0052200-6

Calling the IFIs to Account: International Financial Institutions in the 21st Century

Forums held in Edmonton and Vancouver, Canada
October 1997

Halifax
Initiative
d'Halifax

Calling the IFIs to Account: International Financial Institutions in the 21st Century

Forums held in Edmonton and Vancouver, Canada
October 1997

Halifax
INITIATIVE
d'Halifax

Calling the IFIs to Account:
International Financial Institutions in the 21st Century

Text prepared by
Clyde Sanger

The Halifax Initiative wishes to thank the following organizations for their generous support and assistance in making these forums possible:

Sponsors
The World Bank,
The Canadian International Development Agency
The International Development Research Centre

Edmonton Forum Organizers
The University of Alberta International Centre
The Alberta Centre for International Education

Vancouver Forum Organizers
Oxfam Canada

Report designed by
Natalia Skapski

Original photos by
Clyde Sanger
Adapted for printing by
Jennifer Priest

Printed in Ottawa, Ontario, November 1997

Contents

Introduction and Overview

Free trade, government services cutbacks, the export of jobs to the South - all have brought home to Canadians how rapidly we are being carried along on the wave of global economic integration. Fundamental questions have arisen as to how and if individuals, governments, and institutions can manage the magnitude and scope of the changes that are now upon us.

The World Bank and the International Monetary Fund were originally created by the industrialized nations to help re-build Europe after World War II but have become, along with the regional development banks, the largest global financiers of "development" in the South. Yet, over their first 50 years the Bank and the Fund, known as the Bretton Woods Institutions, grew in ways their founders could not have expected. By the time of the Halifax Summit of the G-7 industrialized governments in June 1995, the role of the international financial institutions (IFIs) had become uncertain, and they were faced with charges of irrelevancy by their critics.

At that time, G7 leaders called on the IFIs to embark on a program of wide-ranging reform and renewal to meet the challenges of global economic integration in the 21st century. These measures were to include providing multilateral debt relief for the poorest countries, and concerted efforts to reduce poverty, promote environmentally sustainable development and increase the transparency and public accountability of the international financial institutions.

"What reforms are underway? Will they go far enough? Are they the right reforms?"

In October, 1997, the Halifax Initiative joined with organizations in Vancouver and Edmonton to host two public roundtable forums to discuss how the IFIs had responded to the calls for renewal.

Participants at the Vancouver Forum, Harbour Centre.

Participants were asked to address the questions- What reforms are underway? Will they go far enough? Are they the right reforms?

Over two hundred individuals participated in the unprecedented discussions, which "brought the financial institutions to the people" for the first time. Participants included representatives from the World Bank, the International Monetary Fund, the Asian Development Bank, the Canadian government, Canadian and Southern non-governmental organizations, academics, students, and concerned local citizens.

This report is offered primarily to the over 200 participants in the forums, but one also hopes that it will be of interest and use to a wider readership of Canadians and others who have become increasingly concerned about the governance of our planet and the political, social and environmental impacts of economic globalization.

The atmosphere at the forums in Edmonton and Vancouver is best captured with a few quotations. After spokesmen for the World Bank, the IMF and the Asian Development Bank had given details of some recent reforms at their institutions, Roy Culpeper, President of The North-South Institute in Ottawa, was invited to say what was wrong with this picture. In both cities he took care to make the preliminary remark that creation of the IFIs marked "the greatest accomplishment, the zenith, in postwar international economic cooperation" and the nearest we have reached to global oversight of the world's economy. But what was wrong, he said, is that the picture of reform is surrealistic, like a Salvador Dali painting. Some details are clear, sharp and correct; but others are weird and, if you stand back from it, you are left with an odd view." Kamal

"Democratize the IFIs"
The Halifax Initiative, Public Participation, and the IFIs

Before the 1995 Halifax G7 Summit, a coalition of 13 Canadian non-governmental organizations (NGOs) formed the "Halifax Initiative". As Robin Round, coordinator of the Halifax Initiative, explains, the coalition "is committed to fundamental reform of the Bretton Woods Institutions along more democratic, socially equitable and environmentally sustainable lines. *We believe our goal can only be achieved with the participation of individuals and communities North and South in dialogue on the appropriate measures to achieve equity and sustainability."*

One of their first actions was to hold public workshops on IFI reform in five Canadian cities and a series of public events in Halifax as part of the People's Summit. The workshops in 1995 revealed that Canadians were indeed interested in the activities of the multilateral financial institutions but "knew little of their mandates, their function, or the role Canada played in them."

The Edmonton and Vancouver forums grew out of public interest at these events, the desire for increased public awareness and opportunities for dialogue, and the Halifax Initiative's commitment to making public institutions more accountable to the public that ultimately sanctions and supports their work.

Malhotra, co-director of Focus on the Global South, a Bangkok-based policy research NGO, thought the World Bank suffers from a "fundamental schizophrenia, uncertain whether it is a bank or a development institution"; there is plenty of rhetoric, but "little evidence in reality".

Jim Carruthers, who is Director-General for IFIs in CIDA, is used to smoothing over differences. He told the Vancouver audience that "the key theme in Edmonton had been partnership and shared decision-making". Well, yes, that was true; but the unresolved questions from both Forums are how you achieve any genuine partnership, and whether bank presidents and their officials really listen. A month before, in a speech at the Bank's annual meeting in Hong Kong, President James Wolfensohn had said: ***"Irrespective of political systems, public decisions must be brought right out into the sunshine of public scrutiny ... to build the broad social consensus without which even the best conceived economic strategies will ultimately fail."*** That was, at least, talking the right talk. People at the Edmonton and Vancouver meetings were also interested to check the way of his walking, the direction of his steps. Indeed Robin Round ended the Edmonton forum by summarizing the mood of many participants concerned about their role in IFI decision-making by quoting Bradley Geddes of Canmore: ***"If you're going to screw it up," she told the officials, "We want to be involved."***

> ***"the World Bank suffers from a 'fundamental schizophrenia, uncertain whether it is a bank or a development institution'"***

As these quotations suggest, debate at the forums was robust. There were strong words spoken . In Edmonton Dorothy Corney challenged the World Bank representatives to say if they had ever witnessed real poverty, while Professor John Whitaker commented on the high salaries of Bank officials. Cullen took offence at these words, saying that on average Bank staff spent 130 days a year "on the road". Again, in Vancouver someone who said he had been, among other things, a logger and who runs a community currency scheme, declared that he "had heard nothing today that gives me hope. I was insulted at the patronizing level of some presentations. It

Background Materials

An excellent set of background documents was available: Oxfam-International produced two recent papers, Growth with Equity: Agenda for Poverty Reduction and Poor Country Debt Relief: False Dawn or New Hope for Poverty Reduction? *The Halifax Initiative offered its* Second Annual Report Card on Bretton Woods Reform". *Alex Michalos, a political and social science professor at the University of Northern British Columbia, provided copies of his 87-page book* Good Taxes: The case for taxing foreign currency exchange and other financial transactions *which tackles, among other matters, the Tobin tax issue. A variety of materials outlining the work and the changes underway at the World Bank, the IMF and the regional development banks are listed in the bibliography, along with other books and papers that provided background for various topics at the forums. Biographical notes on the main speakers, beyond the few lines in this text, will also be found at the end of the report.*

is you who need educating, rather than us." At Edmonton the horseshoe-shaped seating led to debate, response and rebuttal between the 'front benches' of officials and the listed NGO speakers, and frustration was expressed by the 90 or more participants who had registered at there being too little time to put their views.

At Vancouver there was much more public participation but also frustration because views were more polarized. The officials were talking about the mechanics of incremental change, while many of the 100 local participants were questioning fundamental concepts: globalization and financial liberalization and their far-ranging consequences as well as global sustainability and public accountability.

In concluding comments Robin Round acknowledged the frustrations, while stating that they should not detract from respect for individuals present. The forums, she thought "were a critical first step in an important dialogue " and it must continue. "Democracy has to work every day."

Both forums followed the format of having the officials explain recent reforms and hear others critique them and offer alternatives. At Edmonton, however, one session was devoted to "the role of private capital" - a crucial subject, in the light of the 1996 figures of $244 billion private flows into developing countries, compared with only $40 billion of official development assistance (ODA)[1] . Two special presentations in Vancouver offered a gender perspective by Jon Leah Hopkins, of the National Advisory Committee on the Status of Women, and an ecological warning by Professor Bill Rees, Director of UBC's School of Community and Regional Planning.

There was overlap in the two days of debate, as well as variations. As speakers sharpened their presentations after Edmonton, they added some remarks and cut out others. Readers who attended one or other forum may find the blending of two debates does not fit the memory of their own session. Please, then, accept this as a montage rather than a single snapshot, and read on.

[1] All figures in US Dollars

The World Bank "its own fiercest critic"

Among the World Bank officials, Ishrat Husain, recently named Director for several Central Asian countries and former Director of the Bank's Poverty and Social Policy department, gave an historical account of the Bank's evolution at Edmonton, while in Vancouver he offered a broader picture of changes. Tim Cullen, Senior Adviser for External Affairs at the Bank, made his main presentation in Vancouver. In Edmonton he introduced the premiere showing of a film about the World Bank and Uganda - *Debt, the President and the Pearl of Africa* - with a basic explanation of the four components of the World Bank Group noted in the box below.

Husain explained that although the World Bank was "a cooperative owned by 180 member countries", the decision-making was still mainly in the hands of developed countries. The Bank offered loans to governments on a near-commercial basis, or through its International Development Association (IDA) window on highly concessional terms, and directly to the private sector through the International Finance Corporation. Husain, who as the Bank's chief economist for Africa had been central to many structural adjustment programs there acknowledged that development was "highly complex and little understood. It is a matter of learning by doing, and we all make mistakes." When John Foster, former general secretary of Oxfam-Canada and now a professor of human rights at the University of Saskatchewan, asked what were the "instruments for equity the World Bank would favor amid growth, not just targeted interventions", Husain offered a blunt admission: "The Bank simply does not know how to ensure that growth is equitable."

In Vancouver, Ishrat Husain described how the World Bank was changing in three ways. He stated that the Bank's basis for analysis had shifted from a narrow focus on economic cost-benefit considerations only 10 years ago to "a more integrative approach in which environmental, social and institutional factors are given equal weight". The Bank's operations had also shifted from a top-down approach to one in which ***"those directly or indirectly affected by programs, projects and policies are not only consulted but participate in the design, implementation and evaluation of the Bank's work".*** Thirdly, as development becomes more complex and the Bank's own resources shrink while the private sector's influence grows, the Bank is making a whole range of new partnerships - with NGOs and

The World Bank

The World Bank Group consists of the International Bank for Reconstruction and Development (usually called simply the World Bank) which makes loans on near-commercial terms; the International Development Association, which lends on highly concessional terms and requires periodic replenishments from donor countries; the International Finance Corporation, which works with the private sector; and the Multilateral Investment Guarantee Agency, which helps developing countries attract foreign investment by guaranteeing investors against such non-commercial risks as expropriation or war.

community groups, foundations and trade unions, universities and the private sector.

Cullen spoke also about the Strategic Compact, designed to improve the Bank's effectiveness in reducing poverty in measurable terms inside three years. The Strategic Compact involves sweeping organizational changes aimed at making the Bank more effective in its mission of reducing poverty. Cullen said that a central objective of the reorganization was to change the way the Bank does business and to increase the Bank's lending effectiveness by raising the proportion of projects achieving a satisfactory rating from 66 to 75 percent. Cullen explained that successful projects were those achieving a 10 percent economic rate of return. The re-organization is designed, in part, to create a "culture of results" and counter allegations by governments, evaluators and NGOs that the Bank's entrenched "culture of approval" was undermining lending quality. David Sevigny, chief of the IFI section in the Department of Finance, later added that the Strategic Compact was an important step forward. It would, among other changes, refine the indicators of project impact, which were trickier to develop than input and output indicators. The Bank was decentralizing to the point that 20 country programs were being run from field offices, and NGOs were involved in about half the new projects.

Ishrat Husain followed Cullen's comments by saying the World Bank was undergoing reforms because ***"the Bank is its own fiercest critic. Most of the shortcomings and failings such as 'approval culture', narrow economic focus, lack of ownership by stakeholders have emerged from the Bank's own evaluation work."*** Husain ended in Vancouver with a frank challenge to his audience: Which of three responses would they adopt in their dealings with the Bank? One, "a perpetual state of suspicion, skepticism and mistrust. There is nothing the Bank can ever do that is good enough. It should be shut down." Two, acceptance that the Bank, while imperfect, is moving in the right direction, is keen to work with partners and should be helped along. Or, three, insistence that, unless the Bank adopts our preferred alternative development model, we will continue to dismiss everything it does and ridicule its efforts as largely rhetorical." The consequences of this third response would, he said, be a continuing reduction of ODA and of political support in countries like

"development was 'highly complex and little understood. It is a matter of learning by doing, and we all make mistakes.'"

World Bank and declines in Social Spending

On two occasions Veena Siddarth pointed out that the World Bank had shown more progress on environmental than on social factors in development. She said there had been a decline in IDA expenditures on education from 9 percent in 1992 to 5.5 percent in 1997; yet the education of girls was basic to a country's growth - and two-thirds of the women in India remained illiterate. Again, she said that the World Bank had made a pledge to spend $15 billion over three years for basic health care, primary education and AIDS education; but the actual disbursements were shrinking, to $4 billion in 1996 and $2.5 billion in 1997.

Canada.

It was a sharp-edged challenge, because several NGO speakers in Edmonton had used the phrase "rhetoric rather than reality" to describe what they were hearing from the IFIs. There were some conciliatory responses including Veena Siddarth, a policy adviser with Oxfam International in Washington, who stated that there had been positive changes in the Bank and added: "We are not out there throwing stones."

Many participants, however, were not won over. Ben Swankey, belonging to a Vancouver seniors' group called One Voice, said the objective of the Bank and the IMF was "the same as banks in Canada - to extract a maximum profit, not to eradicate poverty", and they did that by urging governments (through structural adjustment programs) to grow plantation crops and make social spending cuts. "A man-eating tiger can't be made into a vegetarian," said Swankey to much laughter.

Roy Culpeper stated that "the conceptual approach of the World Bank is that poverty is the problem of the poor, rather than of all society." The rich, he said, must have a stake in its solution. He pointed to the Oxfam International report Growth with Equity, which says the most important policy lesson "is the most simple: ***1.3 billion of the world's people live in poverty. This poverty worldwide represents not only a massive denial of basic rights, but also vast wastage of economic potential: it restricts markets, reduces employment, lowers investment and savings, and acts as a brake on growth***. Put simply, poverty is as bad for economic efficiency as it is for social justice."

Definition of poverty

Margi Blamey, of the Canadian Labour Congress, asked for a definition of poverty, and whether there was an effort to measure who had escaped from poverty as a result of a development project. She also suggested there had been "a concerted effort to lower expectations" about poverty reduction on the part of industrialized countries.

David Sevigny said the definition of a poor country *was easy, in terms of GNP per capita. There were also fairly clear input and output indicators for a project, say, in education: how much invested, what enrollment, how much success. What was trickier to estimate was the impact in terms of meaningful jobs secured. Jim Carruthers said CIDA had established its "five pillars" for sustainable development to address poverty; he would add to any definition of poverty "the absence of power to influence ones own future".*

The International Monetary Fund - Investment Liberalization and South East Asia

On many occasions at both forums discussion turned to the effects of trade and investment liberalization, the massive flows of foreign investment and portfolio capital that had surged around the world, and the role of the IMF in recent events in Southeast Asia. Strongly opposing views were put, but the basic figures and facts weren't in dispute. As noted, the Halifax Summit took place soon after the 1995 Mexican peso crisis, and G-7 leaders had spent hours talking about the prevention or management of future crises; the new measures of surveillance, speedier response and adequate resources to borrow would be put fully to the test in Southeast Asia[2].

Tom Bernes, International Monetary Fund Executive Director for Canada, said the time-lag in responding to the Mexican crisis had been corrected in the recent cases of Malaysia, Indonesia and the Philippines, where IMF resources were made available within three weeks. He argued that the crisis in Thailand was not the result of the liberalization of financial markets; rather, thousands of jobs had been created through the inflow of some $40 billion. He put the blame on inconsistent government policies on exchange rates and regulation. There had also been problems for the IMF in securing financial data from the Thai Government.

Roy Culpeper thought otherwise. He contrasted the figures of private flows soaring from $48 billion in 1990 to $244 billion in 1996, while ODA shrank from about $61 billion to $40 billion. He referred to a long article in *The Globe and Mail* of that very day (October 18) by John Stackhouse which proclaimed, in essence, that development was dead. "Is the private sector interested in development - or even in stability?" Culpeper asked. Nearly half of the currency transactions of $1.3 trillion a day were of a speculative nature, with an average 'turnaround time'

"Is the private sector interested in development - or even in stability?"

[2] The forums took place a few days before the 'meltdown' on the Hong Kong stock exchange.

The International Monetary Fund

The IMF's role in the global economy is not very widely understood. The IMF considers its foremost role to be, not lending, but supervising and coordinating member country economic policy to promote stable currency exchange rates and expansion of international trade and investment. In this context it offers economic and financial advice to member countries and "surveillance" of member country financial and economic policies and performance. The IMF does provide short term loans to help countries with balance of payments problems and longer term loans for poor member states to undertake market-based economic reforms, (intended to ensure loan repayment and long term economic growth). The IMF's 181 member countries' (including Canada) pay 'quota subscriptions' as membership fees. This provides the IMF with a vast pool of money to lend to members in financial difficulty.

of two days. ***One major contradiction in IFI practices was that, in the middle of the currency crisis in Asia, the IFIs were pressing for more liberalization of financial systems at their Hong Kong annual meetings and the IMF wanted its Articles of Agreement amended for that purpose.***

Kamal Malhotra went further. Since Bangkok's international banking facility could lend and borrow in US dollars, and since Thailand had pegged its exchange rate for 13 years, speculators could borrow in US dollars and lend in Thai baht and swiftly make a 5 percent spread. Ceilings had been removed from interest rates. Funds had flooded into real estate, until there was massive excess capacity. The crisis came without warning from the IMF, and Thailand had undergone a 50 percent devaluation of the *baht* since June, when foreign debt had doubled.

The weight of the $17.2 billion bailout package would fall on Thai people, because the IMF had insisted on the government's increasing the price of gasoline and raising the value-added tax and adding a 10 percent surcharge to import taxes. It had also to make a 21 percent cut in government spending virtually overnight; meanwhile, foreign creditors would not lose their shirts as their debt could be converted into equity ownership of indebted Thai institutions.

Malhotra stated that ***"one million Thais would lose jobs by December 1997 and 3 million within a year. The IMF must now, be shredding the "miracle report" they published on Thailand in 1996".*** The IMF's role had been anything but a stabilizer. More generally, it was having a hard time catching up with the financial markets, let alone regulating them. It had not made the case for financial market regulation at Hong Kong, unlike the Malaysian prime minister Mahathir Mohammed and his debating adversary currency speculator George Soros, whose main messages on the need for control had been "surprisingly similar".

Malhotra was asked about "domestic accomplices in Thailand: did they lack knowledge, skills, power or an ability to care?" And he replied succinctly: "All of the above." The central bank did not regulate flows in the scramble to attract foreign capital and "the surveillance was not there."

Talk of regulation led several times to debate about a 'Tobin tax' or some similar method to control the volatility of speculative capital. A questioner in Edmonton, James Daniels, asked about the chances of implementing such a tax and whether any country was pressing for it at the United Nations. Culpeper referred to work done at his Institute[3] showing that it was technically feasible at the 'netting' stage (between the deal being made and its settlement). He said the usual objection was that foreign investors would "move offshore" to avoid the tax in traditional financial centres. "We would need to include the Cayman Islands and Singapore." The G-7 leaders had not only rejected this measure to slow down the surges of capital but, by backing the IMF's call for completely free capital markets, were even rejecting the premise that excessive capital mobility led to financial turbulence and social disruption. Bernes said the IMF's aim was not "unfettered liberalization" and there would be safeguards and consideration of the time-scale.

Herb Grubel, a former Reform Party MP and now a professor of international finance at Simon Fraser University, challenged Culpeper in Vancouver to say

[3] by Rodney Schmidt, see Bibliography

how he would make controls on exchange rates effective, short of imposing a system "as in Cuba or the former Soviet Union". Culpeper replied that it was "a complete red herring to link central planning with exchange controls". It was a question of state prerogative and responsibility. He cited the Chilean example of requiring those involved in foreign borrowings to pay a 20 percent withholding tax on their investments, redeemable after one year, to discourage short-term speculation. Later Professor Alex Michalos showed on a screen a lengthy list of countries that were levying various forms of tax on either domestic or foreign financial transactions, and commented: "This is a political matter, not a technical one. It is preposterous for the government of Canada to say some form of financial transaction tax is not feasible."

The World Bank and the IMF - Debt Relief and the HIPC Initiative

The Halifax Initiative's Report Card on Bretton Woods Reform placed top of its list of "incremental progress on reform" the launching in October 1996 by the World Bank and IMF of the Highly Indebted Poor Countries (HIPC) Debt Initiative, "which will provide much needed debt reduction to a number of the world's poorest countries". David Sevigny, Chief of IFIs at the Department of Finance said ***the HIPC Initiative was "the single most important outcome of the Halifax Summit".***

Sevigny explained that the HIPC was being implemented flexibly and would now probably cover 20 countries and cost $7.4 billion instead of $5.5 billion for a

"the World Bank had 'snookered donors' under the HIPC scheme into paying a large part of the $7.4 billion cost."

Norman Riddell, Executive Director University of Alberta International, Tom Keating, Edmonton Forum Chair and Robin Round, Halifax Initiative in Edmonton.

possible 12 countries as originally envisioned. The World Bank's share of this cost was $1.6 billion, the IMF's share $0.8 billion, other multilateral banks would contribute $1.8 billion - and the 'multilateral creditors' (that is, the donor countries) were expected to contribute $3.2 billion.

The response from the NGOs to the HIPC initiative was lukewarm at best. Robin Round acknowledged that the initiative provides "unprecedented recognition that debt is crippling countries in the South", and said one could only make a full judgment in coming years when the number of countries helped, the scale of relief and the speed and fairness of the response are known. Early indications suggested, however, that ***the HIPC was "too little, too late for too few"***. Originally 40 countries were classified as highly indebted, and now only six are likely to receive relief by the year 2000.

She reminded the officials of the 'Mauritius Mandate' proposal of British Chancellor of the Exchequer Gordon Brown to Commonwealth finance ministers in September 1997 to speed up the process of debt reduction for eligible poor countries and ensure they receive debt relief by 2000. She called for Canadian leadership on implementing this mandate. She further outlined the most serious problem with the HIPC initiative so far: the scheme does not respond to the demonstrated needs of the debtor countries, but depends on the creditors' willingness to pay, and the institutions were scrambling to minimize or delay debt reduction and "haggling over burden sharing". Her final point: the HIPC scheme may not reduce the debt levels of poor countries enough to allow them a final 'exit' from the debt trap.

Roy Culpeper also had tepid praise for the HIPC scheme. He applied his Salvador Dali metaphor to it, saying that there were "elements of surrealism" in the four paragraphs in the World Bank's leaflet on how the initiative works. His own view[4] is that it is certainly feasible for the World Bank to forgive its concessional debt (IDA debt), as it is grant-funded by World Bank donor members. The IDA debt owed by the 20 poorest countries amounted to $15.2 billion in 1994, or more than half the multilateral debt of $30.1 billion. ***It would not, Culpeper said, hurt any banks if the IDA forgave its concessional debt.*** He pointed out that commercial banks had built up reserves to write down or reschedule debts; in contrast, the World Bank had "snookered donors" under the HIPC scheme into paying a large part of the $7.4 billion cost. It was, in any case, "appalling" that it had taken a decade since the 'Toronto terms' set down by the G-7 to agree on any multilateral debt relief scheme.

Cullen of the World Bank objected that across-the-board debt forgiveness for some countries raised a "moral hazard", as it discouraged other countries that had kept their economies in better shape with sound policies. Culpeper suggested, in a later intervention, that the reluctance to forgive IDA debts was linked to the fact that repayments by the poorest countries to IDA now amounted to the fourth largest contribution to this fund's replenishment. At the Edmonton forum Virginia Coagus, from the Philippines, said the phrase "debt forgiveness" added insult to injury, since its citizens had known no benefit from the debt accumulated during the Marcos regime. The IMF, she thought, was not blind to the "kleptocracy in the Philippines" and the people wanted a "repudiation of fraudulent loans". The next speaker,

[4] which he elaborates in Chapter 6 of his book *Titans or Behemoths?*

Hector Gonzalez, said it had been no coincidence of the 'New World Order' that, following the coup that brought the Pinochet regime, Chile's foreign debt had increased from $4 billion to $24 billion. This was "lending for repression, an immoral loan. And then we must pay?!"

Veena Siddarth suggested that Canada had made "an uneven contribution" to the HIPC negotiations. While supporting the HIPC scheme, Canada had attempted to minimize Bolivia's debt problem. Tom Bernes explained that the Bolivian situation had been complicated because a large share of its debt was owed to the Inter-American Development Bank (IADB) and several borrowing countries in the IADB did not want its funding to go to relief for Bolivia. Canada had its own position of supporting the HIPC scheme, but had to be tactical in getting a generally agreed decision on Bolivia.

The Asian Development Bank and a Changing Asia

D.C.Amerasinghe, Director of the North American office of the Asian Development Bank (AsDB), sketched the swiftly changing scene in Asia and highlighting changes in the AsDB to cope with new situations. The economic gains in much of Asia, he said, had brought sweeping side-effects. Externally, the impact of globalization and technological advances had led to specialization and seeking comparative advantage, and this involved retooling and upgrading skills and many changes in society. He noted that a ***direct result of economic growth had been that families were more fragmented, the aged were left to care for themselves and women were demanding their fair share in "the good life".***

And how had the AsDB changed in the 1990s? It was organized now, Amerasinghe said, on a country basis, not on the functional basis that had encouraged a 'cookie-cutter approach' previously. It was doing its best to integrate economic growth with concerns for poverty alleviation, human development, women's advancement and environmental protection. Unlike infrastructure projects, it did not expect to tap private funds for human development; therefore in its $5 billion of annual loans half the projects had now to have social and environmental objectives that could be monitored. The Bank also had a new 'window' for law and development, with projects in places like Cambodia, Mongolia and Central Asian republics, and most of them had a governance component. Also, the bank was acting as a catalyst for subregional cooperation, whether in the Lower Mekong or in the IMT 'growth triangle' (of Indonesia, Malaysia, Thailand).

Amerasinghe felt the region should not have difficulty in meeting its challenges. National savings rates are high - 30 to 40

Labour standards

In Vancouver, Sidney Shniad was concerned about the lack of discussion about international labour standards in the many submissions made on trade matters to government. Culpeper agreed, and pointed out that the Stackhouse article in The Globe and Mail *on the dominance of private capital over ODA asked no questions about labour standards.*

percent of GDP - the problem being these savings aren't transformed into long-term investment in the private sector because the capital markets are underdeveloped. He noted the AsDB's role in helping to establish legal and institutional frameworks for capital markets, and in investing directly in credit-rating agencies, as it has done in a bond insurance company and also supported public bond issues in Korea and Taiwan. The AsDB will train staff for regulating agencies, and help tap surplus funds from outside Asia. In fact, said Amerasinghe, ***it is an example of the AsDB making "a drastic shift from being a simple project financier to becoming a broad based development catalyst and facilitator".***

This did not impress Kamal Malhotra. He worried that the AsDB's grandiose plans were quite inappropriate: for example, the cost of the Nam Theun dam in Laos will equal the country's entire GDP, and the World Bank saw its role in that impoverished country as stimulating private capital inflows with financial guarantees. But, once such a guarantee is signed, said Malhotra, the bank abandons any leverage on environmental questions. In contrast, only nine percent of the infrastructure in Germany and only 13 percent in Japan had been in the private sector's hands. The AsDB and World Bank needed to be proactive with the private sector, he argued, and not just concern themselves with legal frameworks. Amerasinghe agreed.

The IFIs and the Environment

Ishrat Husain declared, both in Edmonton and Vancouver, that the World Bank had shifted to "an integrative approach" in which environmental and social factors counted as much as economic ones and, to prove it, the Bank had been employing 200 professionals on environmental analysis and planning for a decade.

Robin Round was roused to reply in strong terms. She said a small number of Bank projects did indeed deserve praise for emphasizing sustainability, particularly its solar energy projects, but the bulk of its project and program lending still involved transfers of obsolete or inappropriate technology to the South, or else supported the exploitative extraction of resources. ***"The World Bank", she said, "paradoxically and cynically both increases and mitigates climate change."*** While it is implementing projects worth some US$110 million with plans to adopt climate-friendly technologies through the Global Environmental Facility,

> ***"material demands by the global economy 'already exceed the sustainable productive capacity of the ecoshpere and have filled critical waste sinks to capacity'"***

The Asian Reality

Two-thirds of the world's poor live in Asia, - one out of three Asians has no access to safe water, one out of two no access to sanitation. Asia already is home to 13 of the 15 most polluted cities in the world. Some 35 percent of Asia's people live in cities today, and this proportion will grow to 55 percent within ten years[5].

"the Bank's "green" investments are dwarfed by the Bank's lending to the fossil fuel sector, the Number 1 cause of climate change." Since the 1992 Earth Summit, she said, the World Bank had extended more than US$9.4 billion in loans, credits, guarantees and other forms of financing to fossil fuel projects, and was on the verge of adding another $4 billion.

She gave other examples. Three of the world's biggest oil corporations (Exxon, Shell and Elf) are seeking World Bank involvement, to reduce political risks and attract other funds, in a US$370 million project to build a 600-kilometre pipeline from Chad to a port in Cameroon. The pipeline will run through rainforest and the home of a pygmy tribe, and force resettlement while causing deforestation and loss of biodiversity and (almost certainly) severe damage from leakages. The Bank hasn't yet approved its involvement, but its Executive Directors have never yet refused any project presented to them.

Meanwhile, she noted, India is building hundreds of medical waste incinerators using obsolete and expensive technology dumped on the country that "will belch arsenic, mercury, lead and cadmium into the atmosphere". Medical waste incineration is one of the largest sources of that most toxic of chemicals, dioxin, and the Bank's own regional office had recommended that Indian hospitals segregate and decontaminate the waste instead. The Bank is effectively avoiding its own environmental assessment requirements by including the incinerators as small components in much larger 'urban development' projects.

Turning to the IMF, she said it had finally admitted that "macroeconomic policies *may* have an adverse effect on the environment" but then has taken no responsibility for its role in insisting (through structural adjustment programs - SAP) on the exploitation of natural resources to generate foreign exchange and pay debt. At the same time it is undermining these countries' capacity to enforce environmental policies since the SAP edicts demand widespread deregulation and public service cuts.

Finally, the Fund is ignoring the fundamental link between the environment and the economy by failing to incorporate accurate analysis of resource depletion and environmental degradation in its economic data. The Fund has refused to take part with the World Bank, UN agencies and NGOs in the Accounting for the Future exercise which calls for national income accounts to be supplemented with the measurement of resource depletion including forests, minerals and fisheries. Round ended with the comment: "When countries dependent on logging run out of trees and can't pay debt, only the IMF will be surprised."

"When countries dependent on logging run out of trees and can't pay debt, only the IMF will be surprised."

Several from 'the institutional side' offered responses. Tim Cullen reminded the meetings that 2 billion people lacked any access to electricity, and the main alternative to fossil fuels was hydropower, which had its own critics. The Bank, he added, was financing only 3 percent of the world's hydro dams, and was supporting a great deal of energy

[5] *Emerging Asia: Changes and Challenges* (Asian Development Bank, May 1977, pp 7-8)

conservation. Husain said the Bank had funded 166 projects in environmental protection, and contributed $11.6 billion in this area. It was also working on organizing a global water partnership, because "one of the biggest problems of the 21st century will be a shortage of water." Round accepted Husain's point that the Bank was working with the IUCN on the environmental impact of dams, and had sent the Chandler Morse commission of inquiry to the Sardar Sarovar project in India. But, she added, these improvements "arose only out of decades of public protest against mega-dams... the Bank has been dragged kicking and screaming into all these changes." She noted that a recently leaked Bank report said, in effect, "all we need to do is to do big dams better."

William Rees, faced with the task of compressing a 40-minute lecture on "an environmentally sustainable approach" into one-quarter of that time, went at high speed through a series of overhead transparencies as well as arguments surrounding his thesis of the "ecological footprint". He focused on "two outstanding misconceptions" in the present approach to international development. The first was to forget that welfare comprises more than expanded output and higher average incomes. "If people value environmental quality, public health and education, safer cities, a sense of community or local autonomy more than increased production and, if having these things leads to less production (through higher taxes and improved government services), then less production actually improves general welfare." The second was to ignore biophysical reality: ***material demands by the global economy "already exceed the sustainable productive capacity of the ecosphere and have filled critical waste sinks to capacity."*** One example: the carbon emissions of the 1.1 billion people who live in some 744 large cities today exceed the entire potential sink capacity of the world's forests by 10 percent. Thus, the high-income nations are running "massive ecological deficits" and Rees showed by charts how Holland's economic surplus in agricultural trade depends on a large ecological deficit. His warning, that the poorest countries could never achieve North American levels of wealth without destroying the planet, was accompanied by his projecting a cartoon showing a two-headed United States cow feeding over twin fences into Mexico and Canada. It was a sparkling performance, hard to recapture in this report, although his final words linger: "There is no evidence that growth beyond a certain level adds to anyone's satisfaction."

Transparency, Accountability, and Corruption

A long-time complaint about the IFIs has been that they are secretive organizations which remain remote from parliamentarians and the tax-paying public in member states. James Wolfensohn did his best to show in his Hong Kong speech in September 1997 that the World Bank intended to open its decisions to public scrutiny, while the IMF president Michel Camdessus has also become somewhat more forthcoming. But Robin Round in Vancouver recalled that economist Jeffrey Sachs had called the IMF "more secretive than the CIA". The Halifax Initiative's *Second Annual Report*

[6] See the Halifax Initiative's *Report Card* for a detailed critique of the ESAF review plans

Card on Bretton Woods Reform comments: "Two years after the Halifax Summit, the IMF has yet to establish an independent evaluation unit. Resistance to increased transparency on the part of certain Board members continues to compromise efforts to increase public accountability of the notoriously closed institution."

In both cities Tom Bernes accepted there was some truth in this criticism. In Edmonton he said the IMF "hasn't a totally clear record", while in Vancouver he said ***the Fund was "behind others in making itself publicly accountable."*** What he called "a halfway house" had been established in 1996, through a Board committee having the mandate to hire outside experts to do independent evaluations. It had also announced the Fund would conduct a comprehensive review of economic reform programs under the Enhanced Structural Adjustment Facility (ESAF)[6], and Bernes pointed particularly to its focus on the social effects of SAPs. He also said the IMF staff had been prepared to publish the economic reviews they did of member countries, but "most of the Board" have resisted such a move; instead, the Fund is publishing a four-page 'public information notice' on each of these countries, giving factual information plus a summary of the Board's discussion of the review.

"Corruption falls disproportionately on the poor"

Kathleen Ruff of Oxfam-Canada asked Tom Bernes two direct questions: What specific policies had the IMF implemented to involve civil society in its decision-making process, particularly groups in the South who represent women, the poor and the environment that feel the impact of IMF policies? And what monitoring of the impact of its policies on women, the poor and the environment does the Fund publish each year? Bernes replied by saying that the IMF Articles of Agreement specified that the Fund should deal with governments, and many governments continued to say, "Talk with us, and don't share your advice with them [civil society groups]." The IMF was nevertheless trying to reach out, and the external evaluators of ESAF had met with groups to learn their experience. He added that the IMF did not have the resources to do detailed analysis of the impact of its policies; it was, after all, the various governments that made decisions after the IMF had given advice.

On the World Bank Group's record, Robin Round summarised lengthier criticism in the Report Card by saying that information disclosure was not standard and the policy on disclosure needed

Definition of 'development'

A questioner in Edmonton, who mentioned that he came from Ghana, asked the World Bank officials their definition of development, considering that concern about nuclear arms and national security were factors in any government's mind. Tim Cullen replied that the World Bank does not publish a "threat index" that might indicate the level of any country's concern. If it felt a government was spending excessively on its military, the Bank would argue this point - as the film on Uganda shown at the Edmonton Forum had revealed.

harmonizing. In particular, there were loopholes and vague language in the disclosure policy of the International Finance Corporation (IFC), whose activities with the private sector were rapidly expanding. "The World Bank is lowering its social and environmental policy standards," she said, "to minimize public accountability."

Jim Carruthers said that CIDA had submitted this year a first-ever report to the Canadian Parliament on the regional development banks, and David Sevigny said Canada had been active in getting the World Bank to publish an annual review on its environmental programs. This led Roy Culpeper to comment that the multilateral development banks had performed far better than the IMF in tackling the question of accountability; and he urged Bernes as Canada's Executive Director at the Fund to push further in this area.

One questioner in Edmonton had told how he had been approached at a bus-stop in a remote part of Malawi by an Malawian who spoke of ex-President Banda siphoning off IMF funds and of dictators salting away fortunes in secret Swiss bank accounts, and who then asked "Why do you allow money to be locked up in Switzerland? Do we need countries like Switzerland?" Culpeper said that pressure by Edgar Bronfman had opened up

"the IMF staff had been prepared to publish the economic reviews they did of member countries, but 'most of the Board' have resisted such a move"

information a bit on bank flows into accounts in Switzerland, but with the liberalizing of money flows "we are liberalizing the flow of drugs and the flow of arms. This is exactly the wrong direction in liberalizing. There is a conspiracy of silence

I. Husain of the World Bank speaking with a participant at the Edmonton Forum.

and a culture of secrecy."

Several speakers in Edmonton and Vancouver spoke about the link between corruption, good governance and accountability. Tom Bernes said that, for example, "huge amounts of ODA have disappeared in Kenya"; but at the Bank/IMF meetings in Hong Kong there had been recognition of this problem, whereas before there had been "a lack of willingness". Veena Siddarth commented that it was past time to challenge a country like Kenya and much more difficult to tackle a larger country like Indonesia. In Vancouver she raised the issue in relation with the HIPC: this scheme for debt relief, she said, was designed for countries with a good record - but how to deal with countries like Zaire that had "odious records" ? Tim Cullen said there was "a difference between looting and a system that made corruption easy". He said the Bank was making anti-corruption a major focus, and was pressing for

"The emphasis by the World Bank, and its candor, on issues of governance and corruption was,...healthy but overdue."

regulatory and legal reforms in this respect.

David Sevigny had reservations. He said the implementation of pressures for good governance policies was uneven: 10 percent of Kenya's budget was covered by ODA, while only 1 percent of Nigeria's was, so donors clearly had more influence on Kenya's performance. The emphasis by the World Bank, and its candor, on issues of governance and corruption was, Sevigny said, healthy but overdue. Corruption falls disproportionately on the poor, he added, because they have not the money for bribes and may well be denied essential financial services. Of the IMF's performance John Stackhouse, the development issues reporter of The Globe and Mail, wrote on September 19 from Hong Kong: "More recently, Mr Camdessus has broken banking niceties and talked publicly about corruption, military spending and, in some cases, democracy." But he went on to comment: "While Mr Camdessus preaches probity to the Third World, however, he also must deal with his own house, which many critics see as a padded nest for bureaucrats."

Structural Adjustment Participatory Review Initiative (SAPRI)

Culpeper and Malhotra both spoke with some hope of the Structural Adjustment Participatory Review Initiative (SAPRI) which the World Bank with about a thousand civil society groups in eight countries have agreed to undertake. Its participants will examine the impacts that structural adjustment policies and programs have had on people, and look at new economic options. The project was only launched in July 1997, after a year's debate on methods. Malhotra said it had been "hard to get the World Bank research people to understand the political economy approach". The governments of Brazil and Mexico had refused to take part, and the IMF has only joined the exercise as an 'observer'. Most of the countries where the local impact of SAPs will be examined are poor (they are Bangladesh, El Salvador, Ecuador, Ghana, Mali, Uganda and Zimbabwe) and, said Malhotra, the country fitting the 'emerging markets' category closest is Hungary.

NGO speakers felt that SAPRI represents a real attempt to "democratize the process of decision making" and create "a buy-in from the bottom, with civil society helping to design and implement reforms" Canadian groups, including the Halifax Initiative, are fundraising to undertake a parallel SAPRI process for Canada; this would assess the social and economic impacts of Canada's own experience with structural adjustment.

"SAPRI represents a real attempt to 'democratize the process of decision making' and create 'a buy-in from the bottom, with civil society helping to design and implement reform'"

Paul Bowles, chair of the department of economics at the University of Northern British Columbia, questioned the role of civil society, suggesting it was "nebulous" and asked "What has changed in 20 years, and who is going to change it?" He was joined in gloomy conclusions by Tom Kozar, vice-president of the B.C. Government and Service Employees Union, who said Finance Minister Paul Martin "doesn't listen to the Alternative Budget" because five percent of Canadians controlled 85 percent of the national wealth. He saw little hope "until we start to value people", and he made the enigmatic forecast: "The World Bank and the IMF are on the edge of a conundrum that will slice them in half."

Gender and Development

Surprisingly little was said in either forum about gender and development. Robin Round pointed out to the Edmonton forum that the IMF still has no policy on gender and, while the World Bank does have a policy, few of the structural adjustment programs address gender issues, even though SAPs "bear most heavily on women". She added that women make up 70 percent of the world's poor.

These points were followed up in Vancouver by Jon Leah Hopkins, of the National Action Committee on the Status of Women, who provided a paper on The Social Effects of International Financial Institution Policies: a Gendered Perspective. Hopkins argued that SAPs always had the effect of increasing poverty and the burdens on women. "Cuts in social programs transfer responsibility from the state to the household, and within households to the women and girl children. The unpaid work of women is increased and is encouraged as 'voluntary community work'." She expressed concern that women's participation in civil society could be set back to the situation of a century ago; even in Canada many of the gains for women have only come in the last half-century "and are only held in place by the vigilant work of those positive forces that see the rights of women as persons and workers." These concepts had to be

"'Cuts in social programs transfer responsibility from the state to the household, and within households to the women and girl children...'"

based on gender equity, because "the absence of democratic choice will always mean the advancement of fascist thinking and actions".

Teresa Harding, another Oxfam volunteer, said there had been no talk at the forum about patriarchy in the context of capitalism and the exploitation that led to increased poverty. Discussion of poverty reduction was superficial. "We're dressing the wounds without talking about the knives. Any discussion about long-term solutions should involve laying knives to rest."

Perhaps the lack of debate about gender was best explained by Julie Harris in Edmonton. With amiable turn of phrase she pointed out that there was not a single woman among the 'officials' on the speaking program. Jim Carruthers gently responded that he - the first male - came fourth in the CIDA multilateral program's pecking order, after a minister (Diane Marleau), a president (Huguette Labelle) and his vice-president (Carolyn McAskie).

Canadian Influence with the IFIs

Jim Carruthers used both forums to emphasize the priority Canada placed on "the well functioning of the multilateral system": it gave Canada and developing countries "a seat at the table" where decisions were made. In turn, the IFIs had "phenomenal leverage" in raising funds and leverage on the policies of the recipient countries which Canada alone could never hope to exert.

The regional banks are owned and controlled by the countries of that region, and Canada had only a minority share of between 3.2 and 5.4 percent in votes. He noted that Canada's contribution to the Asian Development Bank and Fund of $250 million contrasts with the AsDB's total loan approvals (in 1995) of $5.5 billion, so it had to play a catalytic role. Canada tried various ways to increase its influence on bank policies: it monitored activities closely for the advancing of a "Canadian agenda" on governance and human rights and, in the Asian Development Bank, it led the "Ice-block group" (so called for the Nordics and the Dutch alongside Canada). The formulation of the AsDB

Overseas Development Assistance (ODA) levels

Jo Hinchliffe, a Board member of the Canadian Council for International Cooperation, concluded that the Vancouver forum discussion had "let the government off the hook", and the challenge was to bring ODA levels "up to where they were" because only the public sector would provide basic services to people. David Sevigny said the trend among donors everywhere was downward, while Jim Carruthers thought the Canadian public's support for aid was based not on "What's in it for us?" but on "Are we making any difference?" The government had decided to devote a smaller amount - 18 to 25 percent - to the development banks. Robin Walsh of Oxfam-Canada said that one of the most harming cuts had been to development education, as it undermined public support, and the government should cancel the planned cut for 1998. *Culpeper added that the $150 million cut forecast for 1998-99 was quite unreasonable.*

policy on governance he termed "an amazing feat". But, now that Canada was reducing contributions to the replenishment of concessional funds (it has done so by 40 percent), how was it to maintain its influence?

David Sevigny also said that ***Canada, with only a 3 percent voting share at the World Bank, was "punching above its weight" in influencing policies on good governance and the private sector.*** In the 1980s it had pushed for environmental review processes and an annual report on poverty, as well as a program of 'targeted interventions' to bring direct benefits to the poor. It had also recently had "some success" during the IDA-12 replenishment talks. Veena Siddarth, who has worked in the World Bank, agreed that Canada's role had been greater there than its voting share suggested.

Reliable data

The difficulties of gathering reliable data came up when John Mavor, of Ten Days for Global Justice, asked what alternative to gross domestic product (GDP) could be adopted as measurement of a country's poverty. David Sevigny said the Human Development Index of the UNDP was "a complementary measure of human well being". However, many countries' social data - on health and education - were so bad that Canada was providing technical assistance to improve their statistical work.

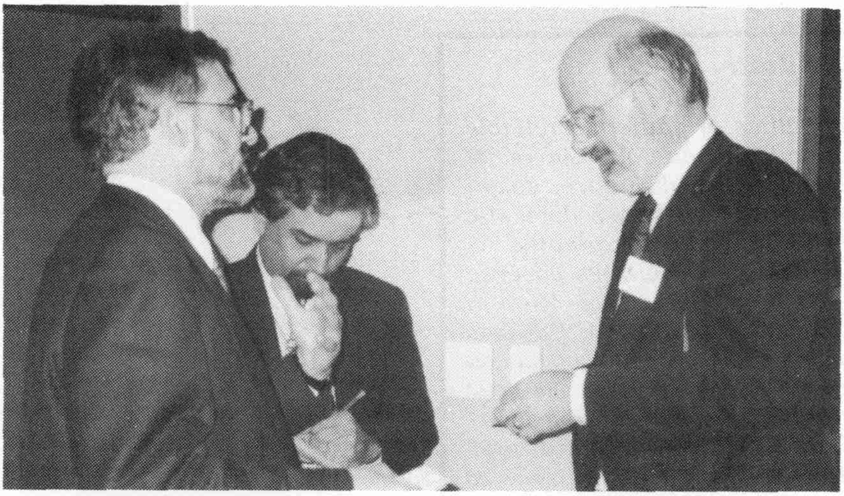
Conclusion

It was hardly to be expected that, from forums like these, there would come an agreed set of recommendations, or even conclusions. The IFI representatives accepted that they would be in 'the hot seat' and that their explanations and their professed eagerness for wholesale and swift reform would not be heard without some doubts being expressed by audiences who were inclined to criticism of these institutions on one ground or another.

If the Forums seemed too adversarial in nature to be really productive, it should be said that organizers at Edmonton and Vancouver did attempt to gather a broad range of local participants; it was not for want of scouting around and advertising in various milieu that there was a notable absence, for instance, of business people who could have offered a different perspective or asked questions from another angle.

Nevertheless, these two Forums did break new ground and make useful new links. One should not judge from the tone of this report that two days were spent by the audience and NGOs listening to implausible lectures from the IFI officials and responding with complaints and harangues. The talk in corridors during breaks for refreshment and lunch goes inevitably unrecorded; but one could see heads getting together and could sense, that if opinions were not converging they were at least being shared.

Ishrat Husain had begun the Edmonton Forum by saying it was "an opportunity to listen, to inform and to absorb ideas", and it was accepted that the IFI representatives were listening and absorbing quite as much as many members of the two audiences. Certainly it was a rare occasion when such people leave Washington and Ottawa and talk on level terms with the Canadian public. ***A main conclusion, therefore, was that there should be more such forums, and local participants of all opinions should be enlisted.***



Roy Culpepper, Kamal Malhotra, Mike Harcourt in Vancouver.

Panelists

Ishrat Husain

Mr. Husain is currently Country Director in the Europe and Central Asia Region of the World Bank, responsible for the Bank's country assistance strategy and programs in Azerbaijan, Tajikistan and Uzbekistan. From 1995-1997 he was Director of the Poverty and Social Policy Department. A graduate of the University of British Columbia, Mr. Husain has many years experience at the Bank including responsibility for debt issues, a term as Resident Representative in Nigeria and between 1991-94, Chief Economist for Africa, and subsequently for the East Asia and Pacific Region. Mr. Husain is author of "Adjustment in Africa, Lessons from Case Studies", "Poverty and Adjustment, the Case of Africa" and "Dealing with the Debt Crisis, African External Finance in the 1990's"

Tim Cullen

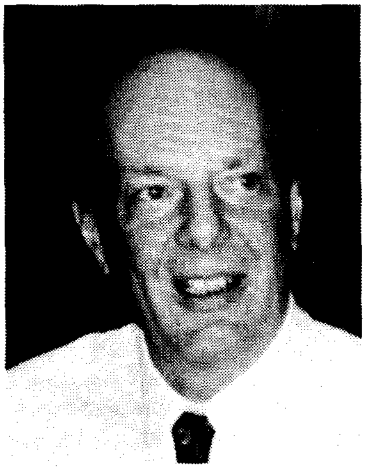
Mr. Cullen is Senior Advisor, External Affairs at the World Bank. He joined the Bank in 1978 and was Chief of External Relations in it's European Office between 1984-90. Since then he has been the Bank's Chief Spokesman and Chief of Information and Public Affairs. Mr. Cullen has broadcast and lectured and written extensively on development issues. His travels for the World Bank have taken him to many countries. In recent years he has been associated with the 1992 Earth Summit in Rio and the Bank's efforts in building market economies in the former Soviet Union and Eastern Europe. Mr. Cullen is the author of `Yugoslavia and the World Bank' and has recently played an active role in the Bank's work on reconstruction in Bosnia. He is currently the Chairman of the International Multimedia Consortium for Environment and Development.

D.C. Amerasinghe

Mr. Amerasinghe studied law at the University of Cambridge in the United Kingdom and joined the Asian Development Bank in 1978. In 1990 he was appointed Deputy General Counsel of the Bank and in 1994 became the Bank's Secretary. He was appointed as Director of the Bank's North American Representative Office in 1997.

Tom Bernes

Mr. Bernes was appointed as the Executive Director at the IMF representing Canada, Ireland, Belize and a number of the Caribbean island states. Mr. Bernes has held a number of posts with the Federal Department of Finance since 1987, including, since 1992, Assistant Deputy Minister of Finance responsible for International Trade and Finance. In this post he was also the Alternate Governor for Canada for the IMF, the Asian, African and Inter-American Development Banks, G-7 Finance Deputy and a Director of the Export Development Corporation. Prior to joining the Department of Finance Mr.Bernes was Director, GATT Affairs at the Department of Foreign Affairs and International Trade. From 1985-87 he was Head of Trade Policy at the Organization for Economic Cooperation and Development In Paris.



David Sevigny

Mr.Sevigny is Chief, International Financial Institutions Section in the Department of Finance, responsible for Canada's participation and oversight at the IMF, World Bank and European Bank for Reconstruction and Development. Mr. Sevigny has worked at the World Bank, the Department of Foreign Affairs and the Bank of Canada. He has been involved in designing the Paris Club's first "concessional" debt rescheduling agreements (so-called "Toronto terms"), establishing the World Bank's country assistance strategies and annual report on poverty reduction, and participating in the institutional reform proposals coming out of the G-7 Economic Summit in Halifax. Mr. Sevigny is also the author of the North-South Institute publication "The Paris Club: An Inside View".

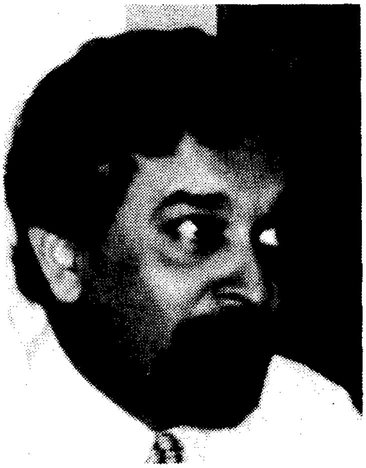
Roy Culpeper

Mr.Culpeper is President of the North-South Institute, Canada's only independent research institute focusing on Canada's relations with developing countries. He joined the Institute in 1986 and was Vice-President and Coordinator of Research from 1991-95 when he was appointed President. Before joining the Institute he worked for the Manitoba government's Cabinet Planning Secretariat and the Canadian Department of Finance on Canadian economic development policy. He also worked for the Department of External Affairs and from 1983-86 was advisor to the Canadian Executive Director of the World Bank in Washington. He has published extensively on global debt and international finance issues, including " High Stakes and Low Incomes: Canada and the Development Banks" co-authored with Andrew Clark) and "*Multilateral Development Banks: Titans or Behemoths* ? "

Jim Carruthers

Jim Carruthers joined the Canadian Foreign Service in 1972 and the Canadian International Development Agency (CIDA) in 1978. Since then he has been responsible for several Canadian Aid Programs, including those in Jamaica, Indonesia, Thailand, Indochina and the Philippines. From 1990 to 1992 he was the Director of Policy and Strategic Planning for Asia Programs, and from 1992 to 1993 he was the Director-General for South East Asia and Pacific Rim Countries. Currently, he is the Director General for International Financial Institutions in CIDA's Multilateral Programs Branch.

Kamal Malhotra



Kamal Malhotra is founder and Co-director of Focus on the Global South, an international program of progressive development policy research and practice, affiliated with Chulalongkorn University's Social Research Institute in Bangkok, Thailand. From 1988-95 he was Director of Overseas and Aboriginal Community Aid for Oxfam, Australia. Previously he was Director, International Extension with the International Institute of Rural Reconstruction in the Philippines. He is author of numerous papers and articles on development policy issues and the global multilateral system, including recently, "Perspectives on Partnership" a research report on NGO partnership from Northern and Southern perspectives, co-authored with Lynn Hately and published by the North-South Institute. He is currently participating in the World Bank `SAPRI Initiative', a review of IFI structural adjustment programs being undertaken with worldwide citizens organizations .

Veena Siddharth

Veena Siddharth is currently the Economic and Social Policy Advisor for Oxfam International in Washington DC. She is responsible for developing and implementing advocacy strategies on World Bank and International Monetary Fund policies. Ms. Siddharth was field coordinator in Malawi for the United Nations Development Program social sectors project, and has previous field experience in Nepal and Honduras working particularly on women's credit schemes. She also worked for the World Bank on poverty and gender issues and before that in their Africa Department assessing poverty reduction programs. Ms. Siddharth is a graduate in Public Policy from Harvard University.

Robin Round

Ms Round is Coalition Coordinator for the Halifax Initiative. Her work includes research, education and advocacy at the national and international levels with policy-makers, media, NGOs and the public. She is the author of the coalition's annual Bretton Woods Report Card which evaluates and grades the institutions' progress toward reform since the 1995 meeting of G7 leaders in Halifax. Ms Round has worked as a policy analyst and environmental advocate for the Sierra Club of Canada and Friends of the Earth on issues including multilateral financial mechanisms and international agreements to protect global commons.

Jon Leah Hopkins

Ms Hopkins has been a member of the National Action Committee on the Status of Women Executive since the mid-1980s. She is a community activist and a community development consultant. She left the Yukon Territory recently after living there for twenty years.

Clyde Sanger

Mr.Sanger was Rapporteur for the forums. He has had an extensive career as a journalist covering international affairs, particularly international development human rights issues . He has been active as a Board member of a number of Canadian development NGOs, including CUSO, CCIC and Oxfam Canada and was National Chair of USC Canada. Mr. Sanger teaches journalism at Carleton University and is the author of several books on development themes, including *"Half a Loaf: Canada's Semi-Role in Developing Countries." "Safe and Sound: Disarmament and Development in the Eighties,"and "Canadians and the United Nations."*

Dr William Rees

Dr William Rees is currently Professor and Director of the University of British Columbia's School of Community and Regional Planning. He researches and teaches human ecology and ecological economics with an eye to the public policy implications of global environmental trends. Dr. Rees invented "ecological footprint analysis", a quantitative tool that estimates humanity's ecological impact on the ecosphere. His research has helped to reopen the issue of human carrying capacity as a consideration in the sustainable development debate.

Forum Hosts

The Halifax Initiative is a coalition of environment, development and social justice organizations committed to fundamental reform of international financial institutions along more democratic, socially equitable and environmentally sustainable lines. Coalition members are Oxfam Canada, CUSO, the Canadian Council for International Cooperation, the Sierra Club, the Inter-Church Coalition on Africa, RESULTS Canada, the Social Justice Committee of Montreal and World Interaction Mondiale.

Edmonton Forum

The International Centre, University of Alberta facilitates international education for university students and fosters an international dimension on the U of A campus. The Centre's Global Education Program, one of three programs at the Centre, raises awareness in the University and broader Edmonton communities about global issues including sustainable human development , South-North relations, human rights, environmental and security issues.

The Alberta Centre for International Education (ACIE) is committed to the development of international education programs and initiatives in the Alberta public education system. The Centre supports international marketing initiatives, pursues contracts for international projects and sponsors professional development and internationalization activities for participating institutions. ACIE's activities complement the economic efforts of the private sector and the municipal, provincial and federal governments.

Vancouver Forum

Oxfam-Canada works with over 125 partners organizations in Africa and the Americas to tackle the root causes of poverty, injustice and inequity, and to build self reliant and sustainable communities. In Canada OXFAM works to build a constituency of support for this work through public awareness and education, advocacy and community development. OXFAM - Canada is a member of the Halifax Initiative.

Acknowledgements

Vancouver Forum

Coordinators
Kathleen Ruff, Barbara Binn, Mechelle Lymburner, Jo Hinchcliffe, *Oxfam-Canada,*

Monica Drake, Joe Knockaert, *Department of International Cooperation, Simon Fraser University*

Moderators
Shauna Sylvester - *Director, International Media and Policy Alternatives Centre*
Barbara Arneil - *Assistant Professor, Department of Political Science, University of British Columbia*
Melanie Conn - *Women and Development*
Art Wright - *Sustainable Development Research Institute University of British Columbia*

Edmonton Forum

Coordinators
Nancy Hannemann, *University of Alberta, International Centre*

Val Larsen, *Alberta Centre for International Education*

Forum Chair
Tom Keating, *Department of Political Science, University of Alberta*

Moderators
Dr. Elizabeth Smythe, Professor, Political Science, *Concordia University College of Alberta, Edmonton*
Dr. Lee Weissling, Program Manager, *Alberta Centre for International Education*

Contact Information

Department of Finance
Public Affairs and Operations Division
140 O'Connor Street
Ottawa, Ontario K1A 0G5
Tel: (613) 992-1573 Fax: (613) 995-6938
website: http://www.fin.gc.ca/

International Development Research Centre
PO Box 8500
Ottawa, Ontario K1G 3H9
Street address:
250 Albert Street, 5th floor,
Ottawa, ON, Canada K1P 6M1
Phone (613) 236-6163 Fax: (613) 238-7230
e-mail : info@idrc.ca
website: http://www.idrc.ca

CIDA, Public Inquiries:
Tel: (819) 997-5006 Fax: (819) 953-6088
Toll free: 1-800-230-6349
website: http://w3.acdi-cida.gc.ca
e-mail: info@acdi-cida.gc.ca
Mailing Address:
Director-General,
Multilateral Programmes Branch,
200 Prom. du Portage
Hull, Quebec CANADA K1A OG4

The World Bank
External Affairs
1818 H St. NW
Washington, DC 20433 USA
website: www.worldbank.org
Office of the Executive Director for Canada:
Tel: (202) 458-0077 Fax: (202) 477-4155

The International Monetary Fund
700 19th st. NW
Washington DC 20431
website: http://www.imf.org
Office of the Executive Director for Canada:
Tel: (202) 623-7783 Fax: (202) 623-4712

Asian Development Bank
North American Representative's Office
1730 Pennsylvania Avenue NW, Suite 975
Washington DC 20006
Fax: (202) 626-0055
e-mail: damerasinghe@mail.asianbank.org

Halifax Initiative
1 Nicholas st., ste 412,
Ottawa, Ontario K1N 7B7
Tel: (613) 241-4611 Fax: (613) 241-2292
e-mail: rjr@web.net
website: http://www.sierraclub.ca/national/halifax

Oxfam Canada
294 Albert St. suite 300
Ottawa,Ontario K1P 6E6
Tel: (613) 237-5236 Fax: (613) 237-0524
e-mail: oxfam@web.net
website: http://www.oxfam.ca/

University of Alberta
Global Education Coordinator
International Centre
172 HUB International
Edmonton, AB, Canada, T6G 2E2
Tel: (403) 492-2692
website: http://pangaea.abintl.ualberta.ca

Alberta Centre for International Education
9942 108 st. ste 908
Edmonton Alberta T5K 2J5
Tel: (403) 414-0443 Fax: (403) 414-0448
website: http://www.acie.ab.ca

Bibliography

This is a list of publications that were either made available at the forums, or were referred to there, or which qualify as "related reading".

Asian Development Bank, annual reports 1996 and 1997

——*Emerging Asia: Changes and Challenges* (Manila: Asian Development Bank, May 1997)

——*Canada and ADB: A fact sheet* (Manila: Asian Development Bank, December 1996)

British Information Services, Ottawa, News releases # 134 and #135, September 16 and 17, 1997: "UK Announces 132 Million Pounds Aid Debt Initiative to Assist Poorer Commonwealth Countries" and "Debt 2000: The Mauritius Mandate"

Canada, Office of the Canadian Executive Director to the World Bank, *The World Bank: Canada's Role* (Ottawa: Canadian International Development Agency, 15 pages, undated but probably 1996)

——*CIDA and the Multilateral Development Banks*, Information Kit (Ottawa: Canadian International Development Agency, undated but after May 1997)

Culpeper, Roy *Titans or Behemoths?* (Boulder, Colorado: Lynne Rienner Publishers, and Ottawa: The North -South Institute, 1997)

Culpeper, Roy and Andrew Clark, *High Stakes and Low Incomes: Canada and the Development Banks* (Ottawa: The North-South Institute, 109 pages, 1994)

Halifax Initiative, *Second Annual Report Card on Bretton Woods Reform* (June 1997)

——Factsheets on "Structural Adjustment Programmes" (August 1997), "The Tobin Tax" and "The Multilateral Debt Crisis" (September 1997)

Imhof, Aviva "Mekong Roundup" in *International Rivers Review* (Berkeley, California: International Rivers Network, Vol. 12, no.5, October 1997)

International Monetary Fund, *Good Governance: The IMF's role* (Washington: International Monetary Fund, 13 pages, August 1997)

Malhotra, Kamal *East and Southeast Asia: Miracle or Chimera*, paper prepared for a Forum on Globalization in Stockholm, Sweden, October 1997.

——"Something Nothing' Words: Lessons in Partnership from Southern Experience" in *Between Rhetoric and Reality: Essays on Partnership in Development with Lynne Hately* (Ottawa: The North-South Institute, pages 37-56, 1997)

——"Emerging Shifts in the World Bank's Identity and Role in Southeast Asia", paper prepared for Chulalongkorn University Social Research Institute, March 1997.

Michalos, Alex C., *Good Taxes: The Case for Taxing Foreign Currency Exchange and Other Financial Transactions* (Toronto: Dundurn Press, 87 pages, 1997)

Oxfam-International background documents:
Poor Country Debt Relief: False Dawn or New Hope for Poverty Reduction (April 1997)
Growth with Equity: Agenda for Poverty Reduction (September 1997)

Schmidt, Rodney *A Feasible Foreign Exchange Transactions Tax* (Ottawa: The North-South Institute, forthcoming)

Stackhouse, John "When Less Aid is More" in *The Globe and Mail*, Toronto, pp. D1-2, October 18, 1997

The Economist, Schools Brief series, "One World?" and "Capital goes global", October 18 and 25, 1997

The Globe and Mail, editorial on "First World money, Third World debt", September 25,1997

The World Bank Backgrounders:
The World Bank Group at a Glance, (Washington, 2 pages, September 1997)
The Strategic Compact (Washington, 5 pages, September 1997)

——*The World Bank and the Heavily Indebted Poor Countries Debt Initiative: Progress in 1997*, (Washington, 6 panels, September 1997)

——*World Bank News, fortnightly newsletter for journalists and the development community* (Washington, World Bank External Affairs Vice Presidency)

Wackernagel, Mathis and William Rees, *Our Ecological Footprint: Reducing human impact on the earth* (Gabriola Island, B.C.: New Society Publishers, 1996)

Wolfensohn, James D. *The Challenge of Inclusion*, Address to the Board of Governors of the World Bank Group in Hong Kong, China, September 1997

Halifax
INITIATIVE
d'Halifax