGF [Poverty Reduction and Growth Facility]: IMF facility for low-income countries (the facility was formerly known as the ESAF). PRGF-supported programs provide countries with low-interest loans and, in theory, should be based on IMF-World Bank Poverty Reduction Strategy Papers (PRSP).

PRSP [Poverty Reduction Strategy Paper]: World Bank has a new loose idea of creating of country strategies for poverty reduction - PRSPs. These papers are describing the country's plan for macroeconomic, structural, and social policies for three-year economic adjustment programs to foster growth and reduce poverty. PRSP is parallel process to CAS and CDF and makes it very difficult to understand for an outsider. World Bank and IMF are promoting the idea of PRSP as a country-driven process while doing everything to silently control the process together with IMF. PRSP replaced at the end of 1999 an earlier IMF document called PFP (Policy Framework Paper).

PSD [Project Summary Document]: Short, few pages summary of all EBRD public and private sector projects in pipeline. PSDs are made available for public since 1996.

Safeguarding policies: Group of key World Bank policies on environmental and social issues (see also OP and BP).

SAL [Structural Adjustment Loan]: Program or policy-based loans with strict conditions to countries by the World Bank that restructure entire economy to conform with free market, neoliberal macroeconomic policy. SAL is done in close cooperation with IMF.

SAP [Structural Adjustment Program]: Ambitious plan of IMF for certain country on how to generate foreign exchange through a positive trade balance. For meeting demands of SAP agreement countries often have to over-exploit their natural resources in order to increase exports.

SBA [Stand-By Arrangement]: Most common mechanism for IMF's lending which is designed to deal with short-term balance of payments problems of a temporary or cyclical nature. Credits are made available in several tranches and provisions are made upon achievement of agreed performance objectives.

SDR [Special Drawing Rights]: Virtual currency that IMF uses for its transactions. 1 SDR is around 1,3 USD.

SEA [Strategic Environmental Assessment]: A study on possible negative environmental impacts of policies, plans or strategies.

SECAL [Sector Adjustment Loan]: World Bank loans for restructuring specific sectors (like agriculture, energy, telecommunications, transport) of the country's economy. Sector loans are made primarily for implementing of structural adjustment.

SEE [South East Europe]: Geographical region that covers countries of Balkan peninsula: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Romania and Yugoslavia.

SRF [Supplemental Reserve Facility]: An IMF tool for large loans in cases of large-scale financial crisis. SRF was introduced in 1997, after Mexican and Asian crisis.

Standby loan: Money available from IMF to member countries which face financial difficulties. Prior to standby loan given country and IMF sign Stand-By

Arrangement which states conditions according to which country can access money from IMF in situation of crisis.

Syndication: pools of money that several investors contribute to, thereby reducing the risk of any one investor in the pool.

TNC [Transnational Corporation]: Big international companies that together control over 70% of the World trade. The number of transnational corporations in the world has jumped 7,000 to some 50,000 in last 30 years. There is no democratic control over the TNCs as they don't act in one country only. Policies of the World Bank and IMF often serve the interests of the TNCs.

UN [United Nations]: Theoretically the most powerful international institution as almost all countries are members of UN. United Nations were established in 1945 and its purposes are to maintain peace and security, develop friendly relationships between countries and to promote respect for human rights. In fact the UN is governed by 5 permanent members (China, France, Russia, United Kingdom and USA) of its principal organ, Security Council. UN Headquarters are in New York. Many other organizations are belonging into the UN system (incl. the World Bank and IMF) but UN has no absolutely control over those.

UNDP [United Nations Development Program]: An UN body established in 1965 to seek for social stability , reduced population growth and crisis

prevention. In fact UNDP is the largest multilateral grant organization for development cooperation, bringing together and facilitating other donors as well. Core annual budget of UNDP is around 1 billion USD.

UNEP [United Nations Environmental Program]: An UN body established in 1972 for promoting international cooperation in the field of environment and sustainable development. To make it less powerful player in UN arena, UNEP Headquarters were established in Nairobi, Kenya.

WB [World Bank]: Actually the World Bank Group which consists of several sister banks (IBRD, IDA, IFC, MIGA and ICSID). Usually only IBRD is meant when term 'World Bank' is used.

WTO [World Trade Organization]: An increasingly powerful international institution with aim of eliminating all trade barriers and establishing a completely free trade World governed by TNCs. Due to disagreements between governments and pressure from civil society groups latest round of WTO negotiations collapsed in Seattle, late 1999. WTO is successor of GATT, formed in 1995. Headquarters of WTO are in Geneva, Switzerland.

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This briefing was prepared by Peep Mardiste for the CEE Bankwatch Network

The CEE Bankwatch Network is an international non-governmental organization (NGO) with member organizations from countries of Central and Eastern Europe and the Commonwealth of Independent States. The basic aims of the network are to monitor activities of the International Financial Institutions in the region, and to promote constructive alternatives to their policies and projects. The CEE Bankwatch Network was formally set up in 1995, and become one of the strongest network of environmental NGOs in Central and Eastern Europe.

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