

SELECTED ISSUES on INTERNATIONAL FINANCIAL INSTITUTIONS

► *IMF Board of Directors approve debt cancellation for 19 countries*

The IMF announced on December 21st that it would cancel the debts owed to it by nineteen highly indebted countries, early in 2006. The G8 last June had promised full debt cancellation for countries that had reached the completion point of the World Bank/IMF Heavily Indebted Poor Country Debt Initiative. (See *Issue Updates 7,8 and 9, July, August and September 2005, respectively, for more info*). Over the past two weeks, the IMF had threatened to delay implementation of the debt write-off for six countries on the pretext that their economic policies are "off-track" in relation to IMF conditions. Only Mauritania will have its debt cancellation delayed. It thus appears that the IMF has backed down from its threat to delay debt relief to the other countries in the face of a last-minute but intensive international campaign led by campaigners in favour of full and unconditional debt cancellation. The 19 countries that qualify as a result of today's assessment include: Benin, Bolivia, Burkina Faso, Cambodia, Ethiopia, Ghana, Guyana, Honduras, Madagascar, Mali, Mozambique, Nicaragua, Niger, Rwanda, Senegal, Tajikistan, Tanzania, Uganda and Zambia. The IMF added non-HIPC countries, Cambodia and Tajikistan, because of their low per capita income.

Additional Information

IMF Press Release

<http://www.imf.org/external/np/sec/pr/2005/pr05286.htm>

Letter to Finance Minister Goodale from the Halifax Initiative Coalition

<http://www.halifaxinitiative.org/index.php/Home/653>

► *Guatemalans meet with World Bank President Wolfowitz about mining*

Two delegates from Guatemala traveled to Washington D.C. to voice their concerns and demands regarding the Marlin mine directly to World Bank President Wolfowitz on December 9th. Glamis Gold, a US-based, Canadian registered mining company owns Marlin mine, which was built with the help of a World Bank loan. Mario Tema, an indigenous leader from Sipacapa, and Magali Rey Rosa, a representative of the Guatemalan environmental NGO, Colectivo Madre Selva formed the delegation. Mr. Tema presented Mr. Wolfowitz with a statement from numerous Sipakapense leaders, outlining their demands regarding operation of the Marlin mine. Mr. Tema also presented President Wolfowitz with a statement from the community of San Miguel Ixtahuacán. The delegate from San Miguel was unable to participate in the meeting as he was denied a US visa. Both Sipacapa and San Miguel are affected by the Marlin mine.

Additional Information

Halifax Initiative case study on the Marlin mine

http://www.halifaxinitiative.org/updir/Glamis_-_Final.pdf

Halifax Initiative and Friends of the Earth Canada joint statement on Marlin mine

<http://www.foecanada.org/index.php?option=content&task=view&id=228&Itemid=113>

► *World Bank gets creative in accounting for its renewable energy investments*

The World Bank revised its own figures upwards in regards to investments in renewables and energy efficiency (RE & EE), in time for the inter-governmental meetings on climate change in Montreal that ended early this month. The Bank's latest report shows that 60 per cent of its support for renewable energy and energy efficiency (RE & EE) is in fact for big hydro projects.

The World Bank claims in a November 30 press release that it more than doubled its investment in RE & EE from fiscal year 2004 to FY 2005. The press release compares 2005 lending with its commitment to increase RE & EE support by an average of 20 per cent per year from 2005 to 2009. The Bank made this commitment at the June 2004 international conference on renewable energy held in Bonn, Germany. The Bonn target excluded large hydro (greater than 10MW) and loans and guarantees from the Bank's private sector and insurance arms (IFC and MIGA).

Additional Information:

Friends of the Earth USA, *Power Failure: How the World Bank is Failing to Adequately Finance Renewable Energy for Development*.

<http://www.foe.org/camps/intl/institutions/renewableenergyreport10242005.pdf>

International Rivers Network, Friends of the Earth International release

<http://www.irn.org/programs/greenhouse/index.php?id=051205leap.html>

* * *

New discussion papers (HI Members or Associates, government) on IFI issues:

- *Power Failure: How the World Bank is Failing to Adequately Finance Renewable Energy for Development* - <http://www.foe.org/camps/intl/institutions/renewableenergyreport10242005.pdf>
- *Comments submitted by stakeholders on the revised IFC Safeguard Policies*
[http://www.ifc.org/ifcext/policyreview.nsf/AttachmentsByTitle/November+25+Stakeholder+Comments/\\$FILE/60+day+Comments+All.pdf](http://www.ifc.org/ifcext/policyreview.nsf/AttachmentsByTitle/November+25+Stakeholder+Comments/$FILE/60+day+Comments+All.pdf)

Upcoming IFI-related conferences or meetings

- World Social Forum, end of January 2006 in Bamako, Mali, Caracas, Venezuela and Karachi, Pakistan.

JUST THE FACTS – Safeguard Policies

The policies were developed at the World Bank Group, largely due to donor and NGO pressure to reduce the social and environmental consequences of World Bank lending. The objective of these policies is to prevent and mitigate undue harm to people and their environment. These policies provide guidelines for bank and borrower staffs in the identification, preparation, and implementation of programs and projects. World Bank Group Safeguard Policies include policies on environmental assessment, indigenous peoples, cultural property, forests, pest management and involuntary resettlement. The government lending arms of the World Bank Group and the private sector lending arm have different standards and different accountability mechanisms.

For more information see: http://www.ciel.org/ifi/IFIs_Social_Environmental.html