



Rising Food Prices Threaten Poverty Reduction

High food prices are threatening recent gains in overcoming poverty and malnutrition, and are likely to persist over the medium term, says a new World Bank Group policy note released on [April 9, 2008].

“Poor people are suffering daily from the impact of high food prices, especially in urban areas and in low income countries,” said **World Bank Group President Robert B. Zoellick**. *“In some countries, hard-won gains in overcoming poverty may now be reversed. As an international community we must rally not only to offer immediate support, but to help countries identify actions and policies to reduce the impact on the world’s most vulnerable.”*

According to *Rising Food Prices: Policy Options and World Bank Response*, increases in global wheat prices reached 181 percent over the 36 months leading up to February

2008, and overall global food prices increased by 83 percent. Food crop prices are expected to remain high in 2008 and 2009 and then begin to decline, but they are likely to remain well above the 2004 levels through 2015 for most food crops.



As the policy note points out, while households that are net producers may benefit from higher prices, price increases for staple foods will increase poverty in several countries. Indeed, for many countries and regions where progress in reducing

poverty has been difficult, the impact of rising food prices risks undermining the poverty gains of the last 5 to 10 years, at least in the short term. For example, in the case of Yemen, estimates show that the doubling of wheat prices over the last year could

reverse all gains in poverty reduction achieved between 1998 and 2005.

“The poor are not just facing higher food prices but also higher energy costs, which is a worrying combination,” said **Danny Leipziger**, World Bank Group Vice President for Poverty Reduction and Economic Management (PREM). *“Policy responses to protect the poor from food price rises are urgent, and need to be designed in a way that is conducive to stimulating greater agricultural production in the long run.”*

Increased bio-fuel production has contributed to the rise in food prices, according to the report. Concerns over oil prices, energy security and climate change have prompted governments to increase bio-fuel production and use leading to greater demand for raw materials including: wheat, soy, maize and palm oil. Food price hikes are also linked to higher energy and fertilizer prices, a

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The Bretton Woods Committee is a nonpartisan group of distinguished citizens dedicated to increasing understanding of the World Bank, IMF, WTO and the regional development banks (the so-called Bretton Woods institutions) and efforts to spur economic growth, alleviate poverty and improve financial stability.

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Rising Food Prices Threaten Poverty Reduction
from cover

weak dollar and export bans.

The report notes that many governments are already taking action. Some are expanding targeted safety nets, such as cash transfer programs to vulnerable groups, food-for-work programs, or emergency food aid distribution. Several countries have lowered tariffs and other taxes on key staples, in order to provide some relief to consumers. In contrast, other countries have put in place export bans, which are detrimental to food importers and reduce incentives for production.

The report says that measures that seek to stimulate food grain supply are essential over the medium-term, and include strengthening basic infrastructure (transport, power and irrigation) and investing in agricultural technology. The World Bank Group is helping countries by:

- Calling on the international community to make up the \$500 million food gap required by the UN's World Food Program to meet emergency needs.
- Making agriculture a priority. The Bank has announced it will double agriculture lending in Africa in Fiscal Year 2009 - from \$400 million to \$800 million.
- Increasing financial support for short-term needs (restructuring existing projects and increasing the size of upcoming grants and loans when needed).
- Expanding and improving access to safety net programs, such as cash transfers, and risk management instruments to protect the poor.
- Informing the discussion on bio-fuels.
- Advocacy on the negative impacts of policies such as export bans, which create price spikes in importing countries, and the high levels of trade tariffs and subsidies in the developed world.

President Zoellick called for a New Deal for Global Food Policy to focus not only on hunger and malnutrition, access to food and its supply, but also on the interconnections with energy, yields, climate change, investment, and the marginalization of women. **BWC**

This article has been reprinted from the World Bank's online article, "Rising Food Prices Threaten Poverty Reduction" published on April 9, 2008. To access the online article, please refer to: <http://go.worldbank.org/QLBJFC7XI0>.

On March 13 and 14, the House and Senate passed their versions of the FY09 Budget Resolution. Notable legislative actions include House recommendation by a vote of 212 to 207 of \$38.3 billion for the International Affairs Budget and two amendments offered to restore funding to the International Affairs Budget in the Senate Budget Resolution.

A group of six Senators from both the Democratic and Republican parties – Senators Dianne Feinstein (D-CA), Gordon Smith (R-OR), Richard Durbin (D-IL), John Sununu (R-NH), Christopher Dodd (D-CT), and Norm Coleman (R-MN) – co-sponsored an amendment to restore \$2.6 billion to the International Affairs Budget, bringing it to the House approved level of \$38.3 billion. Furthermore, the six senators made the decision to help restore the entire \$4.1 billion cut to the International Affairs Budget by agreeing to withdraw their amendment in support of another amendment co-sponsored by Senators Joseph Biden (D-DE) and Richard Lugar (R-IN).

The US Global Leadership Campaign praised this move as an “unprecedented bipartisan vote in favor of International Affairs funding.”

Multilateral Assistance

On the legislative side affecting funding for multilateral institutions, we will see important new initiatives this year. The World Bank’s International Development Association (IDA), the soft loan program for the poorest countries, will need new Congressional authorization legislation and an appropriation. The dollar’s decline value signifies that the cost of the U.S. share of IDA will increase, which could prove problematic in Congress. In addition, changes at the IMF will also ultimately require new authorization legislation, a significant hurdle in the past. The new leaders at the World Bank and IMF will look for support from active and knowledgeable members of the Bretton Woods Committee as the legislative process unfolds.

FY09 International Affairs Budget Snapshot

International Affairs 150 Account

FY09 Request	\$ 39.8 billion (CBO #)
FY09 House Budget Resolution	\$ 38.3 billion
FY09 Senate Budget Resolution	\$ 39.8 billion
FY08 Enacted	\$ 36.7 billion
FY08 Base	\$ 34.31 billion
FY07 Base	\$ 32.57 billion
Decrease from FY09 Request	\$ 1.5 billion (3.8% decrease)
- House Increase from FY08 Enacted	\$ 1.6 billion (4.4% increase)
Enacted - House Increase from FY08 Base - House	\$ 4.0 billion (11.6% increase)

State Operations and Related Accounts

FY09 Request	\$ 12.03 billion
FY08 Enacted	\$ 11.24 billion
FY08 Base	\$ 9.99 billion
FY07 Base	\$ 9.54 billion
Increase from FY08 Enacted - FY09	\$ 790 million (7.0% increase)

Foreign Operations Account

FY09 Request	\$ 26.14 billion
FY08 Enacted	\$ 24.00 billion
FY08 Base	\$ 22.87 billion
FY07 Base	\$ 21.95 billion
Increase from FY08 Enacted - FY09	\$ 2.14 billion (8.9% increase)

International Agriculture Programs

FY09 Request	\$ 1.33 billion
FY08 Enacted	\$ 1.31 billion
FY08 Base	\$ 1.31 billion
FY07 Base	\$ 1.31 billion
Increase from FY08 Enacted - FY09	\$ 20 million (1.5% increase)

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Significant increases in 2009 budget requests compared to 2008 enacted figures are visible in the \$0.68 billion dollar increase (44%) for the Millennium Challenge Corporation and in the International Development Association (IDA), which shows a \$0.34 billion dollar increase (34%). The USAID Capital Investment fund to-

tals represent a 97% increase. Important reductions in budget allotments for 2009 are namely the \$0.26 billion decrease (25%) in migration and refugee assistance, and the drop in international disaster assistance by \$0.13 billion (31%). **BWC**

FY 2009 INTERNATIONAL AFFAIRS SUMMARY

\$ in Millions

	FY 07	FY 08	FY 09 Request
Debt Restructuring	64	30	141
Global Environment Facility	79	81	80
International Development Association (IDA)	941	942	1,277
Multilateral Investment Guarantee Agency (MIGA)	0	0	0*
Asian Development Fund	99	75	115
Asian Development Bank	0	0	0*
African Development Fund	134	135	156
African Development Bank	4	2	0
African Development Foundation	23	30	30
Treasury Technical Assistance	20	20	29
Millennium Challenge Corporation	1,752	1,544	2,225
Inter-American Development Bank (MIF)	1,724	24,798	25,000*
Inter-American Foundation	19	21	20
USAID Capital Investment Fund	69	87	171
Capital Investment Fund	58	60	71
Repatriation Loans	1	1	1
International Trade Commission	64	68	74

* The President's request, as re-estimated by CBO

The World Bank

GEMLOC: Developing Local Currency Bond Markets in EMEs

As the world's largest multilateral investor in private companies in emerging markets, the private sector wing of the World Bank, the International Finance Corporation (IFC), helps businesses through cross border trade, financing and technical assistance. In response to numerous governments' expressed desire to improve local bond markets, the IFC launched an initiative referred to as **Gemloc**, *Global Emerging Markets Local Currency Bond Program*, which targets local emerging markets looking to develop and become more open to foreign investments. Gemloc's objectives include encouraging policy reforms in bond markets, longer-term liquid tradable domestic bonds and supporting new local currency bond products. In order to achieve these objectives, Gemloc attempts to create links between technical assistance, policy reform and new investment flows.

During the Committee's *Strengthening Capital Markets in Emerging Market Countries* meeting on January 25, Alison Harwood, Head of the Capital Markets Advisory Group of the IFC covered the four main objectives and three main structures of Gemloc:

Four Main Objectives of Gemloc

1. To encourage reforms to strengthen domestic bond markets in emerging market countries and to aid in the growth of local markets;
2. To increase the "investability" of these markets for both foreign and domestic investors – to attract more investors into local cash markets and to establish a new benchmark that can be used by foreign and domestic investors for emerging bond markets;
3. To strengthen domestic markets – 70% of emerging market funds are in local currency assets but only about 10% of these funds are going into local markets (local bond markets) only about 2% of emerging market local currency bonds are indexed today; and
4. To increase cash investments, which will in turn, increase the emerging market countries' overall "investability."

Three Parts to Gemloc

1. Investment Manager – The first component is an investment manager to promote investment in the local currency bonds of emerging market countries.
2. Debt-Market Indices – The second component is an independent, transparent index for emerging markets local currency debt that will be established and managed by a private sector index company. Inclusion in the index will be based on market size plus a score for investability based on a set of predetermined criteria. The new index will create significant benefits as a global public good and as a benchmark for this asset class. So far, less than 2% of local currency debt is benchmarked against leading market indices, which include relatively few countries and instruments. The index will open the way for a broad range of countries to be considered for investment.
3. Advisory Services – The World Bank will provide advisory services to emerging market countries to develop and strengthen their local bond markets. Country specific programs will be designed with stakeholders to facilitate policy reforms, and improve market infrastructure and regulation.

The need for the Gemloc initiative came about as a result of the limited amount of international investors that were able to participate in local-currency bond markets due to regulations and restrictions involving capital repatriation. Michael Klein, IFC's chief economist described how Gemloc will, "provide a more transparent index, free of contradictions with trading interests." He emphasized how this new effort will help to develop local currency bond markets in emerging economies and thereby support financial development and stability worldwide.

BWC

For further information on Gemloc, refer to www.gemloc.org.

The IMF

Combating Macroeconomic Effects of Climate Change

During the UN Conference on Climate Change on December 11, 2007, the IMF Deputy Managing Director, Takatoshi Kato, announced the IMF's renewed focus on assessing the macroeconomic impact of climate change, stating that the "economic challenges posed by long-term climate change were many and complex." A consensus was reached by those involved in the December Conference that the issue of climate change posed one of the most significant challenges the world will jointly face in the future.

Kato stated that the financial and economic costs to climate change can be found on several varying levels. Many countries could face:

"...although not a center for researching scientific aspects of climate change, the IMF possessed an advantage to analyzing this issue. The IMF's diverse membership...could provide a diverse and innovative analysis and solution to the economic effects of climate change."

- A deterioration of its fiscal position due to a weakened traditional tax bases and an increased expenditure on efforts to combat the adverse effects of climate change;
- Problems with balance of payments resulting from a reduction in exports of goods and services, such as agricultural products, fish and tourism; and
- An emergence of economic costs from mitigation efforts.

In its recent study on climate change and the economy, the IMF addressed the question of potential economic damages posed by environmental factors. Although the exact level of damage is uncertain, global warming could present significant economic challenges. A study, headed by Nicholas Stern, estimated that under his baseline cli-

mate scenario, the loss in GDP per capita by 2200 ranged from about 3% to 35% with a central estimate of 15%. Furthermore, these studies did not take into account the rate of nonmarket damages such as social, humanitarian and economic impacts resulting from this trend.

Kato pointed out that, although not a center for researching scientific aspects of climate change, the IMF possessed an advantage to analyzing this issue. The IMF's diverse membership, which includes most developed, emerging market and low-income countries, could provide a diverse and innovative analysis and solution to the economic effects of climate change. Kato stated, "On the basis of a very universal membership, we can provide

bilateral and multilateral analysis and monitoring." This joint effort could help create a global standard and policies towards this issue. In addition, the IMF, in cooperation with the World Bank, has instigated a considerable amount of effort on the climate change issue, including a segment in its latest World Economic Outlook publication, summarizing "the state of knowledge and policy debate on the key economic aspects of climate change."

The IMF continues to build its capacity to understand the long-term challenges the issue of climate change poses to the global economy, helping to inform and advise its member countries on one of the most pressing issues of the future. **BWC**

The IMF's World Economic Outlook Summary on Climate Change can be found on: <http://www.imf.org/external/pubs/ft/weo/2007/02/index.htm>.

The WTO

Continued Importance of Doha Negotiations

The WTO projected a further downturn in world trade growth in 2008 at about 4.5% compared to 8.5 % in 2006 and 5.5 % in 2007. The WTO economists attribute the slowdown to two main trends, the sudden economic deceleration of key developed countries and the rapid and strong growth in emerging economies. WTO economists cautioned that the financial Market turbulence has significantly reduced growth projections for some developed markets.

Director-General of the WTO, Pascal Lamy also addressed the predicament of the global trading system. He stated, “These are uncertain and troubling times for the global economy. To date, the financial market turmoil, significant price surges and the slow-down of developed

economies have not led to a disruption of trade. But protectionist pressures are building as policymakers seek answers to the problems that confront us. More than ever we must reinforce our global trading system with rules that are more transparent, predictable and equitable.”

Director-General Lamy emphasized the significance of the Doha negotiations and encouraged the efforts towards achieving this goal. He reiterated the importance of a reinforced trading system, which he stated is “...an essential anchor[s] for economic stability and development. Clearly, the best way to achieve this is to conclude the Doha Development round. The time for posturing and delay has ended. What we need now is action.” **BWC**

RECENT BRETTON WOODS COMMITTEE EVENTS

China's Currency Misalignment & Congressionally Mandated Trade Sanctions

Some members of Congress are calling for WTO-imposed trade sanctions against any country that maintains “misaligned currencies,” including China’s failure to allow its currency to appreciate. The Bush Administration and the IMF have launched their own significant initiatives to persuade China to speed up revaluation. Just how serious is this problem for the United States and other countries? What progress has been achieved as a result of the US Strategic Economic Dialogue with China and from the IMF’s year-long global imbalances negotiations?

On March 14, the Committee organized a symposium on the topic of China’s currency misalignment and Congress’ response to this issue. Chairman of the House Subcommittee on Trade, Ways and Means, Congressman Sander Levin and other notable panelists discussed whether the undervaluation of China’s renminbi has caused significant injury to the United States in the form of lost jobs and exports.

Chairman Sander Levin covered some of the main concerns surrounding China’s currency manipulation issue. He described China as a major competitor with the United States and criticized the current Administration for having failed in its ability to deal with this issue effectively. He also expressed his concern over the US corporations’ attitude towards China, who Chairman Levin sees as lax due to their business interests and links to the Chinese economy. He called upon the international financial institutions, particularly the IMF and the WTO, to “stop standing in place” and to utilize their global position and clout to deal with the problems and challenges surrounding the Sino-American economic and trade relationship.

Providing a United States Treasury perspective, **Deputy Assistant Secretary Mark Sobel** shared his views on China’s growth in recent decades. He described the cur-

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Strengthening Capital Markets in Emerging Market Countries

On January 25, the Bretton Woods Committee, in partnership with The Fletcher School Center for Emerging Market Enterprises, held its meeting on *Strengthening Capital Markets in Emerging Market Countries*.

The meeting explored how the capital markets in most emerging market economies (EMEs) have grown rapidly in recent years. EME's have been taking advantage of improved economic fundamentals and liquid international markets to restructure balance sheets and deepen local capital markets. Their success in these efforts will have a strong influence on their future growth potential and financial stability.

Opening up the meeting, Jim Orr, Executive Director of the Committee posed some key questions to the discussion: What are the real impediments to deepening capital markets in emerging market countries? What is the role of the private sector in helping this effort? How can the private and public sectors, such as multilateral institutions, work together on this process?

Following are some key points and comments concluded by the panelists:

John Lipsky, First Deputy Managing Director, IMF

Four main priorities of the IMF:

1. Ensure that the IMF remains abreast of the structural and cyclical changes in markets and to continue to incorporate financial sector analysis



into IMF's activity. Increase IMF's understanding of Macro-Financial Linkages, both on a multilateral and bilateral basis. This can be accomplished using the 3 gap model/analysis:

- Identify gaps in information that may contribute to poor decisions;
 - Identify gaps in legislation/regulation/supervision where those gaps may create systemic weaknesses; and
 - Identify gaps in markets where more complete markets could improve risk management. Ask why I/others cannot buy insurance against a specific risk.
1. Deepen IMF's analysis of the vulnerabilities resulting from globalization.
 2. Assess the implications of market innovations and deepening local capital markets in emerging markets and help emerging markets to develop innovative but stable domestic capital markets.
 3. Advance a dialogue and identify best practices in relation to sovereign wealth funds that have been a hallmark of recent developments.

Jaime Caruana, Director, Monetary & Capital Markets Department, IMF

Assessment of Emerging Markets:

- Emerging markets continue to be very well supported relative to mature markets – flows and

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structural changes have increased the attractiveness of these markets and inflows to emerging markets have increased since 2007, accelerating recently.

- These markets are more resilient to shocks than they ever were in the past; however, growing integration and complexity may also bring new challenges. They may amplify the transmission shocks from mature markets, especially in credit conditions that are more severe.
- Integration of markets may lead to more synchronized credit cycles-with the possibility of sharp curtailment of credit growth by foreign parent banks in the event of a global economic slowdown if these banks become concerned with credit risks and begin to face tighter financing conditions.
- In regards to emerging markets without strong fundamentals: Financial deepening in emerging markets and ongoing capital market deepening in emerging markets are likely to continue as the growth prospects for emerging markets remain strong.
- Emerging market policymakers should continue to enhance the financial regulatory and supervisory framework and improve the availability of accurate and timely information. Policymakers and market participants need to pay close attention to the evolution of new markets and the challenges that come with these financial innovations.

Ceyla Pazarbasioglu, Division Chief, Monetary & Capital Markets Department, IMF

Policy Issues:

- Evolution of new markets and the challenges that come with financial innovation.
- Asset demand by growing institutional investor base (both in terms of local and foreign investors).
- Infrastructure financing needs in many emerging markets.
- Securitization is an important tool in addressing these needs for capital market deepening in emerging markets, requiring adequate disclosures and solid foundation of prudential standards.
- Policies should not stifle product innovation and the process of financial innovation in emerging market countries.

The role of the IMF: Coordinating the G8 action plan for developing local bond markets in emerging market economies and developing countries:

- Sound, robust, and transparent regulatory framework.
- Sound debt management practices (asset liability management).
- Efficient infrastructure and culture of information disclosure.
- Enabling reforms to diversify and develop investor base, so there are different kinds of investors with different risk profiles.
- Robust regulatory framework for risk transfer through asset backed securities and hedging through derivatives markets.
- Regional initiatives. **BWC**



Regional Development Bank Appointment

Deputy German Finance Minister, Thomas Mirow, is poised to succeed Jean Lemierre as the head of the European Bank for Reconstruction and Development after receiving support from influential EU Finance Ministers. The European Union will offer Mirow the position at the EBRD's Annual Meeting in May. Mr. Mirow will become the second German leader of the EBRD.

Mr. Mirow's experience in both the public and private sector is extensive. Beginning in 1975, he served as the

Assistant and then Chef de Cabinet of SPD Chairman and former Chancellor Willy Brandt. Most recently he has held positions as the State Minister for Economics in Hamburg, State Secretary with the Federal Ministry of Finance, Senior Advisor at Ernst & Young AG, and as a member of the supervisory board for Deutsche Telekom AG.

The EBRD President will be formally selected on May 18-19, 2008 at the board of governors meeting in Ukraine. **BWC**

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rent trend of growth in China as a source of both admiration and angst. Although there are reforms taking place in the country, the major risk for China is that the pace of these reforms is slow. Mr. Sobel called for an effective multilateral and bilateral negotiation between the United States and China and warned against U.S. legislation, which would prove to be counterproductive. As we have seen in the past, China could respond defensively to bilateral pressure and would respond more positively and openly to a multilateral approach.

Ambassador Terry Miller of The Heritage Foundation provided an alternative perspective. He questioned whether the undervaluation of China's Renminbi has cost significant injury to the United States in the form of lost jobs and exports and whether there were concrete data supporting this view. He stated that it is possible that the Renminbi is undervalued but the issue may be that we are uncertain of how much of it is undervalued. The effect of this trend depends on the perspective of a producer or a consumer; an undervalued Chinese currency may provide lower prices on goods for consumers. In fact, Ambassador Miller stated, leveling the playing field may hurt more Americans than help them.

Providing another U.S. legislative perspective, **Payson Peabody**, Tax and Trade Counsel for Senator Jim Bunning (R-KY) expressed his concern about the failure of Congress and the current administration in addressing the issue of China's currency misalignment. He reported that in 2007, China imported a record 250 billion dol-

lars in goods to the United States. In addition, the American trade deficit increased while it decreased worldwide. Senator Bunning called for an effective discussion on this issue, unlike past meetings, which have failed to yield tangible results.

The final panelist, **Arvind Subramanian**, Senior Fellow at the Peter G. Peterson Institute for International Economics, concluded the meeting by providing a multilateral perspective on this issue. He summarized his statement as:

1. There is a problem to be addressed;
2. The problem is not just a United States problem, but a systemic one;
3. Due to the systemic nature of the problem, a unilateral approach will prove to be ineffective;
4. A multilateral solution should be pursued, although, the IMF has not been as effective with this issue; and
5. A broader multilateral approach through the WTO is needed with the aid and cooperation from the IMF.

Mr. Subramanian also pointed out the U.S. corporations' ambivalence towards this issue and the IMF's failure to deal with this issue due to its inadequate leverage against a large and powerful country such as China. In addition, many view IMF's governance structure as outdated and without an enforcement mechanism. Therefore, the WTO needs to develop new rules to address the currency misalignment issue, which has undermined the currencies of the United States, European Union and other emerging market countries. **BWC**

IMF Appointments

On May 1, 2008, as part of the IMF's ongoing refocusing effort, Managing Director Dominique Strauss-Kahn announced his intention to appoint Mr. Anoop Singh as Director of the Asia Pacific Department and Mr. Masood Ahmed as Director of the Middle East and Central Asia Department and Mr. Barry Potter as Director of the Office of Internal Audit. The new director appointments will become effective following an unspecified transition period.

Anoop Singh currently serves as the Director of Western Hemisphere Department of the IMF until his transition into the position of Director of the Asia Pacific Department.

Mr. Singh's previous positions included: Special advisor to the Governor of the Reserve Bank of India, Senior Economic Advisor to the Vice President, Asia Region, the World Bank, Lecturer in Economics in Bombay University.

Mr. Singh has worked and written on macroeconomic, surveillance, and crisis management issues, helping design Fund-supported programs in emerging market, transition, and developing countries in South and South-East Asia, Eastern Europe, and Latin America. He led missions to Thailand, Indonesia, and Malaysia during the Asian crises in 1997-99, to Vietnam, Bulgaria, and Albania during their early transition experiences in the late 1980s-early 1990s, to the Philippines, India, Australia, China, Japan, and Argentina.

Mr. Singh, an Indian national, holds graduate and post graduate degrees from the universities of Bombay, Cambridge, and the London School of Economics.

Mr. Masood Ahmed currently serves as the Director of the External Relations Department at the IMF, position he has held since May 1, 2006.

Mr. Ahmed's previous positions included: Director General for Policy and International Development at the UK Government's Department for International Development (DFID) and Deputy Director in the IMF's Policy Development and Review Department, serving as the senior staff focal point for taking forward the IMF's policy work in support of low income member countries and its relationship with the World Bank and other development agencies. He has also held a number of positions in the World Bank, including Vice President for Poverty Reduction and Economic Management and Acting Vice President for Private Sector Development and Infrastructure.

Mr. Ahmed, a Pakistani national, obtained his graduate and post-graduate degrees in Economics from the London School of Economics, where he also served on the economics faculty.

Barry Potter, a U.K. national, is currently Special Representative to the United Nations, a position he has held since 2007. Prior to this position, Mr. Potter was Director of the Office of Budget and Planning at the IMF.

BWC

World Bank Appointment

On May 5, World Bank President Robert Zoellick named Leonard McCarthy to head its Department of Institution Integrity (INT). McCarthy previously worked with South Africa's National Prosecuting Authority, investigating and prosecuting high profile cases of financial crime, organized crime and high-level corruption. He has also worked in cooperation with African governments and law enforcement officials to investigate and prosecute transnational financial crime and criminals.

Some of McCarthy's previous positions include: Director of Public Prosecutions appointed by President Nelson Mandela, Investigating Director in the Office for Serious Economic Offenses, Deputy Attorney General in Cape Province and Senior Public Prosecutor.

McCarthy's appointment followed a review of the INT headed by former Federal Reserve Chairman Paul Volcker and an assessment of a list of candidates by an internal search committee. **BWC**



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The Committee continues to update and improve its website. We have been recording most of the 2007 Committee events and meetings making audio and video recordings available online. This feature will be particularly useful for Committee members residing outside of the metro D.C. area. The audio files are available as MP3 (Podcast) compatible format.

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