

with the Inter-American Development Bank (IDB) to create a special "Social Investment Trust Fund" for human resource development projects in Latin America. Financed by interested donors, funds would be loaned on concessional terms for secondary-market buybacks by debtor governments who would then agree to set aside an amount of the savings realized in local currency for projects jointly planned with the IDB and UNICEF. We understand that Canada has reservations about supporting the creation of another special fund without also looking at the most effective utilization of existing IDB and UNICEF resources. Combined with budget constraints within CIDA this has led to a decision not to participate at this time. Nonetheless, because the concept clearly has merit, **the Sub-Committee believes that the government should reconsider its decision not to join the IDB-UNICEF "Debt Relief for Child Development" scheme and should encourage the IFIs to seek other innovative ways of linking debt relief means to human development purposes.**

But finally, the more fundamental area of controversy to which we must return is the one which goes to the very nature of the role played by the IFIs in the current international political economy, especially when more is being asked of these institutions. Roy Culpeper has suggested that, in determining the amount of debt relief and concessional multilateral assistance needed, the World Bank should define serviceable debt levels for each country related to its growth requirements. Yet many debtor countries do not trust the IFIs because of their negative experiences with structural adjustment conditionalities that sometimes operate at cross purposes to each other as well as to domestic development goals. We need to see the IFIs forthrightly addressing these concerns. And as Richard Jolly, Deputy Executive Director of UNICEF, told Committee members in New York, the IFIs should not think they have a "monopoly of ideas." He argued that a human-centred approach to debtor recovery must bring in other parts of the UN system and a much wider range of expertise than that of just economists, finance ministries and central banks. Better social data is needed to monitor adjustment impacts instead of just relying on macroeconomic aggregates. Ministries of health and education should be consulted in the early design of programs and popular participation sought during the design and implementation phases.

Canada should be using its offices to promote policy reform and dialogue within the multilateral system, as well as by and between donors, creditor institutions and debtor countries. We believe there is scope to bring about positive change. While defending the World Bank's involvement in structural adjustment, Vice-President and chief economist Stanley Fischer agreed that the reform process is more than just getting economic policies right. As he stated to Committee members, the "long-term prospects for Africa depend on them getting their politics straight." Assistance for institution-building, management training, public-sector reform and democratic development may be as important as