

The agenda before the IFIs is an extremely challenging one. The Committee believes that Canada should take on the responsibility of working through that agenda with other countries to see that it serves the goals of human-centred, democratic and sustainable development. This means a stronger and different Canadian role rather than pulling back on our participation. It must be clear that Canadian support for multilateral concessional lending and debt relief is linked to a fresh approach to policy-based adjustment and conditionality, such as we have recommended in this report. Canada should be an advocate for reform in the IFIs, including at the highest level.

F. Linking Debt, Environment and Common Security

Early on in the report we made the point that the developing countries' debt crisis is not just someone else's financial problem to be left in the hands of experts in such matters. The crisis looms over our common future. The linkages of debt to global security and saving the environment must be drawn out and acted upon. The position paper of the NGO Working Group on the World Bank is only stating facts when it observes that: "Debt, adjustment and environmental deterioration are all closely related." Charles Lankester, a Canadian working with the UNDP, underlined for us during a meeting in New York how "debts are being serviced by horribly abusive environmental practices." A brief submitted to the Sub-Committee by Patricia Adams, executive director of Probe International, described some of these practices. The brief also warned against pursuing debt reduction without regard to environmental sustainability or democratic accountability:

Debt relief strategies, like the one proposed by U.S. Secretary of the Treasury Nicholas Brady, are designed not only to relieve pressure on financially strapped governments, but also to revive economic growth by attracting "new money." But environmentalists and other citizens' rights activists throughout the Third World fear this new money—in the absence of democratic reforms needed to ensure prudent borrowing—will only breathe life into their governments' cash-starved mega-plans.

We share the view that strong public environmental assessment criteria should be applied to all international assistance programs, including those focused on debt relief and economic adjustment in developing countries. In meeting with Ken Piddington, director of the World Bank's environment division, we were able to appreciate how much remains to be done as well as the progress that is being made. The inclusion of environmental criteria in standard structural adjustment programs is still in its early stages but is increasingly recognized at the policy level. The Bank is also looking at the possibilities for assisting the transfer of clean technologies to developing countries. In some cases helping them to meet environmental targets might be combined with debt restructuring and adjustment assistance packages.