



Opinion of the Advisory Council on Policy Coherence for Development

“Belgium’s mandate within the World Bank”

1. Introduction

01. This opinion pertains to Belgium’s representatives and the exercising of their mandate within the World Bank group. It was approved by the Advisory Council for policy coherence for development at the Council’s meeting of 14th January 2016.

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2. Introduction

02. The World Bank Group is a source of financial and technical aid for developing countries. The objectives of the Group is to bring about an end to extreme poverty and to promote shared prosperity via the five institutions that it comprises, i.e. the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for Settlement of Investment Disputes (ICSID). The IBRD and the IDA are institutions that focus on the public sector, while the IFC and MIGA concentrate on the private sector.

03. In its 2015 annual report, the Group reported having granted close to 60 billion US dollars in loans, donations, equity financing or guarantees to its members or to private businesses. In 2015, through the work of the IDA, the World Bank was among the top ten multilateral donors, coming in slightly behind the European Union. The Bank is mostly financed through the contribution of its shareholders (188 countries, including Belgium).

04. The Law on Development Cooperation dated 19 March 2013¹ lays down that Belgium is to promote sustainable human development (Art. 3), human rights (Art. 4), the Decent Work Agenda of the International Labour Organisation (Art. 5) and policy coherence for development (Art. 8). These principles are also stressed in the European Union and the United Nations. They should contribute in steering Belgium’s efforts within the World Bank Group, pursuant to the obligations incumbent upon Belgium by way of the ratification of several international human rights protection instruments, one of which is the International Covenant on Economic, Social and Cultural Rights. The Committee on Economic, Social and Cultural Rights has insisted several times that the Member States of international financial institutions must take their obligations as regards the Covenant into account while exercising their powers within these institutions². This is all the more vital as the World

¹ Mon. b., 12.4.2013, p. 22563.

² Committee on Economic, Social and Cultural Rights, The Right to the Highest Attainable Standard of Health. no.14/2000



Adviesraad inzake beleidscoherentie
ten gunste van ontwikkeling
Conseil consultatif sur la cohérence
des politiques en faveur du développement

(Art. 12 of the International Covenant on Economic, Social and Cultural Rights), E/C.12/20000/4, § 39.



Bank is one of the major beneficiaries of Belgian multilateral aid³. Hence, Belgium has significant influential power in this Group.

05. In reality, there are situations where certain policies and projects of the World Bank Group are contrary to the principles upheld by the Law on Development Cooperation or those that are part of the international commitments made by Belgium. This opinion identifies several of these policies and demonstrates their inconsistency as regards development and human rights. It exposes the weaknesses, especially in terms of transparency, of the Belgian participation in the institution. It proposes several recommendations that aim at guaranteeing better consistency between this mandate and the Belgian commitments.

3. Recommendations

1. Ensure consistency with respect to its objectives of development cooperation - a key criterion of Belgium's participation in the World Bank.

1.1. The Minister of Development Cooperation should request an in-depth assessment of the strategic leanings and practices of the World Bank as regards the objectives of Belgian development cooperation, as well as of its international commitments concerning human rights and sustainable development in particular. The results of this assessment, which should be completed within a reasonable period, should then be presented before and discussed in the Federal Parliament.

1.2. If the assessment confirms the risks of inconsistency that have been identified later in this opinion, the federal authorities should draw the necessary conclusions and reassess Belgium's commitment, especially in the financial domain, to the Bank. They should also divert a part of the budget towards other multilateral institutions that are more in line with the objectives of Belgian cooperation. This assessment must pertain especially to the IFC and the projects that it supports via independent financial structures.

1.3. The need to reassess our commitments to the World Bank appears to be all the more important due to the context of a structural decrease in public aid for development, which has affected all of the players involved in development cooperation.

2. Make the decision-making processes more transparent in order to guarantee consistency between the positions upheld by Belgium within the World Bank and its national and international commitments.

2.1. The priorities that the Belgian representatives must work on within the Bank must be determined by the minister concerned. These priorities should be laid down in a **work plan** for a given period.

Committee on Economic, Social and Cultural Rights, The Right to Water, no. 15/2002 (Art. 11 and 12 of the International Covenant on Economic, Social and Cultural Rights), E/C.12/2002/11, § 36

³ OECD (2015), *Examinations of the OECD on cooperation for development: Belgium 2015*, Paris: OECD, p. 46.



2.2. This plan must be presented before and approved by the Parliament. A few countries, such as Great Britain and Ireland have already developed this kind of approach with respect to their Parliaments⁴.

2.3. This plan should include **guidelines** concerning certain domains that are significant to Belgium, such as the promotion of food security, human rights and decent work.

2.4. This work plan and these guidelines will require the various Belgian delegates to schedule **hearings** with the World Bank.

2.5. These hearings should be open to the public and should contribute in better ascertaining the policy that is adhered to within the World Bank, as well as its impacts.

2.6. The **implementation** of this work plan should be assessed regularly via an annual hearing organised by the Minister in the Parliament. It should involve the Belgian senior officers and the various ministries involved.

2.7. The Parliament should also, as is the case in the Netherlands, be informed in advance of any declarations that are to be pronounced during the two main annual meetings of the IMF and the World Bank.

2.8. For the upcoming Belgian contributions to the IDA, it would be **pertinent** to have a mandate that specifies the amount and conditions of future contributions.

2.9. All of these processes should be defined in the Law on Development Cooperation. This would guarantee a structured and transparent dialogue, and would contribute to the emergency of a true social debate on the compatibility between Belgium's international commitments and objectives on the one hand, and the policy-making that Belgium contributes to within the World Bank on the other hand.

3. Transfer ministerial responsibility for strengthening strategic coherence.

3.1. For historical reasons, the Minister of Finance is responsible for Belgium's interfacing with the World Bank. As the "development" dimension is at the heart of the Bank's efforts, a transfer of power to the Ministry for Development Cooperation could not only improve Belgian policy coherence, but also make the Bank more effective as regards the objectives that it has set for itself.

3.2. This transfer can also be justified by the fact that the Belgian financing of the World Bank is part of the budget set aside for the Ministry for Development Cooperation.

⁴ The 'UK Engagement with the World Bank Group' is published every year in October. It shows the developments made in the fixed objectives over a period of 12 months. For more details, refer to: Department of International Development (2014). UK Engagement with the World Bank Group 2014/15, Listed at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/361616/UK-engagement-World-Bank-Group.pdf. For Ireland, refer to: Bretton Wood Agreement (1999). Listed at <http://www.irishstatutebook.ie/eli/1999/act/4/enacted/en/pdf>



3.3. While awaiting this transfer of jurisdiction, the Ministry for Development Cooperation should participate more systematically and formally in monitoring the policy of the World Bank. This collaboration should be subject to an agreement comprising binding provisions for an effective supervision by the Ministry for Cooperation.

4. Justification for the recommendations

4.1. Significant inconsistencies in terms of development

4.1.1. *The non-application of safeguard policies.*

06. As a subject of international law, the World Bank is bound not only by the rules laid down in its statutes or the international conventions that it is party to, but also by any pertinent rule of general international law⁵.

07. It must refrain from taking any measures that threaten the possibility, for the borrowing State, to comply with its own national and international obligations concerning human rights⁶.

08. Moreover, as a specialised agency of the UN, it is bound by the objectives and general principles of the United Nations Charter, which includes the respect of human rights and fundamental liberties⁷.

09. The World Bank has a series of instruments meant to prevent or limit the negative socio-environmental impacts that may result from its projects. In particular, it has adopted a series of social and environmental standards, referred to as “safeguards”.

10. The safeguards are meant to ensure that the projects implemented by the Bank will contribute to promoting socially and ecologically viable approaches to development, and that they will not cause any harm to the surrounding population. These safeguards include binding measures that must be observed by the World Bank and the borrowing country, as part of the projects supported by the IBRD and the IDA.

11. And yet, it is obvious that implementing these safeguards is not simple. External investigations have highlighted “systematic flaws” in this implementation. On the basis of three internal reports that examined several projects that, over two decades, have involved possible resettlements due to the displacement of local populations, the Bank itself admitted in March 2015 that “the supervision of these projects were often not documented or were inadequately documented, that the application of protective measures were not subject to the required monitoring and that the

⁵ International Court of Justice, *Interpretation of the agreement of 25 March 1951 between the WHO and Egypt*, advisory opinion dated 20 December 1980, ICJ Rec. 1980, para 37, pp. 89-90.

⁶ International Law Commission. (2011). Draft articles on the responsibility of international organisations, adopted by the ILC in the 63rd session (A/66/10, para. 87), art. 16.

⁷ United Nations Charter, articles 57, 63, 1(3) and 55(3).



increased risk of certain projects for the surrounding populations had not been assessed sufficiently”.⁸

12. According to thorough international surveys based on the documents of the World Bank, 3.4 million people have been affected by the Bank’s projects since 2004 - they were either evicted from their homes or their land, or they were deprived of their sources of income⁹.

13. From 2009 to 2013, the Bank invested 50 billion dollars in projects classified as “at greatest risk” due to social and environmental impacts deemed to be “irreversible or unprecedented” - and twice more during the previous five years¹⁰.

14. In late 2012, the World Bank launched a process to completely revise its safeguards. This process involves the participation of various key players and the Bank’s official goal is to strengthen its standards that it already deems “high”. Moreover, this exercise is just a small portion of a larger effort of globalising the institution, which aims at better operational effectiveness on the one hand, and better competitiveness in the financing market on the other.

15. However, the first two versions that resulted from this revision process (successively presented on 30 July 2014 and 1 August 2015) gave rise to serious concerns among certain officials of the World Bank and key players in civil society, who are of the opinion that the new proposed framework will weaken the protections for communities and the environment¹¹.

16. The concerns raised by the World Bank’s safeguard revision process led to 28 Special Rapporteurs and groups of experts from the United Nations Human Rights Council addressing, in December 2014, a letter to the President of the World Bank. In this letter, these independent experts pointed out the absence of any reference to upholding and promoting human rights in the proposed revisions, and also raised concerns of several significant reversals in the project as regards the human rights standards.^{12, 13}

17. A report dated 4th August 2015 from the Special Rapporteur on extreme poverty and human rights for the United Nations Human Rights Council presented a highly critical review on the place of human rights in the actions of the World Bank, and especially in its safeguards. This report describes the Bank’s approach to human rights as incoherent and counter-productive¹⁴.

⁸ The World Bank (2015). *The World Bank acknowledges failings in its resettlement policies, and announces action plan to fix problems*. Available at <http://www.banquemondiale.org/fr/news/press-release/2015/03/04/worldbank-shortcomings-resettlement-projects-plan-fix-problems>

⁹ ICJ (2015). *How the World Bank Broke Its Promise to Protect the Poor*. Available at <http://www.icij.org/project/worldbank/how-world-bank-broke-its-promise-protect-poor>

¹⁰ Ibid.

¹¹ Human Rights Watch. (2015). *World Bank: Dangerous Rollback in Environmental, Social Protections*. Available at <https://www.hrw.org/news/2015/08/04/world-bank-dangerous-rollback-environmental-social-protections>

¹² Letter from 28 Special Rapporteurs appointed by the United Nations to the President of the World Bank, 12 December. Available at <http://www.ohchr.org/Documents/Issues/EPoverty/WorldBank.pdf>

¹³ Report to the General Assembly from the Special Rapporteur on extreme poverty and human rights (A/70/274), 4 August 2015. Available at http://www.un.org/en/ga/search/view_doc.asp?symbol=A/70/274

¹⁴ Independent Evaluation group. (2008). *Environmental Sustainability: An Evaluation of World Bank Group Support*. Washington, DC: World Bank



18. This situation is problematic for the Bank as well as the shareholder countries. In fact, the Member States of the World Bank have obligations as regards human rights, which they are required to comply with even when they are part of international organisations. Belgium is therefore required to comply with its obligations concerning human rights, even when it acts as a member of the World Bank. The State of Belgium is therefore bound by its legal responsibility when decisions are taken by the World Bank.

4.1.2. *The non-application of performance standards*

19. For its part, the private loan institution of the World Bank, the International Finance Corporation (IFC), is supposed to comply with a series of “performance standards” that share the same goals as the safeguards, namely “avoid, attenuate or minimise the environmental and social impacts of projects”.¹⁵ However, the IFC’s track record is even more concerning than its fellow institutions in charge of public loans (IDA and IBRD).

20. This is largely due to the financial model of the IFC, which has more and more leaned towards financial intermediaries - commercial banks, private investment funds and hedge funds - which are supposed to be more efficient in allocating capital, mobilising private funds or targeting small and medium-scale businesses. While doing so, the IFC also requires its clients to comply with its own “performance standards”, which include social and environmental criteria. However, it entrusts these same clients with verifying compliance with these criteria in the projects that they finance.

21. This system of measuring the impacts of development of the loans of the IFC is severely flawed. According to a report of the Independent Evaluation Group (IEG) of the World Bank, this system is based on figures sent by the client financial institution - i.e. the IFC’s intermediary - which pertain to the composition of its own portfolio, such as the number of loans granted to a target segment of the economy, and the quality of this portfolio. The IFC “has only a limited understanding of the results for the final beneficiaries”¹⁶.

22. Quite unsurprisingly, it appears that several projects funded by the IFC, without it truly assessing the impacts, have involved severe violations of human rights – seizing of land, repression, arbitrary arrests or murders for suppressing protests against certain projects, etc.

23. In other cases, the IFC has in fact taken manifestly excessive risks with full knowledge of the facts. The case of the Dinant firm is a perfect example. This Honduran customer - a palm oil producer - was the third largest customer of the Honduran bank Ficohsa, in which the IFC had invested 70 million dollars in 2011. In 2010, Dinant was implicated in a land dispute during which six farmers were killed by the private security forces of the firm. The subsequent investigation of the World Bank’s CAO (Compliance Advisor Ombudsman) revealed that the IFC had approved the investment in Ficohsa in full knowledge of the fact that there were problems surrounding Dinant’s activities.

¹⁵ IEG. (2013). Assessing the Monitoring and Evaluation Systems of IFC and MIGA Biennial Report on Operations Evaluation. Available at http://ieg.worldbankgroup.org/Data/reports/chapters/broe_eval.pdf

¹⁶ Oxfam (2015). *The Suffering of Others*, Oxford: Oxfam GB, p. 2.



24. IFC's lack of control over the social and environmental impacts of its loans to financial intermediaries is all the more concerning, as this type of loan has been steadily growing ever since the 2008 crisis. It now represents 62% of the IFC's loans, which themselves constitute 50% of the activities of the World Bank Group¹⁶.

4.1.3. *The World Bank as regards agriculture and food security*

25. The sector of agriculture and food security merits a specific observation. The strategies of the World Bank in this sector lean towards the insertion of commercial operations in the value chains and provisioning of international markets.

26. However, this agriculture development model often results in negative consequences on family farming, food security and land governance, three major priorities of Belgian cooperation¹⁷.

27. The review of the indicators of the Doing Business report for 2016 accentuates these concerns. Since 2002, the World Bank has published this annual report, classifying countries according to the business climate and the facilities afforded to investors.

28. In the agricultural sector, improvement in the business climate frequently encourages land seizures, especially in countries plagued by weak governance. For example, the reforms that helped the Philippines improve their position in this classification allowed “investors” in this country to develop monocultures to the detriment of the local communities, who were evicted from their ancestral lands.

29. The Bank also promotes its agricultural model by drawing up frameworks for analysis and reference indicators, addressed to political decision-makers. In particular, these are the Land Governance Assessment Framework (LGAF) in the land governance domain and the Enabling the Business of Agriculture in the agricultural sector.

30. However, these reference frameworks are not always aligned with the international standards concerning land governance or responsible investment in agriculture¹⁸. At the national level, the World Bank implements its analysis frameworks by encouraging governments to privatise agricultural industries, which can harm small-scale producers in particular¹⁹, and by setting up investment promotion agencies.

¹⁷ DGD. (2010). *Strategic note for the sector of agriculture and food security* of Belgian cooperation. It encourages support for “family farming with a view to contribute to the food security of populations and a sustainable growth that also creates decent work”.

¹⁸ Monsalve Suárez, S., & Brent, Z.W. (2014). Why the World Bank is Neither Monitoring, Nor Complying with the FAO Guidelines on Responsible Tenure of Land, Fisheries and Forests. In *Keeping Land Local: Reclaiming Governance from the Market* (pp. 45–61). Available at <http://focusweb.org/landstruggles>. The “Principles for responsible investment in agriculture that respects rights, livelihoods and resources” were presented in September 2010 by the World Bank with the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD) and the United Nations Conference on Trade and Development (UNCTAD). They were revised by the Committee on World Food Security (CFS). On 15 October 2014, it submitted the “Principles for a responsible investment in agriculture and food systems”. Listed at <http://www.fao.org/3/aau866f.pdf>

¹⁹ Letter from the UN Rapporteur on Right to food and the UN Independent Expert on foreign debt to World Bank to President of World Bank, 9 October 2012.



31. Since the food crisis of 2007/2008, the World Bank has significantly increased its investments in the agricultural sector. This increase was mostly via its private branch (IFC), which funds large projects of the agri-industry²⁰.

32. Despite several international reports on their problematic social and environmental effects, the Bank continues to support the development of this type of agricultural business, especially in Sub-Saharan Africa, which, according to its analyses, “has more than half of the unused cultivable land in the world”²¹.

4.1.4. *The World Bank and decent work*

33. The Report on development in the world 2013: the jobs prepared within the World Bank recommends that the development strategies should be reviewed through the prism of employment. The report also strongly states that all forms of work must go hand in hand with the rights laid down in the core labour standards of the International Labour Organisation²² and must be supported by better access to social protection. This opinion is in line with the positions of Belgium, as upheld in the Law on Development Cooperation dated 13 March 2013.

34. The same report reveals that the idea according to which labour market regulations would constitute obstacles to growth, an idea that has long been supported by the World Bank, has not been supported by empirical proof.

35. Even though it could very well be a positive development, the World Bank, via its policies and the publishing of other reports, continues to encourage the deregulation of the labour market. Although the Doing Business report no longer includes the hiring of workers indicator since 2009, the authors of this report continue to publish data related to this indicator in an annexe, which also contains comments supporting the deregulation of the labour market.

²⁰ The investments of the IFC have more than doubled between the periods of 2006-2008 and 2010-2012. Refer to World Bank Group, “Agriculture Action Plan 2013-2015”.

²¹ World Bank. (2013). *Growing Africa: Unlocking the Potential of Agribusiness*. Washington, DC: World Bank. ²² The core labour standards are internationally recognised fundamental human rights for all workers across the globe, irrespective of the level of development of the country. They are defined in the conventions of the ILO and cover freedom of association and the right to bargain collectively (convention nos. 87 and 98), the elimination of discrimination in work and professions (convention nos. 100 and 111), the eradication of all types of forced or compulsory labour (convention nos. 29 and 105) and the effective abolition of child labour, including its worst forms (convention nos. 138 and 182).

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36. Similarly, a report published in 2014 by the Bank as part of the implementation of its objective to promote shared prosperity with the 40% most underprivileged included a recommendation for even more flexible labour markets²³.

37. In addition to the key role that the World Bank should play in promoting decent work, of which the guarantee of international labour standards and rights is an integral part, the Bank should also ensure that the compliance with these standards is also guaranteed while implementing its own policies and measures.

38. Whether it concerns the revising of the safeguards or decent work, at this level there is a lowering of standards in the Bank's safeguards, which also affects the guarantee of right to work and social dialogue.

39. As mentioned earlier, the new framework of the safeguards will include an environmental and social standard (Environmental and Social Standard 2: Labour and Working Conditions - ESS 2) which will be significantly inferior to the safeguards for labourers laid down by other multilateral development banks as well as, within the World Bank group itself, by the IFC.

40. The ESS2 standard lays down terms for the respect of specific interdictions related to forced labour, child labour and discriminatory practices, but, regarding the freedom of association and the right to collective bargaining, it only states that these rights will be integrated in the projects funded by the Bank insofar as they are recognised by the national laws. This indicates that the managers of the Bank's projects could adopt repressive measures against the workers seeking to exercise their freedom of association, unless this right is explicitly protected by national law.

41. Finally, the standard also lays down terms that break away from the above as well as the practices of the ILO, by creating a separate and limited category of rights for civil servants that work under a project. More specifically, it will not include any right to information concerning the working conditions, to a mechanism for addressing complaints, to freedom of association or any protection against discriminatory practices.

42. If the ESS2 standard draft on labour and working conditions is adopted as is, it would constitute a step backwards of nearly a decade for the Bank, i.e. to before 2002, when it began to support the core labour standards. The draft does not make any mention of the ILO, its eight fundamental conventions or the fundamental rights and principles of work. Moreover, for the first time since 2002, through the environmental and social framework of the ESS2, the World Bank suggested that it rejects the concept of core labour standards as an indivisible whole.

43. This is what has caused Belgium, as regards its activities within the World Bank, to call into question the application of its international commitments and the Law of Development Cooperation dated 19th March 2013, along with the requirements of the policy coherence for development that are included in it.

²³ World Bank (2014). A Measured Approach to Ending Poverty and Boosting Shared Prosperity: Concepts, Data, and the Twin Goals. Washington, DC: World Bank.



4.2. Belgium in the decision-making process of the World Bank

4.2.1. *The decision-making process of the World Bank*

44. The World Bank has two major decision-making bodies. The Boards of Governors is the highest decision-making authority. It meets twice a year during the spring and autumn meetings. However, this Board has delegated a major portion of its authority to the Boards of Directors.

45. The Boards of Directors is therefore, in practice, the most important decision-making body within the World Bank. It meets twice a week and takes decisions on the funding of projects and on policy-related documents (energy policy, safeguards, etc.).

46. The Boards of Directors is made up of 25 administrators, who are called executive directors. This Board is chaired by the President of the World Bank. Each executive director represents a group of shareholder countries of the Bank, although certain countries, due to the significance of their votes (which depends on their financial contribution to the Bank), have one director for themselves²⁴.

47. Decisions are taken by consensus, via formal and informal discussions held beforehand. These discussions, like all decisions taken within this Board, are not made public, in accordance with the rules of the World Bank.

4.2.2. *Belgium's influence in the World Bank*

48. Belgium is part of one of the most important groups of countries in the Bank, when taking into account the weight of votes in the institution. This group has 9 other countries²⁵.

49. Belgium is currently occupying the role of executive director for the Boards of Directors for the period 2014-2018. It also supplies two of the seven councillors of this group. The country also has a Belgian delegate within the International Development Association (IDA). This delegate is generally a senior official from the Ministry of Finance. He negotiates the funds that Belgium provides to this institution.

50. The rules governing the weighting of votes varies from one institution to another, but are essentially dependent on the capital contributed to the agency in question. In the Multilateral Investment Guarantee Agency (MIGA), Belgium and its electoral group are the second largest contributors. In the International Bank for Reconstruction and Development (IBRD) and the

²⁴ The countries that have a director are: the United States, France, the United Kingdom, Germany, China, Russia, Japan and Saudi Arabia.

²⁵ The group that Belgium belongs to, EDS 10, has 10 countries in it. These countries are as follows: Belgium, Turkey, Austria, Hungary, Belarus, Luxembourg, Slovenia, Czech Republic, Slovakia and Kosovo.



International Finance Corporation (IFC), Belgium's group is in third place. From 2014 to 2022, our country has undertaken to provide the International Development Association (IDA) with a record sum of 379.58 million Euros²⁶. In terms of percentage of votes in the IDA, it is in seventh place²⁷.

4.2.3. *The manner in which Belgium takes a stand in the World Bank*

51. A clear distinction must be made between the positions of the group of countries that Belgium belongs to, and the positions of Belgium itself within this group.

The decision-making process within the electoral group

52. The positions that are adopted in a given case or project by the executive director on behalf of the group are theoretically the subject of a deliberation between the member countries.

53. The positions of the group are prepared in collaboration with the executive director and his team, which is made up of representatives of multiple countries from the electoral group. As regards the multitude of cases and projects, the executive director, in practice, plays an important role in defining the position of his group. For sensitive cases and/or those that are important to the member countries of his group, he confers with them for longer periods.

54. In practice, each country is free to send its contributions to a case to the executive director. In general, a country contributes if a point on the agenda attracts its attention. If a country does not have a specific contribution, the point is left to the discretion of the sole director.

55. As regards the communication of the Belgium's group's positions to the Board, our representative must comply with the confidentiality agreements and rules applicable within the World Bank. Therefore, he cannot reveal any of the discussions that take place within the Boards of Directors that he sits in.

56. However, an individual electoral group or country (if it is not part of an electoral group) is free to make its positions public if it wishes to and if the electoral group agrees.

57. As regards the safeguards that aim at reducing the negative social and environmental impacts of the activities funded by the World Bank Group, certain electoral groups have already decided to publicly reveal their position, given the sensitive nature of the subject.

²⁶ Royal decree amending the royal decree dated 10 April 2014 pertaining to Belgium's contribution to the seventeenth replenishment of the resources of the International Development Association (IDA 17). Available at http://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=nl&la=N&table_name=wet&cn=2015041608

²⁷ World Bank (2015). *Shareholding review: report to governors*, pp. 58, 62, 66, 70. Washington, DC: World Bank. Available at <http://siteresources.worldbank.org/DEVCOMMINT/Documentation/23689867/DC2015-0007%28E%29Shareholding.pdf>



Belgium's positions

58. From a legal point of view, Belgian participation in the World Bank falls under the purview of the Minister of Finance. Nevertheless, in practice and in less sensitive cases, the Belgian representatives, and in particular the executive director, usually have a certain amount of leeway in determining the Belgian positions, which are then translated by the Belgian representatives, and especially the executive director, into positions that they will defend within the electoral group²⁸.

59. However, the financial contributions of Belgium are part of the Development Cooperation budget²⁹.

60. The Finance authorities can work together on certain cases with other departments, such as the Directorate-general for Development Cooperation and Humanitarian Aid (DGD). In practice, the Finance and Development Cooperation departments regularly consult each other, especially concerning the refinancing of the IDA, the body that supports countries with the lowest incomes.

61. This cooperation between these two departments is important, given that the Bank has a dual task of putting an end to extreme poverty and promoting shared prosperity and greater equity in developing countries.

62. Despite the importance of this development dimension, this cooperation is not a systematic approach, nor has it been formalised. The final decision on the Belgian positions, even in the IDA, is not made by experts in the field of development, but the SPF Finances.

Transparency and accountability of the Belgian positions

63. The World Bank is a development bank. Hence, it is financed via public funds. Belgium has a significant influence in it. We are therefore fully entitled to seek a transparent policy within this international institution, and an accountability of the representatives with respect to Belgian citizens, via the Parliament and other channels. In reality, this dimension needs to be improved.

64. The Chamber of Representatives is only partially informed of Belgian policy in the World Bank. The Parliamentary questions on the World Bank's policy are generally brushed aside without a clear response.

65. The revision of the safeguards is one of the most radical policy revisions of the Bank in the past 25 years. Several countries have publicly communicated their

²⁸ In Belgium, the representation in the World Bank, the International Monetary Fund and regional development banks falls under the exclusive purview of the Ministry of Finance. This was always the case. This exclusivity was determined via the Royal decree pertaining to the trusteeship of the International Bank for Reconstruction and Development, the International Development Association, Asian Development Bank, the Asian Development Fund, the African Development Bank and the African Development Fund, dated 12 November 2001, on the suggestion of the Minister of Finance who was in office at that time. ²⁹ Refer to Art. 3 of the Royal decree dated 12 November 2001.

²⁹ Refer to Art. 3 of the Royal decree dated 12 November 2001.



position on this issue³⁰. Belgium did not do anything of the sort, despite several Parliamentary questions being asked about this over the past three years.

66. Belgium's refusal could be justified by the rules of its electoral group. Belgium cannot communicate the position of its group without the approval of the other nine countries. However, this argument cannot justify the refusal to reveal Belgium's own positions³¹.

67. Every three years, the Ministry of Finance handles the amount granted to the IDA by specifying it in a law. However, the Parliament is not informed sufficiently in advance of the issues and priorities linked to this contribution. It is only informed of the amount allocated when the law is voted on. In theory, members of Parliament could ask for a debate or reject the law, but this has never occurred.

68. As regards civil society organisations, the heads of the development-focused NGOs and the ministries and cabinets of SPF Finances and Development Cooperation have been cooperating with each other for a few years. This dialogue currently occurs twice a year, during the spring and autumn sessions of the World Bank.

69. The Belgian executive director, when he returns to Belgium, usually meets with the NGOs before the spring and autumn sessions³². This meeting also allows them to discuss topics considered important to the key players of civil society. The ministries are also open to listening to or receiving contributions from NGOs. However, the latter do not really have the possibility of keeping themselves informed about the follow-up to their recommendations.

70. Moreover, it is not unusual for there to be no response - or just an oral response - given to civil society concerning Belgium's positions in specific cases. This was the case for the revision of the safeguards of the Bank³³.

³⁰ World Bank, Safeguards review:

https://consultations.worldbank.org/Data/hub/files/german_position_on_safeguards.pdf;
https://consultations.worldbank.org/Data/hub/files/nordic_baltic_comments_of_27_feb_2015.pdf ;
https://consultations.worldbank.org/Data/hub/files/french_non-paper_on_safeguards.pdf ;
https://consultations.worldbank.org/Data/hub/files/consultation-template/review-and-update-world-bank-safeguardpolicies/en/materials/final_statement_eds18_-_vf.pdf

³¹ At a meeting with the European executive directors in May 2015, the Belgian executive director emphasised that he could not communicate the position of the electoral group, but that the national governments were free to do so.

³² Due to budgetary restrictions concerning the electoral group, these meetings will likely be limited to once a year starting from 2015.

³³ A slight exception was made for Belgium's position on the revision of the safeguards on the [EDS10 website](#), when viewed on 13 July 2015



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