

Why We Must Open the Meetings of the IMF and World Bank Boards: The Case of User Fees on Primary Healthcare in Tanzania

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One of the most controversial “structural adjustment” policies promoted by the World Bank and the IMF is the imposition of user fees on primary healthcare and education. These user fees have been associated with lower school enrollment and reduced access to primary healthcare. For some years, the World Bank, while acknowledging problems with the implementation of user fees, defended them in principle on the grounds that there were, or were supposed to be, exemptions for the poor, even though, as the World Bank was eventually forced to admit, the track record indicates that exemption schemes do not work.

In response to the World Bank’s refusal to abandon support for user fees on primary health and education, in October, 2000, the U.S. Congress passed legislation requiring the U.S. representatives at the International Monetary Fund and the World Bank to oppose any loan or debt relief agreement which included “user fees” on access to primary healthcare and education. [1] This legislation was supported by a broad array of civil society groups in the United States, including the AFL-CIO trade union federation, which stated, “The IMF and World Bank should not condition one dollar of debt relief or development financing on the creation, expansion, or continuation of a user fee program by a borrowing country. No loan agreement, decision point document, or poverty reduction strategy paper should contain such a requirement, and the United States must make it clear to the World Bank and the IMF that future support for these initiatives will depend on the institutions’ assurances that users fees have been eliminated. Of course, the U.S. Executive Directors [who sit on the boards of these two

institutions] must also be instructed to vote against any program or document that includes user fees.” On the question of exemptions for the poor, the AFL-CIO noted, “The World Bank’s own Operations and Evaluation Department and its most recent World Development Report have recognized the limited utility of exemption programs in mitigating the harm caused by these user fees.” [2]

One month later, the Poverty Reduction Strategy Paper (PRSP) for Tanzania came before the World Bank and IMF boards. The PRSP is purported to be a planning document prepared by developing country governments, in consultation with the IMF and the World Bank, with broad civil society participation, outlining a plan for reducing poverty in the country—in accord with the reformed focus of the institutions on poverty reduction in poor countries announced as part of the “enhanced” debt relief initiative agreed to at the G7 meeting in Cologne.

The “interim” PRSP for Tanzania had included user fees on primary healthcare. Nongovernmental organizations and members of Congress who had supported the legislation requiring the U.S. to oppose user fees on primary healthcare and education wrote to the U.S. Treasury Department, then still under the supervision of the Clinton administration, and reminded Treasury that law required the U.S. to oppose the Tanzania PRSP if it included user fees on primary healthcare. At the time of the Board meeting, the Tanzania PRSP—a document that supposedly resulted from a broad consultation with civil society in Tanzania—was a secret document.

What actually happened at the board meeting is known with certainty only to those who were present, because the board meetings are secret, and no minutes are publicly available. However, there is a summary of the discussion. This is a secret document that is only distributed to World Bank and IMF management and government representatives. The cover page states: "This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization." [3] In this case, the document was leaked to nongovernmental organizations. The summary is a redaction of the minutes, in the sense that it does not indicate who said what, a critical piece of information for holding governments accountable for what policies they support or oppose at the institutions.

Nonetheless, in this case the summary is telling. The summary contains the following sentence: "Staff noted the concern of many NGOs over the existence of user fees in the health sector but pointed out that the poor were exempt from these charges."

But the nongovernmental organizations that were concerned about the inclusion of user fees on primary healthcare were concerned precisely because exemption schemes have failed. Thus, while "noting" the concern of NGOs, the institutions were in fact completely ignoring them.

But what is even more telling is that this is the only mention of the issue of user fees on healthcare in the document. The document summarizing the discussion is seven pages long, and has a specific section on healthcare. Yet while the concern of NGOs is noted, there is no record of any government representatives in the meeting registering any objection or concern. While the summary does not tell us who said what among the government representatives, it does tell us that no government representative—including the U.S. representative—said anything on the subject whatsoever, unless we are to believe that an objection or comment by the representative of the government holding one-fifth of the shares of the institution would not be considered noteworthy by the staff person preparing the summary of the discussion.

It is a remarkable fact, that even when the U.S. Congress, which controls U.S. appropriations to these institutions, went to the trouble of passing a specific law requiring the U.S. representative to oppose a particular policy, the U.S. representative apparently had nothing to say when the subject was discussed in the board meeting.

It might be thought that this is a matter solely between the U.S. Treasury and the U.S. Congress. It is not. It is precisely because the meetings of these organizations are secret that it is up to the discretion of the government representatives to share what

information they like and represent their governments as they choose.

Notes:

- [1] Public Law 106-429, Section 596. "The Secretary of the Treasury shall instruct the United States Executive Director at each international financial institution (as defined in section 1701(c)(2) of the International Financial Institutions Act) and the International Monetary Fund to oppose any loan of these institutions that would require user fees or service charges on poor people for primary education or primary healthcare, including prevention and treatment efforts for HIV/AIDS, malaria, tuberculosis, and infant, child, and maternal well-being, in connection with the institutions' lending programs."
- [2] Letter from David A. Smith, Director, Department of Public Policy, AFL-CIO, to Timothy Geithner, Under Secretary for International Affairs, U.S. Treasury Department, October 11, 2000.
- [3] Summary of Discussion at the Meeting of the Executive Directors of the Bank and IDA, November 30, 2000, International Bank for Reconstruction and Development, International Development Association, December 15, 2000.

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