

**Strengthening
accountability and
transparency in
international financial
institutions and advocating
for development**

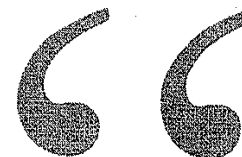


PNoWB Annual Conference 2005, Helsinki

The Parliamentary Network on the World Bank, founded by a group of parliamentarians and the World Bank in 2000, has strengthened transparency and accountability in international financial institutions. PNoWB has introduced new checks and balances by involving parliamentarians across the world. Additionally, PNoWB members are leading advocates for development who have strengthened the voice of the poor in the debate. PNoWB is now an independent association of over 800 parliamentarians from 110 countries, and has as of January 2006, functioned completely independently from the World Bank.

Thus far the network has made considerable progress most notably with regard to mobilizing parliamentarians. In particular at the 2005 **PNoWB Annual Conference** which was addressed by World Bank President Paul Wolfowitz, WTO Managing Director Pascal Lamy, the President of Indonesia His Excellency Mr Susilo Yudhoyono Bambang as well as other high level representatives from multilaterals, civil society and governments. Most importantly, the conference brought together over 180 parliamentarians from both developed and developing countries to discuss development priorities and what they as PNoWB members could do to ensure that 2005 delivers on its potential as a year for development.

Concerned with the future of democracy and multilateralism, parliamentarians are responding to the global governance challenge. The past five to ten years have seen a mushrooming of inter-parliamentary activities, networks and organizations. A particularly innovative and promising initiative is the Parliamentary Network on the World Bank, or PNoWB.



'The mission of the Parliamentary Network on the World Bank, your mission of strengthening parliamentary voice on development and global issues is becoming more relevant and more important'

Paul Wolfowitz, President, the World Bank Group





Meeting of PNoWB India chapter members with Dr. Manmohan Singh, currently Prime Minister, India, Eveline Herfkens, UN Secretary-General's Executive Coordinator for the MDGs Campaign, and World Bank Country Director Michael Carter, New Delhi, November 2003



World Bank President Paul Wolfowitz with participants at the Annual Conference of the Parliamentary Network on the World Bank, Parliament of Finland, Helsinki, Finland, October 2005



We're not fans of the World Bank. We're critics when necessary, supporters when necessary. PNoWB promotes the role of parliamentarians in fighting poverty.

Bert Koenders, MP, the Netherlands, and PNoWB Chair

Strengthening Accountability

From its inception, PNoWB's elected officials sought to regain parliamentary authority over development and global matters. An effective way to do so, they calculated, was to engage the World Bank, the world's single largest external funder of development programs as well as an important source of knowledge and advice on how to tackle global issues such as international trade, HIV/AIDS and climate change. The parliamentarians also shared one common goal with the World Bank; to strengthen the accountability and transparency of the Bank.

PNoWB's mission follows five guiding principles:

1. **Accountability:** to facilitate and encourage direct dialogue between parliamentarians and multilateral development institutions in order to promote greater transparency of the policies and practices in particular of the World Bank;
2. **Advocacy:** to provide PNoWB members with a platform for coordinated parliamentary advocacy on international development issues;
3. **Networking:** to encourage concerted action, early debate and exchange of information among parliamentarians on international development and global issues;
4. **Partnerships:** to take initiatives to further cooperate and encourage partnerships among parliamentarians and policy makers, the academic community, the business sector and non-governmental organizations on development issues;
5. **Progress Review:** to promote the development of parliamentary mechanisms and practices for the effective democratic control of development assistance in all its phases.

In the last five years, PNoWB has managed to establish a respected track-record for being an effective global network at the vanguard of parliamentary engagement and development advocacy.

● *Improving accountability in international financial institutions*

PNoWB is a unique parliamentary platform for policy dialogue on development issues. It engages not only the World Bank but also other multilateral and bilateral donor organizations. The IMF Managing Director, the WTO Director General, and several EU Commissioners have participated in PNoWB's annual conferences and have established working relationships with PNoWB. The Network has formed effective partnerships with other parliamentary organizations and with civil society groups.

and Transparency

Working with PNoWB, the Bank has taken steps to become more open to parliamentarians through a **Question and Answer** system for parliamentarians where they can ask questions directly to the World Bank; through a **field visit program** coordinated by an independent rapporteur, parliamentarians visit Bank projects, meet with local Bank staff, civil society representatives and government officials, and review the PRSP process; through a **policy dialogue program** jointly run by PNoWB and the World Bank, using video links to connect parliamentarians from around the world to exchange views on relevant development issues; as well as the **Parliamentarian's Guide to the World Bank**, to make it easier for MPs to access information about projects and policies, also through the **PNoWB website**, www.pnowb.org; and a **World Bank website for parliamentarians**: www.worldbank.org/parliamentarians. Additionally a delegation of PNoWB members attends the IMF/World Bank Spring and Annual Meetings.

● *Parliamentary engagement and country ownership*

If parliamentarians are going to have an impact on development policies and projects, it is essential that they see results on the ground. The field visit program, "Parliamentarians in the Field", is co-organized by PNoWB and the World Bank and supported by a grant from the Government of Finland. To date, successful field visits have taken place to Kenya, Albania, Uganda, Burundi, Serbia and Montenegro, Ethiopia, Yemen, Nicaragua, Vietnam, Ghana, Rwanda and Lao PDR.

As one legislator once observed, "all politics is local." The most concrete interaction between parliamentarians and representatives from the World Bank and other donor organizations takes place in countries with Bank lending or advisory programs.

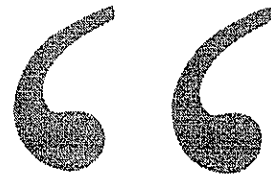
Since 2000, PNoWB has expanded through the creation of a **national chapter in India**, a chapter in **East Africa**, a chapter in **Japan**, a chapter in the **Middle East and North Africa** as well as a **West Africa** chapter which is already underway and will be formally launched in June 2006. Also an informal group of donor country parliamentarians was established in Naples, Italy in February 2005. The national and regional chapters facilitate regular interaction between local parliamentarians and staff in World Bank country offices, including consultations on Country Assistance Strategies, Public Expenditure Reviews, and on World Bank policies and individual projects. In developing countries, this level of engagement, as well as the field visits program, have proved invaluable in improving country ownership and involvement in the poverty reduction process.



MP, Lydia Madero Garcia, Mexico, in
Rwamagana Rural School, MP field visit,
Rwanda 2006



US Representative Betty McCollum, co-Chair
PNoWB HIV/AIDS Committee, on HIV/AIDS
field visit to Ethiopia, January 2004



PNoWB regional groups seem to be seen as examples. Already the IMF, OECD, WTO and the International Criminal Court are working on their own strategies aimed at parliamentarians, inspired by the PNoWB.

-Le Monde, Paris, February 2004



Kimmo Kijjuinen, MP, Finland, former PNoWB Board member, Raquel Teixeira, MP, Brazil during a PRSP field visit to Yemen (funded by Finnish Government as part of the Parliamentarians in the Field Program)

Advocating for Development

● PNoWB recognizes that parliamentarians play a vital role in making sure countries meet the obligations agreed to in international fora. Parliamentarians approve budgets; they hold the final power of ratification and are the final arbiters of economic policies in their countries. As democratically elected representatives, they have tremendous potential in the oversight of progress on ODA commitments. The executive branch has the power to make promises, but parliamentarians have the power to ensure those promises are kept. PNoWB promotes parliamentary action related to the 2005 'Year of Development' and in that year amply demonstrated the under-used potential of parliamentarians as the most effective advocates for development.

● Through a string of updates and events in the first half of 2005, the PNoWB advocated that governments take concrete action at Gleneagles. The network co-organized the February **2005 High-Level Donor Parliamentarians Conference** in Naples (with parliamentary leaders from donor countries) and the June **G8 International Parliamentarians Conference in Africa 2005** (with 80 parliamentarians from G8 countries, Europe and Africa). Key outcomes included an Edinburgh Declaration and an open letter to President George Bush and Prime Minister Tony Blair which urged action by donor nations in six key areas: quality and quantity of aid, trade, debt relief, women's rights, health and strengthening partnership with African-led initiatives.

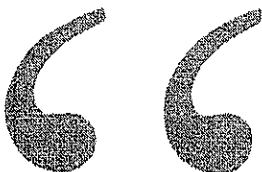
● The network continues to encourage members to keep governments and multilateral organizations to account on development pledges made at Gleneagles, including through annual '**G8 Implementation Watch Sessions**' in individual parliaments. For example, on May 25, 2005, PNoWB Board member US Representative Betty McCollum introduced a non-binding resolution (H.Con.Res 172) articulating Congress support for the MDGs. The resolution calls for increased US leadership in aiding the international community to achieve these goals.

● The network has also set up a pioneering **Parliamentarians' Implementation Watch (PIW)** to keep governments and multilateral organizations to account on their development-related pledges. Implementation Watch seeks to achieve four tasks: 1) produce and disseminate regular updates for parliamentarians on selected issues; 2) connect parliamentarians with other parliamentary networks, civil society organizations, multilateral organizations, the private sector and the media; 3) identify appropriate parliamentary action to support the MDGs; 4) build a knowledge base and boost parliamentary capacity.



As MPs, we are glad to be involved in this dialogue process and are not as suspicious of the World Bank as we were previously now that we have more information

- Prof. Ayiecho Olweny, MP, Kenya



We've learned that keeping MPs informed about our initiatives and involving parliament through all key project stages builds trust, ownership, and understanding. These are key ingredients for project success.

- Makhtar Diop, World Bank Country Director for Kenya and Eritrea until May 2005



Advocating for Development



PNoWB member Senator Mary Henry, Ireland, on HIV/AIDS field visit to Ethiopia, January 2004

'A vital and innovative tool to realize the MDGs'

Judging by testimonials from parliamentary bodies, media, civil society and academia, PNoWB has become a respected player in the international community. Some examples:

Said the **Parliamentary Assembly of the Council of Europe** in a June 2005 report and resolution on the World Bank and the IMF: *"The role of the Parliamentary Network on the World Bank, a discussion forum for parliamentary groups worldwide in which the Parliamentary Assembly of the Council of Europe actively participates, deserves further strengthening and is fully in line with the Parliamentary Assembly's quest for increased parliamentary involvement in international institutions."* PNoWB was seen as *"a vital and innovative tool to realize the Millennium Development Goals."*

The **Observer** reported on the fourth annual PNoWB conference in March 2003: *"Hopes of a genuine democratization of global governance were beginning to emerge here,"* said the London newspaper, adding that PNoWB might just be *"the green shoots of global democracy."*

In its September 2003 report 'Struggling to be heard: Democratizing the World Bank and the IMF', British NGO **Christian Aid** observed: *"Together with the Inspection Panel, PNoWB is a major effort to improve transparency and accountability in the World Bank."*

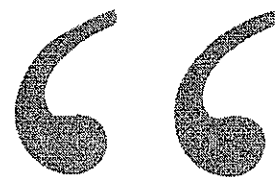
Academics Devesh Kapur (Harvard University) and Moises Naim (Foreign Policy magazine) in a January 2005 Journal of Democracy article on the 'The IMF and Democratic Governance' suggest that *"one option [to improve the IMF's democratic governance] might be to involve the Fund more with PNoWB, a group whose goal is to bring legislators into more contact with officials of the Bretton Woods institutions."*

● **Committee on HIV/AIDS, TB and Malaria**

The PNoWB Committee on HIV/AIDS, TB and Malaria, under the leadership of U.S. Congresswoman Betty McCollum, and Dorothy Hyuha, MP from Uganda, mobilizes parliamentarians in the fight against HIV/AIDS.

● **Committee on International Trade for Development (PNoWB-Trade)**

PNoWB parliamentarians from developed and developing countries work closely with the World Bank Trade unit as well as Eveline Herfkens, UN Executive Coordinator of the Millennium Campaign to push for a successful Doha development round. Members of the Group are encouraged to take action through regular action alerts, briefings and discussions at meetings or via video link. Ahead of the WTO Hong Kong ministerial, for example, PNoWB members joined forces with the NATO



Government leaders go to international meetings, make beautiful speeches but sometimes forget about their promises. Parliamentarians can make a difference, and I commend PNoWB's efforts to monitor and promote action to meet the MDGs.

- Eveline Herfkens, UN Secretary General's Executive Coordinator for the Millennium Development Goals Campaign



Advocating for Development

Parliamentary Assembly to push through the NATO assembly a very significant resolution calling for greater action from governments to make sure the Doha development round is successfully completed. Ann McKechin, MP, United Kingdom chairs this group.

PNoWB Communication Products

- *PNoWB's Website: www.pnowb.org*
- *A regular newsletter is published by the PNoWB and sent to PNoWB members and parliaments.*
- *PNoWB members receive regular e-mail updates about the activities of the Network and the World Bank.*

PNoWB activities have been covered by international media, including the London Observer, Le Monde, Le Figaro, Liberation, Deutsche Welt radio and in the local press and television in Yemen, Serbia and Montenegro, India, Bangladesh, Uganda, Kenya, Ethiopia Rwanda and Lao PDR.



Looking Ahead

A new era of PNoWB parliamentarians in championing development

The following strategic priorities have been identified by the PNoWB Board to consolidate and expand PNoWB's activities over the next three years.

- Ensure the systematic early involvement of parliaments in Country Assistance Strategies (CAS) and Poverty Reduction Strategy Papers (PRSP);
- Ensure that the PNoWB has early input into World Bank policy;
- Secure an observer position on the World Bank/IMF Development Committee, with speaking rights for the PNoWB's chairperson;
- Develop a resource guide on best practices for parliamentary involvement in World Bank activities;
- Increase the number of fully functional PNoWB regional and national chapters.

In line with these priorities, PNoWB has decided to concentrate on the above priorities order to:

- 1. on the global level, to firstly, coordinate parliamentary input into World Bank and IMF policies and secondly, to promote and monitor progress towards the Millennium Development Goals;**
- 2. on the regional and country level, deepen engagement with the World Bank and other donors through continued regular policy dialogue on country or regional-specific policies and projects.**

The achievement of these goals is expected to reinforce the capacity of parliamentarians to fulfill their oversight, legislative and representative functions related to development and global issues, ultimately on the one hand making multilateral institutions and governance mechanisms more accountable and transparent, and on the other ensuring that there is enough political and public will to support commitments to allow poor countries to reach the Millennium Development Goals.



October 22, 2005. World Trade Organization Director General Pascal Lamy addresses the Annual Conference of the Parliamentary Network on the World Bank by direct video link. Parliament of Finland, Helsinki, Finland



For the first time in its history, the World Bank is keen to work with parliamentarians on development issues like AIDS. The onus is now on us to learn from the Bank's successes as much as from its failures and to become more effective legislators and partners for development.

- Senator Mary Henry, Ireland,
HIV/AIDS Committee member



PNoWB



Paul Wolfowitz, President World Bank, Bert Koenders, Chair PNoWB, Kimmo Kiljunen, Vice Chair PNoWB, MP, Finland

The PNoWB Board and Governance Structure

The PNoWB is governed by a Board of Directors, composed of nine members. The current members and chair of the PNoWB Board were elected for a three-year term at the last Annual Conference in Helsinki in October 2005. The Association's by-laws require a yearly partial renewal of the Board members. To set the renewal system in motion, three Board members will leave the Board and three new members will be elected by the Network at the next Annual Conference. Current Board members may stand for re-election.

The current members of the Board are:

Mr. Bert Koenders,
Netherlands (Chair)

Mr. Santiago Castro,
Colombia

Mr. Kimmo Kiljunen,
Finland

Mr. Suresh Prabhu,
India

Ms. Monica Frassoni,
Italy (Member of European Parliament)

Mr Hideki Wakabayashi,
Japan

Ms. Janette Garin,
Philippines

Mr. Norbert Mao,
Uganda

Ms. Betty McCollum,
United States



'The Parliamentary Network on the World Bank is a respected player in the development community, and there has been some amazing progress around the world'

Paul Wolfowitz, President, the World Bank Group

