

## SELECTED ISSUES on INTERNATIONAL FINANCIAL INSTITUTIONS

➤ *2005 Federal Budget – IDA up 40%, debt servicing proposal, overall aid locked-in at 8% growth*

On February 23 Finance Minister Ralph Goodale released the government's Federal Budget. The budget contained several pieces of information relating to the International Financial Institutions and international development assistance. In general, the budget locked in the government's commitment from the 2002 UN Conference on Financing for Development to increase Canada's aid budget by 8% per year up to 2010. The budget confirmed a number of initiatives that were announced in advance of the budget release relating to the IFIs, including a 40% increase in Canada's contribution to the World Bank's International Development Association (IDA) and a multilateral debt-servicing package.

This year's IFI portion of the budget (\$480 million) is broken out as follows.

- \* \$318 million IDA (new IDA 14 amount up 40% from \$230 million for IDA 13);
- \* \$5 million for the PRGF;
- \* \$106 million for the regional development banks; and
- \* \$50 million for the Multilateral debt servicing package Minister Goodale announced on February 2.

A \$34 million dollar HIPC top-up is also reported in the budget but is listed under 2004-2005.

### Additional information

CCIC analyses of official development assistance are at: [http://www.ccic.ca/e/007/pubs\\_oda.shtml](http://www.ccic.ca/e/007/pubs_oda.shtml)

The full budget is available on line at: [www.fin.gc.ca](http://www.fin.gc.ca)

### HI Action

The Halifax Initiative has been closely following the Government of Canada's allocations as identified in the budget. Further information on each of these initiatives is available through our website.

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➤ *World Bank Indigenous Peoples Policy (IPP) still falls short*

The Halifax Initiative Coalition sent a letter to the World Bank's Indigenous Peoples Policy Coordinator calling attention to the weaknesses of the current draft policy. The letter noted the December 2004 draft policy on Indigenous Peoples does not sufficiently meet international standards and guarantees on the rights of Indigenous Peoples. The letter calls for the policy to be revised to contain mandatory provisions that:

- \* Are consistent with protections for Indigenous Peoples' rights under existing international human rights standards, in particular the right to self-determination;
- \* Prohibit the World Bank from funding projects that risk contravening a borrower's obligations under international human rights and environmental agreements;
- \* Prohibit forced relocation;
- \* Recognise the right of Indigenous People to free prior and informed consent;
- \* Recognise and protect Indigenous Peoples' ownership and property rights over lands, territories and resources in accordance with their customary law, values, usage and customs;
- \* Apply the right to self-identification as a fundamental element in determining the scope and coverage of the policy; and,
- \* Ensure the coverage of the policy includes structural adjustment and programmatic lending and is not limited only to project-based lending.

### Additional information:

The World Bank Operational Directive on Indigenous Peoples:

[http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/pol\\_IndigPeoples/\\$FILE/OD420\\_IndigenousPeoples.pdf](http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/pol_IndigPeoples/$FILE/OD420_IndigenousPeoples.pdf)

## HI Action

The Halifax Initiative Coalition sent a letter to the World Bank regarding the IPP. You can read this on-line <http://www.halifaxinitiative.org/index.php/Home/599>

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### ➤ *Making Poverty History*

The Halifax Initiative Coalition and several of our members have joined the “Make Poverty History” campaign. The campaign calls for urgent and meaningful policy change in four areas Aid, Trade, Debt and Ending Child Poverty in Canada. At the launch of the campaign on February 10, Stephen Lewis, UN Special Envoy for HIV/AIDS in Africa, said, “[i]f the burden of debt service were lifted, African countries would have a significant boost in resources - a boost to address poverty, or put children into school, or purchase insecticide-treated bed nets for malaria, or fight the eviscerating contagion of HIV/AIDS.”

### **Additional information:**

Information about the new campaign can be found at <http://www.makepovertyhistory.ca/>

### **Upcoming IFI-related conferences or meetings**

- Concerned citizens and civil society groups including members of the Halifax Initiative will be heading to Washington in the middle of April to engage in parallel activities around the World Bank and IMF’s Spring Meetings held in Washington between April 13-16. A calendar of civil society activities will be pulled together in the coming months. Activist resources and information are available through <http://www.globalizethis.org/>

### **JUST THE FACTS – Export Development Canada to fall under Access to Information Act**

On February 17, Treasury Board Minister Reg Alcock released a “Review of the Governance Framework for Crown Corporations” that among other things recommended that Export Development Canada be included under the Access to Information Act, a long standing demand of the Halifax Initiative. The inclusion is not without its shortcomings. EDC will not be incorporated under the Act until the government had developed mechanisms to protect commercially sensitive information. EDC has long used “commercial confidentiality” to preclude broader disclosure of information, including environmental impact assessments.

The full Treasury report is at [http://www.tbs-sct.gc.ca/report/rev-exa/gfcc-cgse\\_e.pdf](http://www.tbs-sct.gc.ca/report/rev-exa/gfcc-cgse_e.pdf)