

Legislator Oversight of the Bretton Woods Institutions - Canada Compared

Issue*	Canadian situation	Countries similar to Canada	Best practice
Ministry responsible for issues relating to the Bank and Fund	Finance Canada (takes the lead; Canadian International Development Agency is the second)	Austria, Ireland, Italy, Spain, Sweden.	In many other countries, the lead is shared with the Department of Foreign Affairs (Finland, Japan, Netherlands, Norway, Sweden) or the International Development Agency (Australia, Belgium). The UK is the only country in which its Development Agency alone takes the lead for both the Bank and the Fund.
Selection of Executive Directors	Executive Directors are nominated by the Minister of Finance from the senior ranks of the civil service, and formally 'elected' by the constituency. The position of Executive Director does not, however, rotate within the constituency.	Italy	There is a mix of best practices. For the Nordic constituency (Finland, Sweden, Iceland, Norway, Denmark), the position is negotiate among the constituency and rotates between the countries. In the United States, the ED is nominated by the President and appointed with the advice and consent of the Senate. No national legislature is involved in the selection of an Executive Director.
Basis for decisions being taken	Decisions are taken with due consideration of Canada's broader development, foreign and international financial policies as well as a desire to see these two institutions remain financially healthy. Parliamentarians can be briefed on World Bank and IMF issues on request. The Minister of Finance usually meets with Canadian NGOs prior to the Spring and Fall meetings to seek their views.	Difficult to compare as the basis for decision-making is so varied. Civil society groups in Finland, France, Germany, Japan, Sweden, and the United Kingdom have regular meetings with their respective Ministries prior to Spring and Fall meetings.	The Austrian Ministry of Finance has a framework for decision-making strategy towards IFIs. Decisions at the IFIs are taken based on the Official Development Assistance charter. The Swedish policy for global development "Shared Responsibility" is the basis for decision-making in the development of positions at the Bank and Fund. Accordingly, the government is to report to and consult with Parliament and civil society prior to the Bank and Fund spring and fall meetings, although it is unclear how these meetings influence final decision-making.
Committees that conduct hearings on the IFIs, frequency of meetings, openness to outside input	The House of Commons Standing Committee on Foreign Affairs and International Development and the Senate Committee on Foreign Affairs has the mandate to review Canada's participation at all international organizations (including the World Bank and IMF). Between 1992 and 1997, there were two Sub-Committees on International Financial Institutions under the	Australia, Austria, Belgium, Finland, France, Germany, Italy, Ireland, Japan, Netherlands, Norway, Sweden, United Kingdom and the United States all have committees able to conduct hearings on the BWIs.	Visits by Executive Directors to Austria are accompanied by hearings in the Foreign Policy Committee's Subcommittee on IFIs, where a report is given on the direction of the World Bank. NGOs can submit information and questions. Belgian representatives to the World Bank or IMF can be asked to testify in a Standing Committee. In Finland, The Minister of Finance informs the Foreign Relations Committee ahead of the Spring and Annual Meetings on current topics for discussion at the Bank and Fund.

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	<p>Finance and Foreign Affairs Standing Committees.</p> <p>The last committee hearing was in 1995, and actually took place in the Finance Committee.</p>		<p>In the Netherlands, the Minister of Finance and the Minister for Development Cooperation present the Dutch position on the items on the agenda for the Spring and Fall Bank and Fund meetings to the Parliamentary Committees on Finance and Foreign Affairs.</p> <p>In Norway, the Standing Committee on Finance and Economic Affairs and the Foreign Committee normally discuss IMF and World Bank issues once a year, and also visit the IMF and World Bank once a year. The last public hearing on IMF issues was conducted in 2002.</p> <p>The International Development Committee in the UK holds annual hearings on a broad range of issues related to the World Bank, linked to the outcomes of the fall meetings. The Treasury Committee holds ad hoc hearings on the IMF. In 2005 and 2006, hearings were held on conditionality, democratization of the IFIs, parliamentary accountability, and the role of the IMF. Civil society groups can provide oral and written evidence.</p> <p>The UK also has all party groups on debt, on aid and trade, and overseas development, who hold workshops, launch 'early day motions', lobby their own party's MPs.</p>
<p>Laws passed or initiatives taken for setting direction for the government at the IFIs</p>	<p>Yes. On May 29 2008, Bill C-293 or the "better aid bill", received royal assent, now legally requiring Canadian official development assistance (ODA) to a) contribute to poverty reduction, b) take into account the perspectives of the poor, and c) be consistent with international human rights standards. It also sets out provisions for consultations with civil society every two years to provide input to the government on how Canadian aid is contributing to these three principles and requires Foreign</p>	<p>N/A</p>	<p>Belgium passed legislation in April 2004 requiring the government to transmit to the Senate a yearly report on activities of the World Bank and IMF representatives relating to the fulfillment of the MDGs.</p> <p>In 2003, Parliament adopted a new Swedish policy for global development with the goal of contributing to equitable and sustainable development. The policy makes reference to the Millennium Development Goals (MDGs) and explicitly says that "the perspectives of the poor" are to guide policymaking. The IFIs are seen as tools in the implementation of this policy. The government presented written reports on the results to parliament in September 2004, May 2005 and May 2006.</p>

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	<p>Affairs, Finance and the Canadian International Development Agency to produce an annual report detailing how Canadian aid money is being spent in accordance with the Act. This means a further enhanced level of disclosure beyond what is currently being done through the Annual Report. As of October 2008, Finance Canada is still in the process of developing plans on how to implement the Bill in practice.</p>		<p>Since 2000, the UK Department for International Development (DfID) produces every three years an institutional strategy paper (ISP) for the World Bank (as well as other multilaterals), which reviews its success in achieving the objectives of the previous ISP, outlines the short and medium –term objectives for the next three years, and highlights indicators to measure success for realizing these objectives. Public consultations are held on the strategy. At the same time, DfID has committed to conducting annual progress reviews on reaching these objectives, and publicly reporting on the outcomes (but it has yet to do so).</p> <p>DfID also produces a joint briefing with Treasury, at least ten days in advance of the meetings, on the UK objectives for the main points of discussion on the agenda of the Spring and Fall meetings.</p> <p>In the US, in the past five years, Congress has passed 28 legislative mandates prescribing US policy goals at the World Bank and IMF, on issues related to user fees, clean coal technology, IMF operational budget.</p> <p>Legislation related to financial contributions (in particular to the Bank’s soft lending window) are regularly passed in Austria, Italy, and Ireland.</p> <p>In May 2007, Spain’s Parliament approved a motion that requires the government to report annually to Parliament on the positions adopted by the country at the Bank and Fund and to attend a Parliamentary hearing. In addition, the government has to strengthen the presence of development experts and professionals in the Bank and Fund and promote research on the socio-economic impact of the Bank and Fund actions undertaken as a result of a Spanish initiative.</p>
<p>Has any type of audit been done of the financial operations of the World Bank and/or</p>	<p>Yes. Canada’s contributions to the BWIs were subject of a special audit in 1992. This also included an audit of the content of the annual report to</p>	<p>Regular reviews, but not audits, take place in Australia, Finland, Germany, Netherlands. Japan’s audit committee has the authority to do so, but has not done this. The US General Accountability Office reviewed the IMF’s financial operations at</p>	<p>Canada, although the last audit took place in 1992. At the time, the audit – which also looked at the annual report to Parliament - determined that the annual reports, “do not give measurable objectives, targets and actual results of Canada’s participation.”</p>

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IMF	Parliament. The House of Commons Standing Committee on Public Accounts reviews government expenditures, including contributions to the BWIs.	the request of Congress in September 1999.	<p>This is still true today.</p> <p>In December 2005, the United Kingdom's National Audit Office undertook a review to determine how DfID's work with multilaterals is helping it to achieve its poverty reduction objectives, and more specifically: why DfID engages with the multilateral system; the nature of its engagement, including resource allocation choices DfID makes in relation to multilaterals (both in terms of funding and human resources devoted to managing the relationships) and whether the nature and focus of DfID's engagement, outlined in its strategy papers, are likely to help maximize the Department's contribution to the Millennium Development Goals.</p>
Annual report to Parliament/Congress, and discussion thereof	<p>Yes. Finance Canada tables an annual report to Parliament on the World Bank and IMF available to the public. The report usually does not generate a Parliamentary discussion. It was revised in 2007 and 2008 to now include a comprehensive introduction to the institutions and Canada's place within them, an overview of Canadian priorities and actions at the Bank and Fund in 2007, and Canadian medium- term priorities looking forward. These changes have all been in response to the framework laid out in our Report Cards on the Annual Reports.</p>	<p>Australia, Belgium, Finland, France, Germany, Italy, Ireland, Japan, Norway, Spain, Sweden, United Kingdom produce separate reports.</p> <p>Every three years, in addition to its bi-annual summary of positions, the German government produces a more substantive report on overall international development cooperation policy, in which information on the World Bank is embedded. This includes government sector and strategic objectives vis à vis the Bank, financial resources provided to the Bank Group, major developments at the Bank, and activities initiated by the government.</p>	<p>Sometimes Austria conducts semi-public hearings on general issues when the ED is present, but there is no formal debate in Parliament.</p> <p>Belgium reports on how government activities at the IFIs have helped it fulfill the MDGs.</p> <p>France's annual report presents the government's position on a selection of subjects, including governance, HIPC, access to basic services and financial stability. Although there is also no debate on the report, for several years Parliamentarians produced a shadow report to the official report.</p> <p>Prior to Bank and Fund meetings, the German government issues an "activity report", which provides a short summary of positions of the government on the activities at the Bank and Fund, which is discussed in a plenary session of Parliament. There is also plenary debate of the three year international development report.</p> <p>The Italian annual report provides information on positions taken by Italian representatives on issues.</p> <p>Japan's Diet debates the annual report, and has regular debates with respect to aid and its international development</p>

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			<p>policy, although not necessarily on the Bank and Fund.</p> <p>In the Netherlands, the government sends Parliament a report on discussions at the Spring and Fall meetings, but does not submit an annual report.</p> <p>Every year, the Ministry of Finance provides a paper to the Finance Committee informing them about Norwegian policies at the IMF. There are also periodic White Papers presented to Parliament on specific Bank and Fund issues, outlining the challenges confronting the IMF and World Bank, and what informed government views on the issue. These papers are debated.</p> <p>In May 2007, Spain's Parliament approved a motion that requires the government to report annually to Parliament on the positions adopted by the country at the Bank and Fund and to attend a Parliamentary hearing. The report must include decisions taken by the institutions with regards to foreign debt, fighting poverty and the Millennium Development Goals, as well as more details on the financial resources (official development assistance) channeled through these institutions.</p> <p>In Sweden, the government presents a report before parliament on Swedish priorities at the Bank and Fund. The government now also reports to, and consults with, Parliament and civil society before the spring and fall meetings. The first report ever was presented 20 January 2005.</p> <p>In their annual report on the IMF, the UK Treasury sets out the government's approach to IMF issues over the previous year and highlights key objectives and priorities. It also highlights the general position the UK has taken in votes by the Board of Governors, and on discussions of IMF surveillance, programs and major policy issues. The Department for International Development, in its annual report on the World Bank, includes a discussion of key policies and projects, the Bank's internal accountability mechanisms, government objectives for the</p>

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			<p>World Bank, outcomes of International Development Committee hearings, and detailed information on the UK's financial contribution to the World Bank Group. It also now makes public its contribution to World Bank Trust Funds.</p> <p>While the US does not produce an annual report on the IFIs, it does submit issue related report to Congress and on implementation of US policy with respect to these institutions. The Treasury Secretary also testifies every year on the implementation of legislative mandates at the IMF, and Congress may require Treasury officials to testify on an ad hoc basis on IFI related issues.</p>
<p>Restrictions to access to information on government activities as it relates to the World Bank and/or IMF</p>	<p>Yes. Materials produced by the Government of Canada on IMF and World Bank issues can be released under Canada's Access to Information policy, provided the material is not deemed to be harmful to Canada's relations with the institutions.¹ Materials provided to</p>	<p>Australia, Belgium, Finland, Germany, Ireland, Japan, the Netherlands and the United Kingdom largely follow the institution's access to information restrictions.</p> <p>While the Bank has a presumption in favour of disclosure, Board documents, proceedings, and information or documents prepared by an individual Executive Director, statements and summaries of discussions are all confidential, unless made</p>	<p>Austria, France and Portugal have no restrictions. Italy and Norway restrict it to the instance that it may harm relations with the institutions. Sweden allows for the disclosure of some materials if it is agreed by all constituency members. US freedom of information act does not contain a specific exclusion for information on government activities related to the Bank and Fund. However, some material may be exempt on the grounds of potentially breaching national security or</p>

¹ Furthermore, the Canadian Access to information act states, *EXEMPTIONS, Information obtained in confidence*, 13. (1) Subject to subsection (2), the head of a government institution shall refuse to disclose any record requested under this Act that contains information that was obtained in confidence from

- (a) the government of a foreign state or an institution thereof;
- (b) an international organization of states or an institution thereof;

International affairs and defence

15. (1) The head of a government institution may refuse to disclose any record requested under this Act that contains information the disclosure of which could reasonably be expected to be injurious to the conduct of international affairs, [...] any such information

- (e) obtained or prepared for the purpose of intelligence respecting foreign states, international organizations of states or citizens of foreign states used by the Government of Canada in the process of deliberation and consultation or in the conduct of international affairs;
- (g) on the positions adopted or to be adopted by the Government of Canada, governments of foreign states or international organizations of states for the purpose of present or future international negotiations;
- (h) that constitutes diplomatic correspondence exchanged with foreign states or international organizations of states or official correspondence exchanged with Canadian diplomatic missions or consular posts abroad; or

Advice, etc. 21. (1) The head of a government institution may refuse to disclose any record requested under this Act that contains

- (a) advice or recommendations developed by or for a government institution or a minister of the Crown,
- (b) an account of consultations or deliberations involving officers or employees of a government institution, a minister of the Crown or the staff of a minister of the Crown,
- (c) positions or plans developed for the purpose of negotiations carried on or to be carried on by or on behalf of the Government of Canada and considerations relating thereto, or

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Disclosure authorized if in public interest

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	the government by the IMF and World Bank, and <u>correspondence</u> between Canadian government officials and officials of the World Bank and IMF, including those in Executive Director's offices, are treated as confidential under the A to I policies of the Bank and Fund.	public. However, in the "Additional Issues" paper related to the Bank's disclosure policy, February 2005, the Bank now discloses Board minutes and states that "governments of member countries are free to release statements of their positions on matters considered by the Board. However, such public statements should not contain information that is confidential and non-disclosable, or has not been disclosed yet in accordance with the Bank's disclosure policy".	deliberative processes.

* This is based on a survey of 17 countries, all Northern donors.

(6) The head of a government institution may disclose any record requested under this Act, or any part thereof, that contains information described in paragraph (1)(b), (c) or (d) if that disclosure would be in the public interest as it relates to public health, public safety or protection of the environment and, if the public interest in disclosure clearly outweighs in importance any financial loss or gain to, prejudice to the competitive position of or interference with contractual or other negotiations of a third party.