Resolution 1128 (1997)[1]

Activities of the Bretton Woods institutions (World Bank and International Monetary Fund)

Parliamentary Assembly

1. The Assembly welcomes the achievements of over more than half a century of the Bretton Woods institutions - the World Bank and the International Monetary Fund (IMF) - in assisting the world community in trying to further economic growth and development and fight malnutrition, environmental degradation and social division.

2. The Assembly supports the efforts of these institutions to adjust their structure to the requirements of a rapidly changing international arena, so as to be able to respond swiftly to economic, social and environmental crises.

3. It encourages the World Bank and the IMF to work more closely with other relevant United Nations specialised agencies in areas of mutual interest and to ensure that any duplication of work is avoided.

4. The Assembly welcomes the creation of an independent, external panel of experts, composed of men and women, to assess the social and environmental impact and effectiveness of the development programmes of the World Bank and the IMF. It considers this an important step towards greater transparency, public participation and accountability.

5. The Assembly calls upon the member states of the Council of Europe to do their utmost to strengthen and support transparency in the operations of the World Bank and the IMF, in particular as regards development projects.

6. The Assembly encourages the World Bank and the IMF:

6.1. to ensure the greatest possible accountability of their operations vis-à-vis the populations concerned;

6.2. to include the obligation to defend and promote human rights in their statutory mandates;

6.3. to incorporate systematically in all their development strategies the criteria of sustainable social and environmental development and gender equality;

6.4. to proceed similarly in promoting "good governance" of public affairs, to help establish a minimum legal framework and to combat corruption with all due resolve, considering its rampant spread and the obstacle it presents to social and economic progress;

6.5. to require also that military outlays which are clearly beyond those needed for a recipient country's security be correspondingly reduced;

6.6. to speed up, where possible and necessary and on the condition of the recipient countries' agreement to the above requirements, debt-relief programmes, which are often necessary for economic recovery in numerous poor and heavily indebted countries;

6.7. to complement their structural adjustment programmes with tailored country strategies in the political and administrative fields, so as to enhance the effectiveness of their development projects.

1. Assembly debate on 25 June 1997 (20th Sitting) (see Doc. 7835, report of the Committee on Economic Affairs and Development, rapporteur: Mr Frey). Text adopted by the Assembly on 25 June 1997 (20th Sitting).

7. Moreover, the Assembly invites the World Bank:

7.1. to enhance the participation of local populations and officials in the design of projects - in particular through its so-called "micro-finance" campaign for self-employment of poor persons - thereby permitting development strategies to be better adapted to local conditions and promoting more genuine partnerships between the World Bank and those it is intended to serve;

7.2. to foster the development of learning programmes and information networks, in particular by strengthening the resources of its Economic Development Institute, which provides important education facilities, notably in Africa and central and eastern Europe;

7.3. to develop further its co-operation with non-governmental organisations in the implementation of projects, with a view to ensuring better monitoring and to enhancing accountability on the part of public and private institutions in recipient countries;

7.4. to concentrate its lending in the areas of poverty reduction, social safety, health and sanitation, education, agriculture, water supply and nutrition;

7.5. to intensify policy co-ordination between its International Finance Corporation and the European Bank for Reconstruction and Development in the field of private- and financial-sector development in central and eastern Europe, so as to avoid any duplication of work.

8. Furthermore, the Assembly encourages the International Monetary Fund:

8.1. to pursue its work in assisting borrower countries in the shaping and implementation of stable, non-inflationary economic policies, and to intensify consultations with them in order to allow timely assessment of upcoming problems;

8.2. to satisfy through increased financial resources the growing demand for its technical assistance and training programmes in macroeconomic management, central banking, fiscal policies, statistics and financial accounting;

8.3. to help borrower countries reduce the social consequences of the often painful process of economic adjustment.

9. Finally, the Assembly calls on the member states of the Council of Europe to support the Bretton Woods institutions to which they belong, notably by respecting the principles upon which these institutions were built: sound economic management at national level and solidarity at international level.