



**ROYAL MINISTRY
OF FOREIGN AFFAIRS**

**CONFERENCE ON CONDITIONALITY
November 28-29, 2006
Grand Hotel, Oslo**

Background

The World Bank (WB) and the International Monetary Fund (IMF) have recently conducted reviews of their use of conditionality, and have drawn up new guidelines and best practices. There is an ongoing debate about how conditionality should be applied, and what it should comprise. For instance, both Norway and the UK state that the WB should not tie its loans to privatisation and liberalisation requirements.

Objective of the conference

The main objective of the conference is to provide insight into:

- Current IFI conditionality practice, including the latest policy changes
 - The extent to which we need conditionality and how it should be developed, formulated, monitored and enforced to the best effect
 - The process leading to conditionality in lending programmes, including the ownership of conditionality related to privatisation and liberalisation
- and
- To reach a common understanding of what constitutes necessary and sufficient conditionality
 - To agree on remaining challenges related to conditionality and the follow up of IFI policy and practices (day 2)

Panellists

Host, Erik Solheim, Minister of International Development, Norway

Chair/moderator, Atle Leikvoll, Deputy Secretary General, MFA

James W. Adams, Vice-President, World Bank

Mark Allen, Director, Policy Development and Review Dept., IMF

Benedicte Bull, Centre for Development and the Environment, University of Oslo

Gareth Thomas, Parliamentary Under Secretary of State for Int. Development, UK

Charles Abugre, Head of Policy, Christian Aid UK

Gerald M Ssendaula, former Minister of Finance, Uganda

Other participants will include policy makers from donor countries, representatives of governments from borrowing countries, researchers and members of academia, and representatives of civil society organisations and other relevant institutions in the North and the South.

Programme

Tuesday 28 November

- 08.30 Registration, coffee
- 09.00 Opening and welcome by Erik Solheim, Minister of International Development
- 09.15 An overview of recent IMF use of conditionality by Mark Allen
- 09.35 Status report on how WB practices the new conditionality guidelines by James W. Adams
- 09.55 Discussant Charles Abugre
- 10.05 Questions and comments from the floor
- 10.40 *Coffee*
- 11.00 The WB's and the IMF's current application of conditionality to encourage privatisation and liberalisation. Lessons from an independent review, Benedicte Bull, Centre for Development and the Environment, University of Oslo
- 11.30 Discussant Gerald Ssendaula
- 11.40 Questions and comments from the floor
- 12.00 *Lunch*
- IMF and World Bank Conditionality. Remaining Challenges*
- 13.30 Chair/moderator sums up the morning session followed by high-level panel debate and questions and comments from the floor.
- 15.00 *Coffee*
- 15.20 Open debate continues
- 16.15 Chairman's summary

Wednesday 29 November

From One-Sided Conditionality to Mutual Accountability

- 09.00 Opening and welcome, Kristin Halvorsen, Minister of Finance, Norway.
- 09.10 Closed session on follow-up for invited representatives from donor ministries. The objective is to reach a common understanding on what constitutes necessary and sufficient conditionality in the light of the previous day's debate, and agree on how to follow up IFI policy and practices.
- 10.30 *Coffee*
- 10.45 Continued discussion
- 12.00 Summing up by Henrik Harboe, Deputy Director General, MFA