

SELECTED ISSUES on INTERNATIONAL FINANCIAL INSTITUTIONS

➤ *G8 Leaders Fail to Make Much Progress at Gleneagles Summit, World Bank given leading role.*

Several announcements were made by Group of 8 (G8) Leaders on Africa and Climate Change in Gleneagles Scotland this month (July 6-8) though very few of these were new. The leaders confirmed the G8 Finance Ministers debt proposal that had been announced earlier in June, but failed to make needed improvements to expand the list of countries immediately eligible for cancellation or to remove onerous conditions attached to qualifying for cancellation (see "Issue Update 6"). Leaders pledged to double aid to Africa, a commitment Canada made in its 2004 budget, but fell short on the call to meet the international target of 0.7% of gross national income.

The World Bank was asked to play a leading role in supporting the partnership between the G8, other donors and Africa, helping to "ensure that additional assistance is effectively co-ordinated." The World Bank was also tagged to lead a framework on clean energy and development and to increase dialogue with borrowers on energy issues. At the September 2005 annual meetings, the World Bank has been tasked with putting forward specific proposals to:

- (a) make the best use of existing resources and financing instruments, and develop a framework for energy investment to accelerate the adoption of technologies which enable cleaner, more efficient energy production and use;
- (b) explore opportunities within their existing and new lending portfolios to increase the volume of investments made on renewable energy and energy efficiency technologies consistent with the MDBs' core mission of poverty reduction;
- (c) work with interested borrower countries with significant energy requirements to identify less greenhouse gas intensive growth options which meet their priorities; and ensure that such options are integrated into Country Assistance Strategies.
- (d) develop local commercial capacity to develop and finance cost-effective projects that promote energy efficiency and low-carbon energy sources.

Export Credit Agencies were also identified in work on "enhancing the economic and financial viability of cleaner and efficient energy projects."

Civil society groups expressed disappointment that a comprehensive package did not emerge on trade, aid and debt cancellation for Africa. Climate Change campaigners expressed strong frustration with the lack of timetables, targets or funding commitments to tackle climate change. In a letter sent to G8 leaders before the summit, 120 civil society organizations including the Halifax Initiative Coalition, criticized the role the World Bank has played in pushing oil and gas investments rather than investing in clean energy. Civil society organizations noted that 80 per cent of all oil projects financed by the World Bank are designed to produce petroleum for export to the wealthy countries of the north, rather than to meet the energy needs of the world's poor.

Additional Information:

Make Poverty History News Release

<http://www.oxfam.ca/campaigns/MakePovertyHistory/MPHG8%20releasefinal.pdf>

Friends of the Earth Canada News Release

<http://www.foecanada.org/index.php?option=content&task=view&id=148&Itemid=2>

KAİROS Analysis of G8 Deal

<http://www.halifaxinitiative.org/index.php/Home/629>

Official G8 Documents

<http://www.g8.utoronto.ca/summit/2005gleneagles/>

➤ *Candidates for OECD Top Job Named*

Six countries from the Organization for Economic Cooperation and Development (OECD) put forward candidates for the post of Secretary-General of the Organisation to succeed Donald. J. Johnston (Canada), whose term expires in May 2006. These candidatures will now be reviewed by the representatives of all OECD countries, with a view to reaching a consensus on the choice of a new Secretary-General by 1 December 2005. The candidatures received by the deadline of 15 July are as follows: Mr. Marek BELKA (Poland); Mr. Allan FELS (Australia); Mr. Ángel GURRÍA (Mexico); Mr. Seung-Soo HAN (Korea); Mr. Alain MADELIN (France); Mrs. Sawako TAKEUCHI (Japan). Poland, Australia and Japan are seen as front-runners.

Additional Information

Their biographies and other details are available on the OECD website at www.oecd.org/secretarygeneral/selection

➤ *Canadian Appointed as UN Special Representative on Business and Human Rights*

On July 25, Secretary General Kofi Annan announced the appointment of Canadian Professor John Ruggie as the UN Special Representative on Business and Human Rights. His mandate includes identifying and clarifying standards of corporate responsibility and accountability with regard to human rights. Civil society is hopeful that the new Special Representative will consider the UN Norms as part of his mandate, and take steps to strengthen corporate accountability and the responsibilities of companies to human rights.

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

- The World Bank has released several background documents for its review of World Bank Conditionality. The purpose of the review "is to document the evolution in the Bank's approach to conditionality, take stock of recent experience, and take a fresh look at the Bank's practice." <http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/0,,contentMDK:20292723~pagePK:41367~piPK:51533~theSitePK:40941,00.html>
- IMF Independent Evaluation Office releases an *evaluation of structural conditionality in IMF-Supported Programs*. <http://www.imf.org/external/np/ieo/2005/sc/051805.pdf>
- The *World Bank Operational Policies and Bank Procedures on Indigenous Peoples* are now on-line at <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/EXTINDPEOPLE/0,,menuPK:407808~pagePK:149018~piPK:149093~theSitePK:407802,00.html> To complement the policies and procedures, the Bank is preparing a Guidebook to help interpret the policy and spell out such key terms as "broad community support." The guidebook is currently in the drafting stage and the Bank is planning to partner with the Asian Development Bank and the Inter-American Development Bank on it. It is expected to be completed in the Spring 2006.

Upcoming IFI-related conferences or meetings

- *White Band Day*, worldwide, September 10th (see www.makepovertyhistory.ca for more info)
- *UN General Assembly Special Summit*, including a High Level Meeting on the Millennium Declaration, Millennium Development Goals, and the Panel on Opportunities, Challenges and Change in the UN system.
- *World Bank and International Monetary Fund Fall Meetings*, September 23 – 25, Washington DC

JUST THE FACTS – The Millennium Development Goals – What are they?

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| 1. Eradicate extreme poverty and hunger | 5. Improve maternal health |
| 2. Achieve universal primary education | 6. Combat HIV/AIDS, malaria and other diseases |
| 3. Promote gender equality and empower women | 7. Ensure environmental sustainability |
| 4. Reduce child mortality | 8. Develop a global partnership for development |

For further details including targets set for each goal see <http://www.un.org/millenniumgoals/>

For an analysis of the MDGs, see "The Politics of the Millennium Development Goals: Contributing to Strategies for Ending Poverty?", CCIC, on-line at <http://www.ccic.ca/e/002/aid.shtml>