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INTERNATIONAL FINANCE CORPORATION
INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES
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Statement by the Hon. **CHARLIE MCCREEVEY, T.D.**,
Governor of the Bank and the Fund for **IRELAND**,
at the Joint Annual Discussion

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Ireland's general views on current issues are reflected in the statement made on behalf of the European Union. There are, however, a number of topics I would like to highlight which are of particular concern to Ireland.

International Financial Architecture

Considerable thought and debate has taken place in the last year around the appropriate structure for what is referred to as the international financial architecture. As a small open economy, Ireland has a vital interest in a stable international economic and financial environment and we strongly support current efforts to address the challenges posed by globalization. As recent crises have shown, various aspects of this process are interrelated and it is important to develop a holistic approach, particularly in dealing with developing economies.

Role of Bretton Woods Institutions

The Bretton Woods institutions have a vital and central role in the international economic and financial area. To carry it out adequately, they will need to intensify cooperation among themselves, and with other agencies in the economic, social and political area and with the various informal Groupings.

Cooperation will need to be intensified with not only member Governments, but with a wide range of civil society, particularly in programme countries. Ownership of programmes by stakeholders is a prerequisite for successful implementation.

An implication of this is that, for example, IMF programmes need to take on board, at the design stage, the social and civic implications of their implementation. This is not the same as saying that IMF should engage directly in the social or developmental aspects, but that the macro design of its programmes should be able to integrate fully outside expertise.

Transparency

In keeping with evolving trends at national level the Institutions need to be more transparent. Such a trend has been quite marked in the last twelve months, not only with the publication of hitherto unpublished information, but its speedy publication in a widely accessible form over the Internet. This has enabled many interested parties to have easier and quicker access to the work of the institutions. This, in itself, constitutes a form of empowerment of stakeholders, which will become more evident as time goes on.

Information is not, however, a substitute for active participation by stakeholders and the current trend needs to be accompanied by positive efforts by the institutions to involve them more in its work, consistent with the ultimate responsibility lying with the member Governments representing their citizens.

HIPC Initiative

Debt relief is a vital element in a more broadly based development strategy aimed at growth and poverty alleviation. The HIPC initiative, driven by the Bank and the Fund, is clearly at a crucial stage in its development. Although its beginnings were relatively modest, its ideals, or declared aims, were ambitious.

It aims at both freeing the most heavily indebted poorest countries from the burden of the unpayable element of their debt, and offering them a definitive exit from the debt treadmill which is seriously undermining their development.

We are all aware of the wide public concern for a serious attack on the problem of unbearable debt which is reflected in the extent of popular support for Jubilee 2000. This must be addressed and the HIPC initiative must be implemented in a way that achieves its basic aims. We must remain open to any further enhancements required for this to be achieved, in particular, taking greater account of human needs in determining eligibility and the extent of the relief required..

I would, therefore, call on Governors to resolve any outstanding difficulties in implementing the enhanced HIPC initiative at this stage, particularly in regard to its financing.

Earlier this year, Ireland has adopted legislation enabling it to participate in funding the enhanced initiative to a degree commensurate with its relative standing in the donor community.