

# UN steps up criticism of IMF, World Bank



From the ashes of World War II, three institutions were created as linchpins of a new global order. Now, in an unusual move, the top official in one – the secretary-general of the United Nations – is pressing for major changes in the other two.

Antonio Guterres says the International Monetary Fund has benefited rich countries instead of poor ones. And he describes the

IMF and World Bank's response to the COVID-19 pandemic as a "glaring failure" that left dozens of countries deeply indebted, AP reported.

Guterres' criticism, in a recent paper, isn't the first time he's called for overhauling global financial institutions. But it is his most in-depth analysis of their problems, cast in light of their response to the pandemic, which he called a

"stress test" for the organizations.

His comments were issued ahead of meetings called by French President Emmanuel Macron in Paris on Thursday and Friday to address reforms of the multilateral development banks and other issues.

Neither the IMF nor the World Bank would comment directly on the secretary-general's criticisms and proposals. But Gu-

terres' comments echo those of outside critics, who see the IMF and World Bank's leadership limited by the powerful nations that control them – a situation similar to that of the United Nations, which has faced its own calls for reform.

Maurice Kugler, a professor of public policy at George Mason University, told The Associated Press that the institutions' failure to help the neediest countries "reflects



United Nations Secretary-General Antonio Guterres  
● MANUEL BALCE CENETA/AP

the persistence of a top-down approach in which the World Bank president is a U.S. national appointed by the U.S. president and the IMF managing director is a European Union national appointed by the European Commission."

Richard Gowan, the International Crisis Group's U.N. director, said there is a lot of frustration with the U.S. and its European allies dominating decision-making, leaving African countries with only "a sliver of voting rights." Developing countries also complain that the bank's lending rules are weighted against them, he said.

Guterres said it's time for the boards of the IMF and the World Bank to right what he called the historic wrongs and "bias and injustice built into the current international financial architecture."

That "architecture" was established when many developing countries were still under colonial rule.

Guterres said the institutions haven't kept pace

with global growth. He said the World Bank has \$22b in paid capital, the money used for low-interest loans and grants for government development programs. As a percentage of global GDP, that's less than one-fifth of the 1960 funding level.

At the same time, many developing countries are in a deep financial crisis, exacerbated by inflation, rising interest rates and a standstill in debt relief.

The IMF's rules unfairly favor wealthy nations, he said. During the pandemic, the wealthy Group of Seven nations, with a population of 772m, received the equivalent of \$280b from the IMF while the least developed countries, with a population of 1.1b, were allocated just over \$8b.

"This was done according to the rules," Guterres said. This is "morally wrong."

He called for major reforms that would strengthen the representation of developing countries on the boards of the IMF and World Bank, help countries restructure debts, change IMF quotas, and revamp the use of IMF funds. He also called for scaling up financing for economic development and tackling the impact of climate change.

## NEWS IN BRIEF

### Over 40 dead in Uganda attack



AP – Ugandan authorities recovered the bodies of 41 people, including 38 students, who were burned, shot or hacked to death after suspected rebels attacked a secondary school near the border with Congo, the local mayor said Saturday. At least six people were abducted by the rebels, who fled across the porous border into Congo after the raid on Friday night.

Mpondwe-Lhubirha Mayor Selevest Mapoze said that some of the students suffered fatal burns when the rebels set fire to a dormitory and others were shot or hacked with machetes.

### Ukraine won't have 'easy' path to join NATO: Biden

AFP – The United States won't make special arrangements for Ukraine to join the NATO military alliance, President Joe Biden said Saturday.

"They've got to meet the same standards. So, we're not going to make it easy," the US president told reporters near Washington.

### Mali calls for end of UN mission

AFP – Mali's foreign minister called Friday for the UN Security Council to withdraw the peacekeeping mission in his country "without delay," denouncing its "failure" to respond to security challenges. The country's military rulers have increasingly imposed operational restrictions on peacekeepers and also broke Mali's longstanding alliance with former colonial power France.

### Khartoum air strikes kills 17



REUTERS – Air strikes killed civilians and pummeled multiple parts of the Sudanese capital on Saturday, residents said, as mediators pushed the warring factions towards a new ceasefire. The Khartoum Health Ministry confirmed a report by local volunteers on Saturday that 17 people including five children were killed in the Mayo area of southern Khartoum and 25 homes destroyed.

## Palestinian resistance leading to Israel's downfall: Iran's SNSC

Secretary of Iran's Supreme National Security Council Ali Akbar Ahmadian said the proliferation of resistance cells across Palestine will bring about the collapse of Israel.

In a meeting with Secretary General of the Islamic Jihad movement Ziad al-Nakhala, held in Tehran on Saturday, Ahmadian applauded the

Palestinian people and resistance groups' unparalleled perseverance in the struggle against Israel, Tasnim news agency reported. "The cause of the Palestinian nation and the liberation of the holy Al-Quds from the control of the occupying Zionist regime will materialize only through resistance," Ahmadian

said. Reaffirming Tehran's support for the Palestinian people, the Iranian official described support for the Palestinian nation and resistance groups as a pillar of Iran's policies.

He called on the Palestinian resistance groups to join hands and remain vigilant to thwart the Zionist

Secretary of Iran's Supreme National Security Council Ali Akbar Ahmadian (R) meets with Secretary General of the Islamic Jihad movement Ziad al-Nakhala in Tehran on June 17, 2023.  
● TASNIM



pressed gratitude to Iran for its unwavering and effective support for Palestine and briefed Ahmadian on the latest developments

in the Palestinian territories and the West Bank, as well as the resistance groups' victory against Israel.

## African leaders visit Russia to discuss peace plan with Putin

### International Desk

South Africa's president arrived in Saint Petersburg, Russia on Saturday ahead of talks headed by an African delegation pushing for negotiations between Kyiv and Moscow even as doubts grow they will bear fruit.

The African leaders are attempting to make the continent's issues heard after it has been buffeted by economic headwinds caused by the conflict, AFP reported.

President Cyril Ramaphosa's arrival in Saint Petersburg "follows constructive discussions with (Ukrainian) President Volodymyr Zelensky," the South African presidency said.

The delegation will "meet (Russian) President Vladimir Putin to seek a road

to peace to (end) the 16 months-long conflict (that's) caused devastating economic impact, loss of life and global instability".

The mission includes four presidents: Ramaphosa, Senegal's Macky Sall, Zambia's Hakainde Hichilema and Comoros' Azali Assoumani, who also currently heads the African Union. The leaders of Uganda, Egypt and Congo-Brazzaville pulled out of the visit at the last moment and sent representatives instead. Efforts to secure peace appear increasingly perilous, analysts told AFP, with both Kyiv and Moscow convinced they can win on the battlefield.

"There must be de-escalation on both sides," Ramaphosa said in a press conference in Kyiv the day

before, calling for "peace through negotiations".

### Talks with Russia rejected

But Zelensky ruled out that possibility during a joint press conference with the delegates.

"I clearly said several times at our meeting that to allow any negotiations with Russia, now that the occupier is on our land, is to freeze... pain and suffering," he said. "In our view it is important to listen very carefully to what both countries have to say, and tomorrow we are now going to listen to President Putin," Ramaphosa said.

### More tanks needed

The delegation also comes as both sides are focussed on battlefield developments, as Kyiv presses its newly-launched counter-

offensive. Putin's Defence Minister Sergei Shoigu called for more tanks to be manufactured "to meet the needs of Russian forces" in Ukraine.

Kyiv on Friday evening reported tactical successes "practically in all areas where our units are fighting in the south." The Russian president showed little appetite for talks speaking Friday at the Saint Petersburg Economic Forum. "I think that Ukraine's armed forces stand no chance (in the south), as well as in other directions... I have no doubt about that," Putin said.

### Warning to West

He also said that his deployment of tactical nuclear weapons to Belarus, something he confirmed for the first time had already happened, was a re-

minder to the West that it could not inflict a strategic defeat on Russia, Reuters reported.

Putin said Russian tactical nuclear warheads had already been delivered to close ally Belarus, but stressed he saw no need for Russia to resort to nuclear weapons for now.

Russia also accuses the West of blocking its exports of fertilisers and threatens to pull out of a deal – that expires on July 17 – that allowed vital Ukrainian grain exports to resume through the Black Sea. Securing the future viability of a deal allowing grain from Ukraine to reach the global market would be one potential goal of the delegation.

"This conflict is also affecting African countries negatively, touching on the livelihoods of 1.2 or