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Folder Title: President Wolfensohn - Briefing Book for President's Meetings and Events - Town Hall Meeting - Latin America and Caribbean [LAC] Regional Staff on LAC Central America Trip - March 11, 1998

Folder ID: 30490241

Series: Meeting and event briefing materials

Dates: 03/01/1998 – 03/11/1998

Subfonds: Records of President James D. Wolfensohn

Fonds: Records of the Office of the President

ISAD Reference Code: WB IBRD/IDA EXC-13-10

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President Wolfensohn - Briefing Book for President's Meetings - Meeting Material
Townhall Meeting - Latin America and Caribbean [LAC] Regional Staff on LAC

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A. CLASSIFICATION

☒ Meeting Material
☐ Tips
☐ Speeches

☐ Annual Meetings
☐ Corporate Management
☐ Communications with Staff

☐ Phone Logs
☐ Calendar
☐ Press Clippings/Photos

☐ JDW Transcripts
☐ Social Events
☐ Other

B. SUBJECT: TOWNHALL MEETING: LATIN AMERICA & CARIBBEAN REGIONAL STAFF ON LAC-CENTRAL AMERICA TRIP (B) (N) // TIME: 9:30 -N 10:30 P.M. // VENUE: H AUDITORIUM // CONTACT: BURKI @ 82332 // JENNIFER @ 38875 IN ATTENDANCE: JDW, MARISELA // LAC REGIONAL AND TRIP-RELATED STAFF, INCLUDING EXECUTIVE DIRECTORS, MANAGING DIRECTORS, EXC STAFF, IFC, MIGA, DEC, EDI // NOTES: 2/23 ITEM MOVED FROM MARCH 11 PER BURKI'S REQUEST // (2/24) ITEM MOVED BACK TO MARCH 11 PER BURKI'S REQUEST // (2/27) NEW TIMING CONFIRMED WITH JENNIFER ABNER - SWITCHED FROM 10 A.M. // (B) BY S. ZEIJLON/KALANTZOPOULOS // DUE: TUES, MARCH 10 // EXC: MM // ALI (2/20) // LFG (2/23)

Brief includes:

- Agenda, IFC Meeting with JDW
- Note to JDW from C. Anstey, Mar. 10
- Trip to Central America: Meeting Participants and Main Themes per Country
- Note to M. Montoliu from D. Dowsettcoirolo: Central America Trip: Main Points; Main Themes & Messages
- People to Thank
- Dominican Republic
- Meeting Participants & Themes
- Main Outcomes & Messages
- People to Thank
- Press Article

DATE: 03/11/98

C. VPU

Corporate

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☐ IFC
☐ Inspection Panel
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D. EXTERNAL PARTNER

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☐	Private Sector

☐	Part I
☐	Part II
☐	Other

E. COMMENTS:

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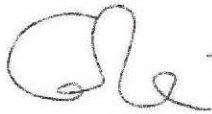
File Title President Wolfensohn - Briefing Book for President's Meetings and Events - Town Hall Meeting - Latin America and Caribbean [LAC] Regional Staff on LAC Central America Trip - March 11, 1998		Barcode No. 30490241		
Document Date 11 March 1998	Document Type Agenda			
Correspondents / Participants				
Subject / Title IFC Meeting with Mr. Wolfensohn - Proposed Agenda				
Exception(s) Information Provided by Member Countries or Third Parties in Confidence				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. <table border="1"><tr><td>Withdrawn by Diego Hernández</td><td>Date July 24, 2025</td></tr></table>	Withdrawn by Diego Hernández	Date July 24, 2025
Withdrawn by Diego Hernández	Date July 24, 2025			

JDW:

For your LAC Townhall tomorrow you will be connected by video to Mexico, Brazil, **Guatemala**, Peru,

You will be connected by audio to Colombia, Venezuela, Ecuador, Bolivia, Haiti, Jamaica, **Honduras and Nicaragua**.

**We estimate about 4 questions - two from the field and two from HQ -
We have asked Guatemala if they will go first.**



Caroline

3/10/98

Central America Trip
Participating Board Members:
* Roberto Jimenez - Ortiz
(Advisor to Mr. Del Bufalo for El Salvador)
* Oscar Nuñez - Sandoval
(representative of Honduras - participated only in the visits to Honduras, Panamá and Nicaragua.
[the Dominican Republic Board representative did not join the mission.]

TRIP TO CENTRAL AMERICA
March 1-7, 1998

Meeting Participants and Main Themes per Country

Sketch of
Meetings
Central America

Guatemala (Sunday-Tuesday, March 1-3, 1998)

Meeting No. 1: Meeting with Peace Commission (in Hotel Santo Domingo, Antigua)

Former Finance Minister Raquel Zelaya
Former Guerrilla Comandante Jorge Soto (URNG)
UN Verification Mission Head, Jean Arnault
Former Head of UN-ECLA, Gert Rosenthal
Representative of the Banking Sector, Eduardo Gonzales

- Importance of presence of a multi-party commission to ensure longer-term action beyond electoral cycles and broad societal representation
- Bank has provided technical support on the negotiation of accords (e.g. "Socioeconomic and Rural Issues" and "Schedule of Implementation") and on their implementation, as well as financial support to education, land, justice modernization of the state, and reintegration of ex-combatants

Meeting No. 2: Rigoberta Menchu, Nobel Price for Peace (with Mr. Meono, Executive Director of her Foundation)

- Importance of appropriately addressing the issue of *land* in the implementation of peace accords
- Discussed main issues with the repealed land tax law: (i) land confiscation; and (ii) local governments' inability to serve as tax collection agents for national government. Need for improvement of the law and better participation of the population in its discussion
- Ms. Menchu offered diagnostics of the educational situation of Guatemala, developed by her foundation

Meeting No. 3: Reception with representatives of Guatemalan society (at Hotel Santo Domingo, Antigua)

Meeting No. 4: Trip to Concepcion de Tatuapa, San Marcos

Leonel Barrios (Governor)
Monsenor Ramazzini (Bishop of San Marcos)

Community Leaders

Teachers

Mayan elders (Maestro Cirilo, among them)

Women and NGO representatives

- Visit to the School
- Meeting with Mayors and other leaders

Meeting No. 5: Dinner at President Alvaro Arzu Irigoyen and private meeting

Meeting No. 6: Signing of Education loan and Meeting with Bank Resident Mission Staff

El Salvador (Tuesday-Wednesday, March 3-4, 1998)

- Meeting No. 1: Meeting with National Commission on the Plan de Nacion**
Finance Minister Manuel Hinds
Minister of Economics Zablah
Representatives of National Commission (including from the leftist opposition)
- Mr. Wolfensohn manifested strong support for the general tenets of the Plan de Nacion, and offer Bank Group support in the implementation
 - Again, support for the decision to establish a National Commission that would ensure societal participation and dialogue and long-term commitment
- Meeting No. 2: Discussion with Business and Financial Leaders of the Region**
- Impact and lessons from East Asia
 - Role of technology in development (and, specifically, education)
 - Issues in the banking system in Nicaragua (Bank to review issue of 17% reserve requirement)
- Meeting No. 3: Dinner hosted by President Armando Calderon Sol and private meeting with the President**
- Meeting No. 4: EDUCO Ceremony in School in Santa Tecla**
- Remarks by representatives of parents, teachers and students
 - Emphasis on the cutting-edge nature of this project and its replicability in other Bank client countries

Nicaragua (Wednesday-Thursday, March 4-5, 1998)

- Meeting No. 1: Welcoming event in Airport**
President Aleman, members of his cabinet, and representatives of
Mesoamerican Corridor program
- Meeting No. 2: Visit to Pig Farm in Poselttega**
- Meeting No. 3: Visit to the home of Mrs. Violeta Chamorro**
- Meting No. 4: Discussion with President and Economic Cabinet on Nicaraguan
Debt and HIPC**
- Meeting No. 5: Dinner hosted by President Aleman**

Panama (Thursday, March 5, 1998)

Meeting No. 1: Lunch hosted by President Balladares

Meeting No. 2: ARI Meeting (Authority for reverting the Canal Area) and Helicopter Tour

Meeting No. 2: Manzanillo Port Discussion (IFC Investment) in Free Trade Zone

Costa Rica (Thursday-Saturday, March 5-7, 1998)

Meeting No. 1: Breakfast with staff of RUTA global partnership, local Regional Implementation Mission, selected multilaterals and bilaterals

Meeting No. 2: Ride on silent aerial tram at Braulio Carrillo National Park
President Figueres and members of cabinet, NGO representatives

- Discussion of issues of carbon sequestration
- Highlighting of efforts of Figueres' government to put Costa Rica at the forefront of carbon offset market development

Meeting No. 3: Visit to INBio, GEF-funded Environmental Research Agency

- Presentation on the Mesoamerican Biodiversity Corridor, bioprospecting, and bioliteracy issues
- Role of local communities in bioprospecting and potential for participation
- Acceptance of species named after JDW (*metamasius wolfensohni*)
- Drive back to hotel on electric bus

Meeting No. 4: Dinner hosted by President Figueres with the participation of President Elect Rodriguez

- Dinner symbolized strength of Costa Rica's democratic government, smooth transition

Honduras (Saturday, March 7, 1998)

Meeting No. 1: Visit to San Felipe Hospital, which benefits from Bank's social fund and nutrition/health projects

Archbishop Rodriguez

First Lady, Mary Flake de Flores

- Wholly approach to maternal and children's health
- Use of technology to support monitoring

Meeting No. 2: World Bank Facilitation Office

- Presentation by Steve Maber of integrated software to record and monitor project progress

Meeting No. 3: Visit to AGAPE Facility for Street Children, directed by Archbishop

Meeting No. 4: Lunch with President Flores, Mrs. Flores and other Honduran authorities at Casa Ramon Rosa



ddowsettcoirolo@worldbank.org on 03/11/98 08:40:02 AM

CENTRAL AMERICA

Country - By - Country Points

Subject: Central America Trip - Main Points

Marisela:

These are a couple of main points by country:

1. Guatemala

- **Peace Commission** a very unique institutional arrangement not common in other post-conflict countries; keeps the parties talking; transcends individual administrations
- **Deep interest in peace in the countryside**; very articulate people in San Marcos; meeting with Mayan elders especially impressive; also Rigoberta Menchu
- Interesting case of support not just to Executive branch, but also Judiciary and Legislature (signed IDF for latter)
- Enthusiastic, motivated Resident Mission; IFC about to co-locate

2. El Salvador

- **National Development Commission** a very interesting effort to develop a national vision the country can agree on, which should transcend political cycles
- **Meeting with businessmen**: pretty much accept the need for competitiveness and opening to the global economy. Interesting that questions were almost entirely on social, gender, environment issues.
- EDUCO ceremony very moving

3. Nicaragua

- Country's future and poverty alleviation linked with **agriculture and reactivation of the rural economy**.
- Still a **polarized country**, where the type of vision exercise El Salvador is doing could be useful in building consensus.
- **Extremely poor** (second in LAC after Haiti). Clearly a good case for the HIPC initiative, earlier rather than later, because debt service is seriously limiting ability to attend social and economic development needs.

4. Panama

- **Impressive economic reform program over last few years**, has changed dramatically environment for private

*From ERW:
Exclusion of
women in
Nicaragua -
what can be done?*

sector development.

- Government seems to be well prepared for assuming responsibilities of Canal; major investments will be needed to make good economic use of the reverted areas around the Canal -- lots of potential for private infrastructure development and IFC role

5. Costa Rica

- The aerial tram ride
- Potential market in trading carbon offsets can have major benefits for developing countries; Bank will look into what it can do to actively stimulate this market
- Biodiversity and the Meso-American Corridor (and the beetle!)
- RUTA: interesting example of interagency and inter-country partnerships on rural development and environmental protection
- Participation of the President and the President-elect, and their wives and core staff, in the dinner an impressive example of political maturity

6. Honduras

- Participation of Monsignor Rodriguez a good sign of opening dialogue and cooperation with the Church in Latin America (the Cardinal of Managua also joined the dinner in Nicaragua)
- Center for street children (AGAPE) a good example of cooperation among the Government, the Bank (through the Social Fund) and the Church
- Facilitation Office: cooperation with UNDP; Steve Maber's initiative in creating a new information system for project supervision which can be shared between the field, resident missions and headquarters
- President Flores very interested in support for cultural heritage and developing a sense of pride in national identity. Likely to be a very quick LIL.
- Concern over drought effects of El Nino, especially energy supply and fires; Bank will see what it can do to help

Everywhere:

Strong commitment to education (El Salvador especially noteworthy for EDUCO and Costa Rica for excellence in work with computers in the classroom)

Interest in more support for strengthening of judicial systems

MR. and MRS. WOLFENSOHN'S
TRIP TO CENTRAL AMERICA AND PANAMA

MARCH 1-7, 1998

The main theme for this trip was that Central America and Panama is a region of forward momentum and growing hope. It is at peace; it is democratic; it is basically stable in macroeconomic terms. The region has significant poverty and in most countries a badly skewed income distribution, but this is coupled with a recognition in most quarters that these facts must change.

This trip was designed around regional themes, each illustrated in one or more countries. Those themes included: post-conflict healing; poverty reduction; indigenous peoples' development; private and financial sector development; consensus building with civil society; debt and HIPC; environment; agriculture and rural development; social safety nets and health; relations with the church; private infrastructure development; and economic reform.

Some of the main messages that have come out of the visit are the following:

Reducing poverty and exclusion, especially important as the basis for sustaining peace.

This theme was addressed in all countries. In post-war societies it is particularly important that hope be shared by all, and this hope will be based on better education and health, better linkages (such as rural roads) between people, and also on productive investment in communities. Important in all countries will be the employment creation and growth contributed by more competitive private sectors. In Costa Rica, where democracy has so long been established and social programs so well developed, poverty and inequity are much lower than in other countries.

Building consensus to endure beyond single political cycles, and establishing a national vision of development. In El Salvador, Mr. Wolfensohn met with the Presidential National Commission on Development and learned of the national vision statement they have drafted. This vision, based on enduring basic elements of human development, was less subject to variation with changes in government than schemes based on particular party platforms. Education, health care, communications within the country and abroad, a sound financial system, a fair and accessible judicial system, capable institutions and good rules for managing the environment, transparent and trustworthy regulations for markets, and an efficient government focused on providing services that cannot be provided elsewhere--these are the enduring themes, the elements of long-term development, the areas where the Bank can be of the most help. In Costa Rica, Mr. Wolfensohn heard of another national vision, this time based on education for globalization (increasingly in Spanish and English, computerized, and internationally linked), and preservation of biodiversity while exploring its usefulness to the world.

Extending education to more people, especially girls, improving its quality, and seeing the vision for the future in education attuned to preparing people for a global marketplace. A long-term commitment to education is at the heart of the region's future aspirations, both in terms of creating skilled and productive workforces, but also for giving young people the kind of hope that moves them away from war, violence and drugs, and towards working for peace. Mr. and Mrs. Wolfensohn were able between them to see schools in every country, and to join the celebration of the EDUCO project Award for Excellence in El Salvador, a model of community-managed basic education that has dramatically extended the coverage and quality of rural education, while also becoming an example of consensus-building. In Panama, Mrs. Wolfensohn observed training for teachers in multigrade teaching, a theme that also showed up in Guatemala and El Salvador.

Making the private sector the engine of growth. In El Salvador, Mr. Wolfensohn met with business leaders from the whole of Central America, and talked of the lessons of East Asia (simply put, the lesson is not to go backwards on open economies and seeking global competitiveness, but instead to make sure the financial sector is sound and well supervised, so that it is a support not a risk factor for growth). He also saw the implications of the reversion of the Panama Canal for Panama's developing further its potential as a regional entrepot.

Preserving biodiversity and encouraging sustainable development, particularly creating a harmony between indigenous peoples' livelihoods and the need to preserve biological frontiers. In Nicaragua, Mr. Wolfensohn encouraged the work going on towards the signing of the first GEF for the Meso-American Biological Corridor, a project that will soon have parallels in every country in the region. In Costa Rica, Mr. Wolfensohn was able to visit the rainforest to see the rich biological potential, for medicine, for tourism, for sustainable local employment, and to discuss the exciting potential of a new market in carbon offsets. Also in Costa Rica, Mr. Wolfensohn signed the GEF for INBio, an institute dedicated to discovering, cataloguing and exploring economic uses of life forms. (And in appreciation of his leadership in this area, the Government and INBio named a recently discovered life form, a beetle with a significant role in pollination, after Mr. Wolfensohn.)

Community-based development. The importance of having communities making decisions about their own development paths was highlighted in several places: in the highlands of Guatemala in San Marcos, Mr. Wolfensohn talked with community groups, Mayan Elders, and mayors about their needs, and the way several new projects are working with them to help--Rural Roads, Reconstruction and Community Development, and Basic Education Reform all will use the strengths of communities for choice of investments and their implementation. EDUCO in El Salvador continues to be a shining example in this area. In Panama, Mrs. Wolfensohn observed a training session for community mothers participating in early childhood development programs. In Nicaragua, Mr. Wolfensohn saw the important role of community-based, demand-driven small projects for rural municipalities, especially in his field trip to Posoltega. In

Honduras, Mr. and Mrs. Wolfensohn observed work supported through the Social Investment Fund in Honduras that is helping street children find a community (in collaboration with the church), and the Health and Nutrition project efforts to extend nutrition services and education to communities, as well as establishing radio linkages with health workers in communities throughout the country.

Restoring cultural heritage and fostering further cultural growth. In every country, Mr. and Mrs. Wolfensohn learned something of the richness and diversity of the cultural heritage. Particularly in Guatemala and Honduras, Mr. Wolfensohn and the nation's Presidents discussed the possibility of the Bank's providing support, with important partners, for restoring cultural heritage, or fostering cultural advances. The Governments will come back to us with suggestions, and we will explore these as well as the design of mechanisms to build consensus on priorities in this field.

Reducing debt burdens. In Nicaragua and Honduras, Mr. Wolfensohn discussed the foreign debt burden with the President and Economic Cabinet, stating his understanding that the extent of that burden stands in the way of greater expenditure on vital social programs, and committing to exploring all possible ways, jointly with the Government and other international agencies, to reduce that burden.

Strengthening of judiciary and other public sector functions. Mr. Wolfensohn discussed with national leaders the importance of transparent and reliable processes for justice and provision of essential services. This will be a growing area for Bank support.

Partnerships. Throughout the trip, Mr. Wolfensohn spoke of the importance of working not only with governments, but also with the private sector, civil society (including the church), and other donors.

People to Thank

Donna Dowsett-Coirolo, Director, Central America Country Management Unit

The rest of LCC2C, especially Ana-Maria Arriagada, Ian Bannon, Mark Cackler, and Sally Zeijlon, and all the wonderful support staff at HQ headed by Barbara Walker, whose tireless attention to detail and long hours cannot be overlooked.

Bernard Pasquier, Haydee Celaya and many others from IFC who made the private sector aspects of the region come alive.

José Roberto López-Cálix, Resident Representative in Guatemala, Debora López, Mario Marroquin, the region's NGO coordinator, and staff of the resident mission

Nicolette Bowyer, Country Officer on assignment in Nicaragua

Steve Mabber, Head of Honduras Facilitation Office, and staff of the office.

Shahla Torabi, Resident Representative, Regional Implementation Office in Costa Rica, RIM staff

Martin Raine and the RUTA team

Phil Hay, Peter Stephens and the team at External Affairs, who made the excellent press coverage possible.

All the task managers, team leaders, and experts across the organization who contributed to arranging events, preparing briefs, and providing back-up to the main trip team. Special mention here goes to Madalena Dos Santos, Luis Constantino, Doug Graham, Richard Ground, Guillermo Ruan and Carlos Rojas and their colleagues.

Marisela Montoliu-Muñoz, who made everything smoother

And last but not least, my newly adopted relative, *Metamasius wolfensohni*.

Mr. WOLFENSOHN'S TRIP TO THE DOMINICAN REPUBLIC

March 9, 1998

Official Meetings: Participants and Outline of Main Themes

Meeting #1: Mr. Temistocles Montas, Technical Secretary of the Presidency, and Mr. Hector Valdez Governor Central Bank

- Smith-Enron

Meeting#2: Dr. Francisco Pena-Gomez, Leader PRD

- Governance, transparency and budget management
- Critical importance of public expenditure review

Meeting#3: Civil Society

Monsenor Agripino Nunez, President, Catholic University

Andy Dahuaje, Economist

Jose Luis Aleman, Economist, Priest

Celso Marrazini, President of National Council of Entrepreneurs

Nelsida Marmolejos, Union Leader

Luciano Robles, Peasant Leader

Ana Selman, NGO -Urban Issues

Jose Vitienes, Entrepreneur

- Need for long-term approach to poverty reduction
- Clarification of national priorities
- Civil Society role in ensuring Government performance and accountability

Meeting #4: Dr. Joaquin Balaguer, Former President

- Importance of poverty reduction, health, education, environment, rural development
- Strong support for President Fernandez

Meeting #5: President Fernandez, Central Bank Governor Valdez, Technical Secretary Montas, Sec. of Foreign Affairs La Torre, Sec. of Finance Toribio, Sec. of Industry Bonetti, CDE Administrator Andrade

- Agreement on the need to build a stronger relationship: larger portfolio, resident mission
- Follow-up to National Dialogue:
 - Government's request for Bank assistance in Dialogue activities
 - Bank CAS to be based on results
 - example of El Salvador
- Importance of improving administrative efficiency of Government
- Public Expenditure Review /CAS/joint monitoring at presidential level
- Smith-Enron case/ Bank support to electricity sector

Press Conference

Issues raised by representatives of the press:

- Past history and current status of the Bank Group's lending program
- Linkage between macro policy environment and Bank program
- Smith-Enron case

DOMINICAN REPUBLIC -- MR. WOLFENSOHN'S VISIT
MARCH 9, 1998
MAIN OUTCOMES

Background

The Dominican Republic is enjoying a period of significant economic growth -- 7.3% in 1996 and 8.2% in 1997; and price stability -- 8.4% inflation in 1997. Still, the country faces deep-rooted problems with 25% of the population below the poverty line, and income inequality.

Poverty and inequality are the legacy of a protected and highly regulated economy, inefficient public enterprises, and little emphasis on social spending. Between 1980-95, only 1.5% of GDP was spent towards health, and about 1.5% of GDP for education.

A window of opportunity

The President's visit was very timely. It took place the day after the conclusion of a National Dialogue that brought together people from all parts of the society, and just a couple of months before Congressional elections.

The National Dialogue was a success, as indicated by the broad based participation and by the significant amount of interest it generated. The May Congressional elections are expected to change the balance of power in Congress and may help strengthen collaboration between the Executive and Congress as the President's party will probably increase its presence in Parliament from the current one seat to about 1/3 of the representatives.

Mr. Wolfensohn's meetings with Government, political parties, and civil society echoed the messages of the National Dialogue:

- a poverty reduction strategy based on human development;
- attention to the environment; and
- economic growth through the implementation of economic reforms.

In this context, there is enormous interest in increased Bank involvement in the country.

...But challenges remain

The Dominican Republic still faces significant challenges originating from:

- lack of accountability, transparency and efficiency in the use of public resources; and
- lack of agreement on the pace and extent of economic liberalization.

What can the Bank do?

The implementation of the National Dialogue will require a reorientation of public expenditures and increased efficiency in the use of resources, through modernization of the state and liberalization of trade and the factors of production.

The Bank can help the Dominican Republic implement the National Dialogue policy agenda through:

- a participatory CAS that reflects the agreed priorities;
- a Public Expenditure Review that enhances our country knowledge and which will precede the CAS;
- annual consultations to review progress in implementing policy reforms and the Bank's portfolio, at the highest level; and
- the opening of a Resident Mission.

Mr. WOLFENSOHN'S TRIP TO THE DOMINICAN REPUBLIC

March 9, 1998

World Bank People to Thank

Orsalia Kalantzopoulos, Country Director, LCC3C

John Panzer, Country Economist, LCC3C

Elizabeth Waters, Country Officer, LCC3C

Jamil Salmi, Sector Leader, LCC3C

Joan Schopmeyer-Medina, Assistant, LCC3C

IFC Power Sector Team (Vivek Tadvalkar and Apinya Suebsaeng)

however, at an awareness of the wider international debate on the proper framework for supervising financial conglomerates whose activities overstep national and functional regulatory boundaries. It is sad to see how completely Congress's efforts to tackle banking reform miss the point.

and Asia

This rule has virtues not shared by all capital controls: simplicity and transparency. But its success is impossible to isolate from other policies. These include strict regulation of the financial system and a strong macroeconomic policy framework: fiscal surpluses, an authentically independent central bank and the "sterilisation" of capital inflows to neutralise their impact on the money supply.

The rule has not been watertight. Short-term inflows have been disguised, for example, as export advances and as foreign direct investment. Plugging the loopholes has complicated the rules, and given significant discretionary powers to the central bank. Moreover, the rule has not helped to achieve other objectives, such as stopping the appreciation of the real exchange rate.

The lesson from Chile is therefore that controls can discourage inflows of destabilising short-term capital. But their success depends on a strong macroeconomic policy framework and strict supervision of the banking system. Even then there are dangers: officials must be given large discretionary powers, and in few countries will these powers be used as disinterestedly as they have been in Chile.

failed – which they deny – it is not for want of trying.

Japan's leaders make much the same argument on the domestic

significantly after April. This cuts little ice with the US administration. After all, US officials argue, the law could either be repealed or, more likely,

position in his party and the country. Mr Hashimoto is a loner within the Liberal Democrats. As such, he relies on public support to justify his mandate. When he

done, politicians and bureaucrats could work quickly together to formulate policy. Bureaucrats wielded considerable power.

This is no longer true. Japan's

that Japan something the wants – let alone complex difficult policymaking.

OBSERVER

Line baited for Fischer

It's an ill wind that blows nobody any good. And sure enough Saturday's rebellion of the left-wing pacifist "fundis" in Germany's Green Party has helped kill off speculation that Joschka Fischer, the Greens' most prominent politician, could become foreign minister in a future left-of-centre government in Germany.

Fischer has recently swapped his former *bon vivant* lifestyle for a dietary and jogging regime which has allowed him to shed a few kilos and put on some more gravitas.

His name was prominent in yesterday's German press as a possible foreign minister should Gerhard Schröder, the Social Democrat party's telegenic challenger, topple Helmut Kohl in the September general election.

This little flurry of media speculation was not really surprising, considering that it was Schröder who first brought Fischer's name into play for the post.

But to be tipped by Schröder for a seat in cabinet may not be all that it seems. As opponents can testify, the SPD's new champion is a Machiavellian operator.

His suggestion for Fischer's career move had already prompted doubts about Fischer's policies among some of the Greens, and may have contributed to the revolt.

The weekend *fundi* revolt has also saved the German public from six and a half months of angst over

whether a politician from a still largely pacifist party could be the right person to deal with crises in the Balkans or Iraq.

Viennese whirl

So far it's been sunshine all the way for Britain's European Union presidency. But there's a dark little cloud marring the countdown to the jumbo Brussels summit that will decide who's in at the start of the single currency.

Observer hears that French finance minister Dominique Strauss-Kahn is pressing for a meeting of Euro-X – the "in" crowd of the 11 countries which are expected to comprise the euro zone – soon after the early May jamboree. The Brit pack would, of course, be excluded. This would make a bit of a mess of British premier Tony Blair's official line about Britain playing a leading role in Europe.

Franco-British tensions over Euro-X are making life uncomfortable elsewhere. Take Austria, which is due to take over the rotating EU presidency on July 1 and would be the natural choice to chair the first meeting of the euro-zone club.

Vienna has no interest in alienating the British but, if it refuses to play along, Strauss-Kahn may decide to call for a permanent chairman who could be, well, French.

Such a move would fulfil the long-standing French goal of establishing a political counterweight to the independent European Central Bank. It might also help compensate Paris if, as seems likely, it fails to

prevent Dutchman Wim Duisenberg from being the first ECB president.

Go for Broek

Why on earth is Hans van den Broek, European Commissioner for east European affairs, showing such an interest in Ireland's ice-cream cabinets?

The Commission was expected last month to rule that the Irish subsidiary of Unilever had broken EU competition law by excluding rival products from its freezers. But the word in the corridors of power is that van den Broek has successfully delayed the decision for weeks.

Could this be anything to do with the fact that van den Broek, like Unilever, is Dutch? Observer doesn't believe it for a moment. Never let it be forgotten that, when they assume their posts, Commissioners pledge to uphold the interests of the EU over national concerns.

Bugged

Few people, however distinguished, get to have newly discovered species named after them, so World Bank president James Wolfensohn is entitled to feel tickled by the monicker given to the latest addition to the animal kingdom – a beetle called *Metamasius wolfensohni*.

The name was conjured up by Costa Rica's National Biodiversity Institute as a tribute to the \$7m the World Bank shelled out to protect the nation's wonderful variety of wildlife.

Metamasius wolfensohni isn't the

most attractive creature on the planet – it's an aggressive looking beetle that lays its eggs in decomposing palm trees in the forests of Costa Rica – but Wolfensohn himself has nothing but kind words for it. "It is a very good looking bug," he says, and lists its virtues: "Very good temperament, highly intelligent and very good to its mother."

Calling de Cuellar

Good to hear that UN secretary general and all-round good guy Kofi Annan has been keeping in touch with former mentor Javier Pérez de Cuellar. It has emerged that the two had a number of telephone chats before and after Annan's peace dash to Baghdad.

The Peruvian, who served 10 years as the UN's top man before turning to domestic politics, went on a similar mission in 1991; on that occasion, Saddam Hussein chose not to listen to the UN message.

"I found Mr Hussein very cold and calculating, but never discourteous," recalls Pérez de Cuellar. While admitting that "Kofi is probably more persuasive than I am", he points out that his former protégé had a negotiating advantage this time: Saddam knew that the threat of force was not an idle one.

And what advice did Pérez de Cuellar give? The man at the centre of a telephone tapping scandal surrounding his bid for the Peruvian presidency isn't letting on. But if we really want to know, he reckons any number of the country's security agencies should be able to help.

The Financial Times 100 years

The Queen's Indisposition
Some apprehension yesterday in City of an announcement that journey to the South had been postponed that the Queen was indisposed on Monday morning, owing to the cold winds of the day. Yesterday, having recovered from her indisposition, and, as announced, goes to France to-morrow to-day, as originally Queen was able to do after noon.

50 years a

Jaguar To Enter U.S.
The setting up a Jaguar service organisation in the U.S. is the task of Mr. Chairman and manager now on his way to plans to remain there five weeks. No sales agreement will be entered without a clause stipulating the maintenance of Jaguar servicing facilities. Lyons considers that purchasing British cars provided with after-sales equal to that of American goodwill is to be retained sales expanded.