

SELECTED ISSUES on INTERNATIONAL FINANCIAL INSTITUTIONS

➤ *Wolfowitz nomination – Who's afraid of the big bad Wolf?*

On March 31, the World Bank's Board unanimously appointed Paul Wolfowitz as the next President of the Bank. Mr. Wolfowitz is the US Deputy Secretary of Defense, and is often cited as the key architect and advocate behind the invasion of Iraq in 2003. Citing his role as Ambassador to the US Embassy in Indonesia, the State Department, and the Pentagon, US President George Bush said Wolfowitz would bring experience to the position of President both as a "skilled diplomat" and experienced manager.

When the nomination was first made public, Halifax Initiative joined 1250 organizations from 68 countries in a petition to express their opposition to the choice. The petition questioned Wolfowitz's experience, challenged the undemocratic and opaque process for selection of Bank President, and suggested that the nomination would render the World Bank a tool of US foreign policy. Despite early hints that a new candidate may emerge, when German Chancellor Gerhard Schroeder endorsed the choice on March 21, the rest of the world fell in line behind the US nominee. For its part, Canada tacitly supported the nomination with an official from Finance describing Wolfowitz as a "serious and credible candidate".

The Halifax Initiative has long criticized the selection process of the Bank President as non-transparent, undemocratic, and unilateralist. These failures were also noted in British Prime Minister Tony Blair's Commission for Africa report, to which Finance Minister Goodale was one of 17 commissioners. It calls on an open competition for the heads of the World Bank and IMF. By tradition, the US has the privilege of choosing the president of the World Bank, while the head of the International Monetary Fund is traditionally selected by Europe.

Additional information

Statement of confirmation of Paul D. Wolfowitz, <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20422192~pagePK:34370~piPK:34426~theSitePK:4607,00.html>

Key dates

The World Bank Spring Meetings, April 16 - 17.

HI Action

Apart from signing on to the international petition, the Halifax Initiative sent letters to the government indicating our concern surrounding the nomination of Mr. Wolfowitz and highlighting our critique of the selection process. Available on-line at <http://www.halifaxinitiative.org/index.php/Home/608>

➤ *Export Development Canada asked to make itself more transparent*

In February, the Treasury Board released a report looking at a new *Governance Framework for Canadian Crown Corporations* (a response to the 2004 Auditor General's report that brought the sponsorship scandal to the public's attention). Among other things, it recommended including Export Development Canada (EDC) under the Access to Information Act, but only once the government had developed mechanisms to protect their commercially sensitive information.

In attempt to address that issue, and in anticipation of EDC's own review of its disclosure policy, the Halifax Initiative Coalition commissioned the Sierra Legal Defense Fund to look at the issue of disclosure and commercial confidentiality. The report found that EDC can play a more proactive role in shedding light on key environmental information for the projects it supports, while still balancing company demands for confidentiality, and lays out a framework for enhancing access to information within the financial institution. To reach its conclusions, the Review looks at EDC's record on transparency relative to national standards for access to information and international practice among export credit agencies (ECAs) for revealing environmental information.

Additional information:

The Full Sierra Legal Defense Fund report, *Review and Analysis of EDC's Disclosure Policy*, can be found

at <http://www.halifaxinitiative.org/index.php/Home/607>

HI Action !!

As part of the launch of the report, HI launched a letter writing campaign, inviting members of the public to call on Trade Minister Peterson to "Make EDC Transparent". For details, and to send a letter, go to <http://www.halifaxinitiative.org/index.php/Home/583>

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New discussion papers (HI, Members or Associate members, government) on IFIs and issues:

- *Africa Commission Report*, developed in preparation for the G8 meetings in Jul. The aim of the report is to generate ideas and action that will 'accelerate and sustain Africa's growth and development, leading to a strong and prosperous continent.' On-line at <http://www.pm.gov.uk/output/Page7310.asp>. A news release by CCIC on the report is available
- The Department of Finance released its 2004 Report On Operations Under The Bretton Woods And Related Agreements Act on March 22, 2005. Halifax Initiative will release its critical analysis of the report in early April. Copies are available at http://www.fin.gc.ca/toce/2005/bretwd04_e.html.
- The Sierra Legal Defense Fund, on behalf of the Halifax Initiative, released a Review and Analysis of Export Development Canada's Disclosure Policy. The report is on-line at: <http://www.halifaxinitiative.org/index.php/Home/607>

Upcoming IFI-related conferences or meetings

- Mobilization for Global Justice, Washington DC, April 15 – 17.
- World Bank "Spring meetings", Washington DC, April 16-17.
- International Finance Corporation consultation on its new performance standards, April 18-19
- World Bank Policy Forum, April 18-22

For further details on other "Spring meetings" events, consult the <http://www.bicusa.org> or <http://www.if-watchnet.org/>

JUST THE FACTS - New Disclosure Policies at the World Bank

This month, the World Bank made some modest reforms to its disclosure policy, indicating that it would release World Bank Board minutes, although the information value of the document may be limited as the minutes are quite spare. They list those attending, the presenter and "broad" subject of any briefings, titles of papers discussed, a summary of the agreements and decisions reached, and the names of executive directors abstaining or objecting. Transcripts and summaries are not to be released; nor will board committee minutes or their reports to the Board, known as green sheets. The proposed policy will exempt "executive sessions," and permit deletion of material "too sensitive for public distribution.

A pilot project to release "draft" materials -- crucial staff recommendations sent to the board in advance of meetings -- has also been proposed, although the conditions for such a release are quite restrictive. Staff recommendations will only be released 1) for the initial informal board discussion 2) for operational policies under review, and 3) when there is already an external consultation process on the review.

Country Assistance Strategies will now also routinely be released following board approval, although any sensitive material will still be kept secret for a further five years.

Other documents to be newly available will include: the staff manual, the staff compensation paper, the International Development Association Mid-Term reviews, the Trust Funds Annual Report, procurement plans, IMF-World Bank Relations Annexes, Country Reengagement Notes, the bank's administrative budget, and documents related to grant programs funded by the Development Grant Facility.

From "World Bank to Release Board Minutes, Make Other Modest Reforms", Toby McIntosh, www.freedominfo.org