Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Resolution 1450 (2005)[1]

The World Bank, the International Monetary Fund and the realisation of the Millennium Development Goals

Parliamentary Assembly

1. The United Nations Millennium Development Goals (MDGs), agreed by the world community in 2000, form the main expression of its commitment to tackling global poverty and social inequality. The year 2005 marks one-third of the way toward the MDGs' target date of 2015 and it is now clear that the world community – including the Council of Europe area – lags seriously behind schedule in its commitment to achieving these objectives on time. Catching up will only be possible if new resolve is mobilised. The Bretton Woods institutions – the World Bank and the International Monetary Fund (IMF) – are the essential tools by which this can and must be done.

2. The Parliamentary Assembly recognises the major impact which the World Bank and the IMF have had on world economic and social development over the years but also the new challenges posed by a new world economy. New strategies are needed to accommodate a globalisation process that gives advantages to some but carries new economic risks for many others. Against this background, scrutiny of the functioning of the World Bank, the IMF and other international institutions is a political imperative not only for governments but increasingly also for parliamentary institutions such as the Parliamentary Assembly of the Council of Europe, which represents many of the world's most significant aid donors.

3. The World Bank and the IMF's vanguard role in the world's effort to meet the MDGs reflects a welcome realisation as regards the duties of all: rich countries providing more and better aid and greater access to their markets and poor countries focusing on the quality of domestic policies, governance, democracy, human rights and the rule of law.

4. The Assembly commends the World Bank and the IMF on their rapid and large-scale response to the December 2004 tsunami catastrophe in the Indian Ocean region. In this context, it recalls its own appeal, as expressed in its Resolution 1422 (2005) on Europe and the tsunami disaster, for Council of Europe member states to "honour the commitments entered into in connection with pledged funds and assistance to the states struck by the tsunami, without prejudicing aid allocated to other areas".

5. Debt relief for the poorest and most heavily indebted countries is most welcome. It is important that debt relief be coupled with stringent requirements for policy reform and improved governance in the receiving countries, as required by the World Bank and the IMF, and that it should not lead to any reduction in official development aid by donor countries.

6. The Assembly welcomes the World Bank and the IMF's increasing emphasis on good governance in recipient countries, which it sees as crucial to development, and their efforts to enhance recipient countries' "ownership" of such projects, such as the African Peer Review Mechanism within the New Partnership for Africa's Development (NEPAD) initiative. In this context, it supports the strengthening of the World Bank and the IMF's staff presence in the field and expects that it will be further intensified.

7. The Assembly, recalling its Resolution 1396 (2004) on the Doha Development Agenda: world trade at a crossroads, stresses the importance of trade liberalisation as an essential tool for improving the lot of poorer countries. It is, however, the richer countries that have the economic resources to compensate for the

1. Assembly debate on 20 June 2005 (17th Sitting) (see Doc. 10565, report of the Committee on Economic Affairs and Development, rapporteur: Mr Jonas). Text adopted by the Assembly on 20 June 2005 (17th Sitting).

sacrifices incurred as a result of trade liberalisation. It is in this context important that the Bretton Woods institutions and the World Trade Organization co-operate closely with each other, especially as regards programmes to fund adjustment assistance for developing countries and the pursuit of consistent and mutually supportive policies by these three institutions.

8. The Assembly commends the efforts of the Bretton Woods institutions to maximise transparency and public involvement in its activities, not least via their extended websites. The role of the Parliamentary Network on the World Bank (PNoWB) – a discussion forum for parliamentary groups worldwide in which the Parliamentary Assembly of the Council of Europe actively participates – deserves further strengthening and is fully in line with the Parliamentary Assembly's quest for increased parliamentary involvement in international institutions.

9. In conclusion, the Assembly:

calls on the member states of the Council of Europe to give the World Bank and the IMF all the necessary financial and political support in their effort to realise the MDGs and to assist them in their inner reform and adaptation to a new world reality so that they may fulfil their role as advocates of change, in donor and recipient countries alike. This includes awarding more influence within their decision-making bodies to the poorer countries;

considers the World Bank's International Development Agency (IDA), with its concessionary loans and grants to the poorest countries, to be particularly valuable for meeting the MDGs and calls on Council of Europe member states to strengthen their support for, in particular, the Polio Eradication Programme, "Roll Back Malaria" and the fight against HIV/Aids;

expresses particular support for current World Bank-IMF programmes meant specifically to alleviate poverty, such as the Heavily Indebted Poor Countries Strategy (HIPCS) to manage debt relief and the Poverty Reduction Strategy Papers (PRSPs) to engage recipient countries in self-help action;

strongly supports the World Bank's Education For All (EFA) project launched in 1990, including the EFA Fast Track Initiative started in 2002 – seeing that education, especially of young women, is a main vehicle for lasting economic and social development. It notes with regret, however, that insufficient funding by many donor countries, including in the Council of Europe area, continues to hinder full implementation of the project and calls on all Council of Europe member states to meet their EFA commitments in full;

welcomes the renewed importance placed by the IMF and the World Bank on trade promotion as part of development and asks Council of Europe member states to work for a timely conclusion to the negotiations of the Doha Development Agenda which is fair to the developing world in terms of market access to richer countries and leads to the continued reduction of agricultural subsidies in particular.