

On The World Bank & International Monetary Fund

GLOBAL PARLIAMENTARY CONFERENCE 2017







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EXECUTIVE SUMMARY

About 200 participants, including over **160 parliamentarians from 66 countries** took part in the **2017 Global Parliamentary Conference** (GPC) on **17-18 April 2017 at the World Bank Group and IMF headquarters in Washington D.C**, USA.

Co-organized with the World Bank Group (WBG) and the International Monetary Fund (IMF) the GPC is the Parliamentary Network's flagship event and represents a **unique meeting of legislators and development institutions**, an event dedicated to crucial questions in international development finance, including economic stability, achieving the Sustainable Development Goals and, more generally, pushing international development initiatives to new heights of awareness and potential. The conference also serves to build political will and financial capital for development by bringing together legislators, the IMF and World Bank leadership, and high-level representatives from civil society and partner organizations.



The conference came at a critical juncture for the international community at a time when; local citizens, private sector actors, legislators, government bodies, and international organisations all have a substantial role to play in harnessing and facilitating results so that we can achieve poverty eradication and macroeconomic stability and achieve the global development agenda. The conference offered parliamentarians a platform to discuss and share their experiences and knowledge on key development issues including the creation of jobs, the fight against corruption, the building of inclusive institutions, energy subsidies reforms and climate change mitigation, and early childhood development. The event also shed light upon the regional development prospects of sub-Saharan Africa through a dedicated session and a **keynote address from HE Kemi Adeosun, Nigerian Minister of Finance**, during which a better redistribution of wealth, the necessary diversification of African economies and an increase in revenue mobilization were highlighted as a focus for parliamentarians in their legislative work, so as to ensure that the continent's demographic transition translates into the integration of its labour force.

The 2017 GPC featured a special session with the leadership of the World Bank Group and IMF, during which members of parliaments had the possibility to ask questions directly to President Jim Yong Kim and Managing Director Christine Lagarde. Both, Dr. Kim and Mme Lagarde outlined the challenges that lie ahead for global cooperation, underlining the increasing rise in aspirations to be met and the necessity to capitalize on the positive economic momentum we are witnessing since the financial crisis. They highlighted the role parliamentarians can play in overcoming these challenges by drafting legislation and making policies to spur job-creation, by keeping their government



accountable and preventing budget misspending and corruption, by reforming the discriminating laws preventing women from contributing to the economy, and by championing, in their Parliament, the World Bank International Development Association¹ (IDA) replenishment.

The discussions looked at how parliamentary involvement can be harnessed and strengthened, as well as how to foster continuous parliamentary involvement in the implementation process of the sustainable development goals. The participants recognized the complementarity between members of parliaments and development experts and called for a continued dialogue with international organisations such as the World Bank Group and IMF to allow the former to share their knowledge and information and the latter to provide feedback from the ground.

The added value of networks was reasserted during the conference. At the country level, examples were shared of successful climate and nutrition specific networks through which parliamentarians were able to advocate and obtain better forest governance and dedicated budget lines for nutrition. Parliamentary Network chapters have also facilitated the engagement of legislators with World Bank and IMF country offices. At the global level, the Parliamentary Network has namely contributed to a record replenishment for IDA18 by reaching out its members from key parliamentary committees in the allocation of budget. Sixty percent of the amount collected for IDA18 will be dedicated to sub-Saharan countries.

Parliamentarians play a critical role in meeting developmental challenges by: ensuring the definition of policies to foster job-creation, implementing energy reform and appropriate taxation; keeping their government accountable and fully exercising their oversight functions; shaping an efficient legal framework against corruption which ensures transparency, disclosure, and the protection of public officials; and discussing and using the information from scientific and expert reports in their parliament and dedicated committees. Such practices would enable legislators to turn recommendations into actionable policies on the ground.

The conference was also the occasion for the Parliamentary Network to hold a General Assembly and elect a new board, composed of five new members and five re-elected ones and among which each region of the world is represented:

- 1. Jeremy Lefroy, MP, UK
- 2. Olfa Soukri Cherif, MP, Tunisia
- 3. Alain Destexhe, Senator, Belgium
- 5. Pauline Bekono Ebah Ndoumou, MP, Cameroon
- 4. Oscar Mauricio Lizcano Arango, President of the Senate, Colombia
- 6. Shamsul Iskandar Mohd Akin, MP, Malaysia
- 7. Lahcen Haddad, MP, Morocco
- 8. Nathan Nandala-Mafabi, MP, Uganda
- 9. Olga Bielkova, MP, Ukraine
- 10. Percy E. Downe, Senator, Canada

¹ The International Development Association (IDA) is the part of the World Bank that helps the world's poorest countries. Overseen by 173 shareholder nations, IDA aims to reduce poverty by providing loans (called "credits") and grants for programs that boost economic growth, reduce inequalities, and improve people's living conditions.



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Foreword

About the Global Parliamentary Conference

The Global Parliamentary Conference (GPC) represents a unique meeting of national legislators and development institutions, an event dedicated to crucial questions in international development finance, including economic stability, achieving the Sustainable Development Goals and, more generally, pushing international development initiatives to new heights of awareness and potential. The conference also serves to build political will and financial capital for development.

The GPC, organised together with the World Bank Group (WBG) and the IMF, is the Parliamentary Network's flagship event. It brings together over 150 parliamentarians from approximately 100 countries, leaders from civil society and partner organizations, and high-level officials from a number of international financial institutions such as the World Bank, IMF and other regional development banks. Keynote speakers include the Managing Director of the IMF and the President of the World Bank Group. The event is hosted by the World Bank Group and IMF in Washington DC, USA.

The focus is on a range of issues from fighting inequality through job-creation and growth, tackling corruption in government and the private sector, growth prospects and challenges for sub-Saharan Africa, fighting climate change, eliminating energy subsidies, and building inclusive institutions and parliaments. Discussions look at how parliamentary involvement can be harnessed and strengthened, as well as how to foster continuous parliamentary involvement in the SDGs implementation process.

Acknowledgements

The Parliamentary Network would like to thank the World Bank Group and the International Monetary Fund, for their support in organizing the event. The PN would also like to express its gratitude to the speakers, discussants, moderators, and participants. The PN is also thankful to the numerous organizations who collaborated in making the Conference a success. Last but not least, the PN wishes to thank its members who came from all over the world to take part in this important gathering.



Welcome address

Speakers

Hon. Jeremy Lefroy, MP United Kingdom; Chair of the Parliamentary Network on the World Bank & IMF

Gerry Rice, Director, Communications Department, IMF

Jill Wilkins, Director, Global Engagement, External Affairs, World Bank Group

Parliamentary Network Chair Hon. **Jeremy Lefroy** (MP United Kingdom) opened the 2017 edition of the Global Parliamentary Conference (GPC), expressing how much international organizations, like the World Bank and the IMF, are vital to address global challenges. With the World Bank and IMF support, the Parliamentary Network organized several activities for its members this year, including the launch of its Middle-East and North Africa Chapter, a Field Visit to Kenya, and the launch of a <u>website</u> on youth job creation jointly with Peace Child International. The participation of World Bank President Jim Yong Kim and IMF Managing Director Christine Lagarde at the 2017 GPC is a testimonial of the importance placed on the Parliamentary Network's role as a platform for dialogue between parliamentarians and international financial institutions.

Jill Wilkins greeted the participants before explaining that, each year, government ministers and representatives in the field of finance and development, private sector executives, academics and civil society organizations gather at the World Bank and IMF Spring Meetings to debate pressing global issues, including the world economic outlook, development and aid effectiveness, as well as poverty eradication. As development stakeholders, parliamentarians are invited to take part in these discussions and to engage on a regular basis with the World Bank in order to make its actions more relevant to their country.

"The World Bank is happy to include input from MPs in Country Partnership discussions and to facilitate field visits and other activities for legislators"
Jill Wilkins, Director, Global Engagement, External Affairs, World Bank Group



Welcoming the participants to the 2017 GPC **Gerry Rice** announced the launch of the IMF World Economic Outlook² on the occasion of the Spring Meetings. The outlook gives an account of where the global economy stands. The world economy is currently gaining momentum but it is also subject

² Find out more about the IMF World Economic Outlook here



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to risks such as protectionism or populism. In order to maintain it, the IMF recommends fostering trade and innovation with a focus on securing equitable growth. It is, therefore, healthy to debate about the role of international cooperation in the Bretton Woods framework with the aim of achieving a broader consensus. Mr. Rice invited the parliamentarians to get involved in the discussions.



"It is a big agenda and you,
MPs, are a part of it. Let
your voice be heard"
Gerry Rice, Director,
Communications Department, IMF



Fighting inequality through jobcreation & growth

Moderator

Hon. Olfa Soukri Cherif, MP Tunisia; Vice-Chair of the Parliamentary Network on the World Bank & IMF

Speakers

Michal Rutkowski, Senior Director for the Social Protection, Labour and Jobs, Global Practice, World Bank Group

Prakash Loungani, Division Chief, Research Department, IMF

David Woollcombe, Founder, President and Chair of Trustees, Peace Child International

Discussant

Pauline Ngari, CEO, Hand in Hand Eastern Africa

Michal Rutkowski highlighted the paradoxical trends currently existing around inequality. While inequality between countries has been reduced, it keeps increasing within countries. Mr. Rutkowski identified four important elements to understand inequality and how to address it: 1) taxation, which, however, is subject to increasing criticism; 2) education, with limited results because of the few available jobs on the labour market; 3) trade unions, which are now in demise; 4) technology, used to increase productivity; it has however completely reshuffled the distribution of labour. He insisted skills are a key factor: they need to be better defined in order to provide everyone with quality education and the needed curricula to face the labour market.

Referring to the International Jobs Report published in early 2017³, **Prakash Loungani** provided an outlook on unemployment. He explained that the unemployment rate has been reduced in advanced economies, mostly thanks to growth; contrarily to the situation in emerging markets where the unemployment rate went up. In all regions, growth remains strongly linked to unemployment: when the former is restored, the latter decreases as a consequence of job-creation. Mr. Loungani called for domestic policies that would foster inclusive growth. Inequality causes disruption, namely in consumption and therefore hinders growth. Through adequate fiscal policies, focusing on equity, governments and parliaments can ensure that growth delivers jobs to the people.

David Woollcombe underscored that employment is an important concern for the young. In order to achieve the sustainable development goals (SDGs), over a billion jobs need to be created by 2030; a complicated task for governments. This observation led Mr. Woollcombe to join forces with the Parliamentary Network to create a youth job creation dedicated website (www.youthjobcreation.org) where approaches are set out for reflection: changing mindsets to introduce skills teaching in curricula; skills matching between university students and recruiting sectors; encouraging mentorship; engaging the private sector; facilitating administrative access to entrepreneurship; and improving the metrics on employment. Members of parliaments are welcome to share ideas and success stories from their country.

³International Jobs Report: Edition 2016, Prakash Loungani, OCP Policy Center. Available here



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Comments from the discussant

Pauline Ngari highlighted the need for stakeholders to invest more in employment. Job-creation is a priority for Hand in Hand who works to link their proposed solutions to sustainability and parliamentary responsibility. Ms. Ngari insisted that partnerships lie at the heart of success, as set in the SDG 17⁴. She invited members of parliaments to commit to the full implementation of policies because job-creation and sustainability make the required combination for achieving development.

Discussion

During the discussion that followed, participants made comments related to:

The role of MPs in fostering job-creation and growth

- Thanks to their on the ground knowledge and to their link with constituencies, MPs have an accurate idea of the efficiency of policies.
- MPs also contribute through the proper scrutiny of domestic policies
- MPs can be more efficiently supported in their work if provided with concrete suggestions in addition to expert reports and data.
 - Mr. Rutkowski agreed that while parliamentarians may not always have enough time to read all World Bank reports, such reports often contain useful information for their legislative work.



"We don't need thick
manuals of
recommendations; we
need state of the art
solutions that we can
impose as MPs in
Parliament"
Hon. Safa Alhashem, MP, Kuwait

Concern over corruption

• Corruption has been highlighted as a global problem that hinders jobs.

Technological improvement and automation

- Over the last ten years, information technology has spread in most sectors.
- In some developing countries, worries exist as to the adoption of automation.
 - o Mr. Rutkowski cited labour market automation as an area worth of focus in order to better adapt to the many technological evolutions.

⁴ Sustainable development goal 17: *Strengthen the means of implementation and revitalize the global partnership for sustainable development*. More info: https://sustainabledevelopment.un.org/sdg17



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Improving the education system for better skilled human capital

- Primary education reform will prove difficult in sub-Saharan African countries where human capital is already very low with children suffering from malnutrition and stunting.
 - o Mr. Woollcombe admitted that literacy should be a foundation for development.
 - Ms. Ngari explained that Hand in Hand advocates the identification and teaching of the necessary skills for entrepreneurship.

Addressing the gender gap

- Reducing the gender gap through economic empowerment of women will ensure the reduction of women unemployment.
 - Ms. Ngari gave more information on Hand in Hand's focus for women's empowerment, encouraging them to create their own businesses.
 - Mr. Woollcombe advocated for a more holistic approach to job-creation, with no gender distinction in job-creation initiatives.

Mr. Loungani pointed out that while most comments raised by the participants were related to the supply side of job-creation, one needs to also look at the aggregated demand, for which central banks have an important role to play.



Special session with the leadership of the IMF and the World Bank Group

Moderator

Hon. Jeremy Lefroy, MP United Kingdom; Chair of the Parliamentary Network on the World Bank & IMF

Speakers

Mme. Christine Lagarde, Managing Director of the IMF

Dr. Jim Yong Kim, President of the World Bank Group

Dr. Jim Yong Kim expressed his gratitude to the parliamentarians and the Parliamentary Network for contributing to global cooperation at a challenging time for globalisation and more specifically for supporting the replenishment of the International Development Association, of which 60% will be dedicated to the sub-Saharan African region. With increasing access to the internet came a rise in aspirations to be met in order to avoid frustration, worry, and ultimately situations of fragility, conflict and migration. Two thirds of existing jobs could disappear because of automation if investment does not increase. The World Bank and IMF therefore need to act swiftly to meet people's rising expectations by fostering private sector investment and by giving the required attention to human capital as the economy becomes increasingly digitalized.

"It's a challenging time and your presence here speaks volumes about the level of commitment parliamentarians have shown to helping people achieve their aspirations"

Jim Yong Kim, President of the World Bank Group



"MPs are the best ones to talk to because they represent the people" said Mme Christine Lagarde, explaining that, for the first time since the financial crisis, a positive momentum exists today, marked by a faster pace for growth in both advanced and emerging economies. She invited all parliamentarians to fuel this momentum by making sure that governments are properly held accountable and that the existing fiscal space is not misspent. Mme Lagarde also called for using public money to help workers who will need to adapt to the technological changes in the supply chain, and encouraged parliamentarians to contribute to the carving of legislation that would justly reflect the women's contribution to society and facilitate their integration to the economy.





"I am trying to put myself in your shoes and I know that, as an MP, we like to keep the government accountable (...). So anything that you can do to focus on the risk of corruption, how to identify where the money goes and how it is spent (...) in order to better trace the use of public revenue will be extremely helpful."

Christine Lagarde, Managing Director of the IMF

Discussion

Members of parliament were given the opportunity to engage directly with the World Bank President and the IMF Managing Director during a Q&A session on:

The role of international financial institutions

- As an organization working for global financial stability and openness, the IMF can benefit
 any economic actor, explained Mme Lagarde; for instance, by contributing to the safety of
 their deposit.
- MPs were also eager to know more about the relation between parliaments and the two institutions:
 - Mme Lagarde and Hon. Lefroy invited the participants to engage with IMF and World Bank country offices, and to get involved in the Parliamentary Network activities.

Jobs and livelihoods

- Dr. Kim explained that jobs and livelihoods were a concern for every country and he pointed out that a significant part of future jobs is likely to be concentrated in the sector of human empathy (e.g. healthcare, children's care, elderly care).
- Mme Lagarde further specified that care workers could contribute to women empowerment, allowing them to dedicate more time to an economic activity.
- The lack of inclusiveness in employment, especially with disabled people often being left out, has led to reflections on how to include those being left behind.
 - Dr. Kim highlighted that failing to include the disabled actually has an economic cost.

Fighting corruption

- The high-level of corruption representing over 6.6 trillion dollars were highlighted along with the necessity for both the World Bank and the IMF to do more in that field.
 - Mme Lagarde explained that the IMF does country analytical and surveillance work and that programmes could be suspended in known corruption cases. It also provides assistance against money laundering and terrorism and other initiatives exist such as the OECD's Base Erosion and Profit Shifting (BEPS).



 Dr. Kim added that the World Bank had practice on Illicit Financial Flows as well as an asset recovering programme and that it is working with the IMF and the OECD in inducing people to pay their fair share of taxes.

Overseas development aid

• The decreasing amount of aid received in some sub-Saharan African countries represents a challenge, especially in the field of education.

Gender equality

- The importance of having gender-sensitive and youth-sensitive budgets was raised.
 - Mme Lagarde deplored that international organizations could not make gender a compulsory component of national budget. Peer learning between countries can facilitate the implementation of gender-sensitive budgets and fairer tax legislation.
 - GDP gains can be drawn from ending discriminating legislation against women, said
 Dr. Kim. He added that childhood stunting could be prevented if women were
 allowed to maintain their jobs after giving birth and to better care for their children.

The benefits and costs of globalization

- The benefits of globalization have been questioned as these may have mostly been accrued to a few and, in turn, fueled a new wave of protectionism.
 - Mme Lagarde reminded parliamentarians that hundreds of millions of people have been taken out of poverty thanks to globalization. She recognized that a significant part of the population has been left out and suffers from the negative side of the technological breakthrough, seeing their jobs replaced, and, therefore, called all actors to join forces against economic and trade barriers.
- Despite global growth, action is needed for countries where poverty increased.
 - Mme Lagarde agreed that growth did not benefit everyone and asserted that the IMF was committed to providing technical assistance, advice, and loans for countries in need to help them stabilize their economy and restore the investors' trust.

The critical consequences of climate change

- Global warming has aggravated the Somali crisis, causing a severe famine.
 - Dr. Kim explained that the World Bank has dedicated a \$6 billion budget to the famine response and privileged a mitigation and adaptation approach in order to avoid political conflict arising from climate change.
- The scarcity of water resources is a serious issue in countries like Pakistan, especially when dams are built.
 - Because disputes over water resources are imminent, Dr. Kim called for private/public solutions to ensure everyone has access to clean water.

Support to countries welcoming refugees

- The role of the international community in helping Jordan and Lebanon was deemed insufficient, especially given the fragilities of both economies.
 - Or. Kim stressed that the refugee crisis faced by the two countries led the World Bank to create Concessional Financing Facilities, in order to support job creation and greater access to the European and American markets. He added that political instability has made it difficult for the World Bank to work in Lebanon, especially in the fields of education and health.



The regional outlook for Latin America

 Mme Lagarde explained that unemployment figures for the region were quite high, calling for increasing macroeconomic stability, and spending in growth-friendly areas, with a focus on productivity and innovation.

Extractive industries

- The porous character of extractive industries and oil economies was highlighted, along with the lack of jobs created in the field.
 - Dr. Kim agreed that most commodity exporters now suffer from low growth rates; they need to diversify their economies in order to create more jobs, to invest in people, and to invest in energy infrastructure. In that regard, the World Bank can help in structuring deals with companies.



Building inclusive institutions and parliaments

Moderator

Mitchell O'Brien, Senior Governance Officer, World Bank Group

Speakers

Deborah Wetzel, Senior Director, Governance Global Practice, World Bank Group **Hon. Neila-Mia Tazi**, Vth Vice-President of the House of Councilors, Kingdom of Morocco **Daniel Freund**, Head of Advocacy EU Integrity, Transparency International

Mrs. **Deborah Wetzel** mentioned the main findings of the 2017 World Development Report⁵ which reveal that the successful implementation of policies requires commitment and continuity over the long-term, coordination of beliefs with citizens, and the prevention of free-riding and opportunism. From a parliamentarian's perspective, this entails: 1) making laws, thus defining behaviours, defining constitutional aspects, and embodying contestation; 2) holding governments accountable by encouraging the right commitments and providing oversight; 3) representing the people through deliberation and giving a voice to communities.

As a representative of the private sector in parliament, Hon. **Neila-Mia Tazi** highlighted the specificity of the Moroccan parliament of granting representation, since last year, to private sector and trade union representatives in its House of Councilors. This has so far allowed for enriched parliamentary debates especially on topics linked to the economy and investment, where the private sector is directly involved.

"MPs are quite eager to hold the
government into account but when it
comes to writing rules that apply to
them it becomes much more difficult.
But the harm that can be done, the
loss of public confidence, is a cause
that is worth fighting against"
Daniel Freund, Head of Advocacy EU
Integrity, Transparency International



Mr. **Daniel Freund**, who has been working on integrity in the European Parliament, focused on a few important points to enhance transparency in parliament. Parliaments are meant for debates and ought to be completely open, including committee meetings. He called for a regulation of lobbying and interest activity in parliament in order to avoid conflict of interests. If members of parliament take on the transparency challenge and implement the necessary rules, they will give themselves the proper tools to get the best outcomes from their parliamentary work and will gain public confidence.

⁵ Read the 2017 World Development Report "Governance and the Law" <u>here</u>



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Tackling corruption in government and the private sector

Moderator and discussant

Hon. Yunus Carrim, MP South Africa

Speakers

Sean Hagan, General Counsel and Director, Legal Department, IMF

Ethiopis Tafara, Vice President for Sustainability and Integrity, and General Counsel, International Financial Corporation, World Bank Group

Karan Bhatia, Vice President and Senior Counsel, International Law & Policy, General Electric Company

Mr. Sean Hagan presented evidence of corruption's impact on the economy, an important topic to the IMF. Systemic corruption indeed undermines the government's ability to deliver inclusive economic growth. If the tax system is corrupt, the wealthiest can avoid paying their tax in impunity, thus undermining the country's fiscal stability. Corruption also discourages foreign investment. Finally, Mr. Hagan pointed out that systemic corruption distorts investment priorities at the expense of the most useful sectors, thus exacerbating inequality when public services are ignored and potentially fuelling popular unrest. Legislators can make sure that public officials have a living wage that dissuades them from accepting illicit financing and an effective legal framework to protect them.

Mr. **Ethiopis Tafara** laid out the precautionary measures taken by the International Financial Corporation (IFC) in its activities. When supporting a company, the IFC helps mobilize private capital; however, such capital is conditioned to the absence of corruption. Indeed, if one invests in a company with weak governance, then the investor risks losing money; and when fraud is rampant companies are bound to fail. The IFC therefore looks at each company's integrity and makes a corporate governance assessment. Mr. Tafara called on parliamentarians to fight corruption by fostering transparency, protecting whistle-blowers, ensuring the independence of the judiciary and enforcing the law.

A representative of the private sector, Mr. **Karan Bhatia** explained that his company's history had been tarnished by corruption hence the firm policy against corruption coming from the top management. Integrity norms are now considered by General Electric as a competitive advantage, after having experiencing the damage of corruption. Mr. Bhatia invited everyone to be discriminating with their country's companies, by rewarding those who respect their integrity commitments.

Comments from the discussant

Hon. Yunus Carrim highlighted that most of the recommendations addressed to the participants were related to democratic values, but that despite efforts, corruption still persists. The private sector has a responsibility to take measures especially when companies such as Amazon, Google, or Starbucks, choose not to pay their faire share of taxes. Investors sometimes do invest in corrupted sectors, when it allows them to avoid procurement rules. Hon. Carrim pointed out that although corruption was more important in developing countries, multinationals owned by rich countries do



not always behave ethically either. Corruption can seem difficult to reverse when occurring in context of inequality, but political leaders need to take more decisive action.

Discussion

During the discussion that followed, participants made comments related to:

The role of the World Bank and IMF in fighting corruption

- Several participants called on the World Bank and IMF to do more against corruption.
 - o Mr. Hagan admitted that the IMF could do more, which is why the organization was currently reviewing their policy on the matter. So far, the IMF uses three tools: the suspension of lending (1); surveillance in transparency (2); as well as in anti-money laundering (3). However, it does not have prosecution powers; it is thus for the country to enforce the law in cases of corruption.
 - O Mr. Tafara added that, in the case of IFC, the institution invests in good governance companies; however, it has happened that the IFC pulled a loan out if the company proved not to be reliable. The World Bank Group has a Vice-Presidency dedicated to investigating companies and flagging the ones which do not qualify. For instance, the IFC does not engage with companies who are not transparent and/or are registered in tax heavens.

A broader approach in the fight against corruption

- While the discussion mostly focused on bribers, there is also "demand" from bribe-takers.
 - Mr. Bhatia explained that when corruption is looked at from a risk/reward perspective, it is easier for large companies than for medium and small-sized company to avoid getting involved in suspicious business.
- Mr. Tafara invited the audience to look at corruption through other forms of influence besides payments. Companies owned by government officials, for instance, are a potential source of conflict of interest.

Enhancing public finance and the fiscal system

- In countries such as Brazil, the fiscal system weaknesses do not allow to counter tax evasion.
 - According to Mr. Hagan, increased fiscal transparency and public records help improve tax collection.

The role of parliamentarians

- The example of the South African parliament provided the participants with a case where
 parliamentarians decided to tackle corruption through the establishment of several
 committees, along with the ability for MPs to call on any relevant actor (including banks) if
 necessary.
- Parliamentarians can bring back the knowledge from financial reports and other publications to their home parliaments.





"We need a shift in the way members of parliament do business, for the sake of their people"
Hon. Yunus Carrim, MP South Africa

Partnerships

- Participants expressed their will to work in the framework of a strong multi-stakeholder alliance including civil society organizations, the private sector, governments and development sector for greater efficiency against corruption.
 - o Mr. Hagan and Mr. Tafara commented that civil society organizations often happen to be the most efficient and reliable whistle-blower.
 - Mr. Bhatia added that corruption needed to be addressed in major policy meetings such as the G7 or G20.

The politicization of corruption

• Corruption is a highly political topic and Mr. Hagan noted that in most cases, new governments retrospectively prosecute their predecessors. A sign of progress would be prosecution of fellow government members in known cases of corruption.



Sub-Saharan Africa: growth prospects and challenges for the next decade

Moderator

Hon. Ana Gomes, Member of the European Parliament

Speakers

Makhtar Diop, Vice-President, Africa Region, World Bank Group

Abebe Selassie, Director, African Department, IMF

Mr. **Makhtar Diop** announced that, despite an overall trend of growth in Africa, the GDP per capita rate in the continent was, for the first time, negative when compared to the GDP rate. The continent's countries that are dependent on commodities are the most affected because of the drop in commodity prices and therefore need to diversify economies. He urged parliamentarians to pursue a better allocation of resources among their populations and to push for a new social contract. The increasing access to the internet caused a rise in aspirations, especially from the youth, making it incumbent on political leaders to take the appropriate measures for a fairer wealth repartition and to urgently address the issue of education. Mr. Diop also invited legislators from developed countries to foster openness with Africa, as a source for mutual wealth both in terms of trade and labour force.



"The World Bank is here to give munitions for you, MPs, to respond to questions from your constituencies"

Makhtar Diop, Vice-President, Africa Region, World Bank Group

Mr. **Abebe Selassie** confirmed that last year's economic slowdown in Africa produced the lowest growth rate experienced in the last twenty years. However, he pointed out disparities among countries: most of the resource poor countries still perform well, while commodity exporters are experiencing economic strains. According to the IMF, a 3% growth rebound can be expected for 2017 and 2018. Sub-Saharan African countries are faced with the challenge of implementing the right policies to jump-start growth and make the most of the continent's demographic transition. Indeed, by 2030, global growth will depend on the integration of Africa's labour force into the economy and this challenge requires: 1) sustaining the centrality of macroeconomic stability and addressing



balances; 2) increasing revenue mobilization to promote state capacity; and 3) making economic diversification the litmus test for policies.

Discussion

During the discussion that followed, participants made comments related to:

The diversification of the African economy

• Responding to enquiries from MPs on how they can effectively support the diversification of their economies, Mr. Diop explained that parliamentarians can foster regional and international trade by supporting the reduction of custom barriers within the continent and by participating in the development of regional value chains following the Asian model for instance. Mr. Diop and Mr. Selassie both insisted on the importance for African economies to involve the private sector, to improve their business environment, and to set medium-term objectives and perspectives.

Nutrition

- Malnutrition has been highlighted as a curse for Africa, preventing its population from supporting growth.
 - o Mr. Diop added that technological developments will require increasing cognitive skills that can only be acquired with scaled-up nutrition.

World Bank and IMF engagement in Africa

• Both Mr. Selassie and Mr. Diop explained that, as international institutions, neither the World Bank nor the IMF have the mandate to get involved in country political processes.

Energy

 In Uganda, the Bujagali Hydroelectric Power Station has been constructed thanks to the involvement of the private sector and development partners, including the IFC. However its capacity is not fully exploited.



Special Address by H.E. Kemi Adeosun

Speaker

H.E. Kemi Adeosun, Minister of Finance, Nigeria

H.E. **Kemi Adeosun** gave a special address to the audience and stated that Africa requires urgent infrastructure investment for the region to achieve long-term growth, energy sufficiency and agriculture. She presented the Nigerian government's strategy of investing in roads and addressing the country's traditional reliance on oil revenue in order to support the economy, and more specifically small and medium enterprises. This entails investing in capital, addressing imbalances as much as possible, and mobilizing revenue to finance infrastructure projects and reimburse debt. H.E. Adeosun cited the World Bank, the IMF and the African Development Bank as key interlocutors for the Nigerian government. She added that illicit capital flows represent a major shortfall that requires attention, identification, and recovery. Parliamentary cooperation in Africa would prove valuable in that field so that illicit capital recipient countries can be held to account. Members of parliament can take measures by implementing tighter tax and financial reporting legislation, as well as by contributing to the successful delivery of public services, the pillar of successful economies.



"We need more collaboration amongst parliamentarians for transparency in Africa, and across the World to ensure that the economic situation improves"

Discussion

During the discussion that followed, participants made comments related to:

The informal economy challenge

• The necessity of collecting accurate data was raised, along with the suggestion to implement a plan for banks to better capture the business activity of the country.



 H.E. Adeosun commented that a large part of the population is *unbanked* and takes part in the informal economy. Technology can contribute to the formalization process and therefore to a widening of the fiscal base.

Job-creation and the role of infrastructure

- Investing in infrastructure can bring medium and long term results but it does not create many jobs.
 - According to H.E. Adeosun, infrastructure is a prerequisite for job-creation. Its absence hinders business creation and can make the country dependent on imports.
 In Nigeria, the public-private YouWin initiative, offers a youth development programme to support outstanding entrepreneur business plan and eventually creating jobs.

Investing in human capital

 Answering a question on human capital, H.E. Adeosun explained that investment in health and education had increased in Nigeria. Because nutrition is linked to education, campaigns have also been launched with health workers helping mothers feed their children. Improving agriculture by producing more and better food is also an important component to ensure food security.

Terrorism

- The terrorist acts perpetrated by Boko Haram have affected the economies of Nigeria and its neighboring countries, including Niger.
 - H.E. Adeosun specified that most of the impact caused by Boko Haram in Nigeria involved the north eastern part of the country. Although the terrorist group remains a threat to the region, the rebuilding process has started.

Nigeria's relation with the World Bank and IMF

Providing more detail on Nigeria's relation with the World Bank and IMF, H.E. Adeosun said
that her country was interested in working with the World Bank, namely on budget
efficiency. The country already engages with the IMF, and although it does not need an IMF
programme, the government is keen on protecting the economy from currency risks.



Address by Speakers of Parliament

Speakers

Hon. Abdul Raouf Ibrahimi, Speaker of Parliament, Afghanistan

Hon. Sonam Kinga, Speaker of the National Council, Bhutan

Hon. Oscar Mauricio Lizcano Arango, Speaker of the Senate, Colombia; Board Member of the Parliamentary Network on the World Bank & IMF

Hon. Niki Rattle, Speaker of Parliament, Cook Islands

Attending Speakers of Parliament were invited to take the floor and address their colleagues. Each of them shared their insights on their country's development challenges and opportunities. This allowed the speakers to contribute with their country's and parliament's story on issues such as: the difficulty to exploit resources and opportunities in a country subject to security threats and drug trafficking like Afghanistan; unemployment as a great challenge, namely in Bhutan with over 9000 job seekers and a 10.7% youth unemployment rate; or the long road to implementing peace processes akin to the one signed between the Colombian government and the FARC. Parliamentary engagement at the regional and international level was also highlighted as a key feature for strengthening leadership and building capacity of legislators, along with their ability to influence the global agenda.



IMF country engagement

Moderator

Hon. Hans Olav Syversen, MP Norway

Speaker

Jeff Franks, Director, IMF Office in Europe

Jeff Franks gave an overview of the IMF's engagement with countries. The IMF has country teams composed of a mission chief, desk economists, and resources from regional and specialised staff for each of its members.

Based on the Article 4 of IMF country agreements, onsite **consultations** are organized (usually on an annual basis) after preliminary studies from the headquarters. Consultations last between 10 and 12 days, during which the IMF team meets with government officials, including the Central Bank and the Ministry of Finance. Depending on the country, meetings are also organized with members of parliament (party groups or finance committees). Once the consultation ends, the team submits a report to its country managing Director. Consultations can take place more often, should the country's economic situation require it.

The IMF offers special **trainings**, sometimes accessible to members of parliament. A recent example is a training jointly organized with the Vienna institute. Online courses and MOOCs also exist and are open to everyone⁶.

Countries can also ask the IMF for **technical assistance** when faced with challenges related to the IMF areas of expertise.

IMF **programmes** are negotiated with governments and upon their request only. When solicited for a programme, the IMF produces a diagnostic and identifies the nature of the problem: structural, fiscal, imbalances, or a combination of each. Policy recommendations are then made upon the basis of long term surveillance and the production of policy notes, before being negotiated with the national authorities. These negotiations do not involve the Parliament although the IMF sometimes meets informally with legislators to have their input.

Discussion

During the discussion that followed, participants made comments related to:

IMF programme negotiation

- IMF recommendations often seem as imposed to the countries.
 - Mr. Franks explained that during the negotiation process, the responsibility of consulting parliaments lies with governments, not with the IMF. Governments blame the IMF for unpopular policies but he insisted that country ownership is key to their success.

⁶ Find out more about IMF online learning <u>here</u>



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- In some countries, including Tunisia, the IMF is perceived as a condescending institution when negotiating with developing countries.
 - Mr. Franks acknowledged the perception gap leading to the IMF being blamed for many things. He insisted the IMF should be seen as a doctor prescribing a treatment, but admitted that the treatment could seem painful. The best results are achieved when governments and IMF work as a team.

IMF lending facilities

- Depending on the country and the context, the IMF can offer different types of lending arrangements.
 - In the case of Morocco, a two-year Precautionary and Liquidity Line arrangement was signed with the aim of providing insurance against risks and supporting the authorities in the implementation of reforms.
- In countries where there is no functioning government to repay IMF debts, Mr. Franks explained that the IMF asks donors for relief.

Political implications of IMF programmes

 Mr. Franks confirmed that IMF programmes were a useful political tool for governments; often times, governments use it to sell unpopular policies. Mr. Franks warned that the success of IMF programmes requires country ownership.

Addressing short and long term priorities

- The IMF focus on short term issues can be incompatible with the governments' long term strategies especially in sectors such as energy.
 - o Mr. Franks argued that short term challenges need to be tackled in order to be able to address long term issues. With regards to the energy sector in Ukraine, he agreed that over the longer term it would be desirable to have low taxes on energy, but in the short term to pay bills revenues have to be raised. While IMF deals are short-term oriented, there are other partners with which countries can engage for longer term programmes, such as the World Bank or regional development banks.

Migration crisis management

- With the refugee crisis, Jordan and Lebanon face difficulties to manage the flows of incoming refugees, while maintain sustainable debt levels and ensuring public services.
 - Mr. Franks recognized that IMF assistance in Jordan proved insufficient because of the overwhelming external shock caused by the refugee crisis. In both countries, efforts should be made to integrate refugees, as much as possible, into the economy.



The role of parliamentarians in tackling the SDGs

Moderator

Charles Chauvel, Team Leader, Inclusive Political Processes Bureau for Policy and Programmes Support, UNDP

Speakers

Magdi Amin, Manager, Corporate Strategy and Partnership Team, International Financial Corporation, World Bank Group

Akaash Maharaj, CEO, Global Organization of Parliamentarians Against Corruption (GOPAC)

Abdihamid M. Mao, Senior Integrity Specialist, Group Integrity Office, Islamic Development Bank

Mr. **Charles Chauvel** acknowledged the important role of Parliaments in the adoption of the SDGs, and their relevance to Goal 16 of promoting peaceful and inclusive societies, through their accountability functions, debating, and representativeness. However, parliaments are impeded by: a lack of political will; insufficient resources; a lack of capacity and knowledge; gender imbalance; as well as fragility and conflict situations. Systematic engagement from parliamentarians and experts alike is needed to share information effectively. In this context, the UNDP partnered with the Islamic Development Bank and GOPAC to publish a parliamentary handbook on *Parliament's role in implementing the Sustainable Development Goals*⁷.

Mr. **Abdihamid M. Mao** set out the Islamic Development Bank's (IDB) vision to promoting development, health, education and governance in its member countries. The IDB is invested in capacity building and regional integration programmes. It also operates a lot on integrity, and serves as a contact point for alleged corruption practices and a provider of recommendations. Collaborating on the parliamentary handbook allowed the IDB to assist parliamentarians in playing an active role for SDG delivery through sharing good practices, and discussing the application of international best standards and the best fit for each context.

Mr. Akaash Maharaj presented the SDGs as the metrics by which human progress can be measured. A major barrier towards achieving such progress is corruption, a phenomenon which already caused the failure of the Millennium Development Goals. The impact of corruption represents \$2.1 trillion in bribes (according to World Bank data); \$2.1 trillion of assets illegally moved across borders (according to UNODC data); and \$3.1 trillion lost through tax evasion (according to the Tax Justice Network); and the amount lost annually to corruption could suffice to achieve the development goals. The success of the SDGs will therefore depend on the effective involvement of parliamentarians, including against corruption.

Mr. Magdi Amin asserted the World Bank Group's commitment to the SDGs, while reminding the audience of their cost and complexity. Supported by the Addis Ababa Action Agenda, the SDGs will require the mobilization of Overseas Development Aid (ODA), of domestic resources, as well as of private finance. While ODA spending has remained stable, the funding needs have increased and

⁷ The parliamentary handbook on *Parliament's role in implementing the Sustainable Development Goals* is available <u>here</u>



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private investment is required to meet the gap. Parliamentarians can address this gap, foster market competitiveness and promote private sector development by: holding their government accountable for results; enforcing competition; increase transparency and fight corruption.



"Achieving the SDGs will require a monumental act of legislative will"

Akaash Maharaj, CEO, Global Organization of Parliamentarians against Corruption (GOPAC)

Discussion

From good intentions to actual implementation

- The difficulty for MPs to commit to the actual implementation of the SDGs can partly be explained by their term duration and re-election stakes.
- Ownership of aid spending has been cited as a key element for the success of the SDGs, including private ownership of land and assets which allows for capital and potential investments.

Gender equality

• Domestic legislation is needed for women's empowerment and the achievement of gender equality (Goal 5).

The MPs relation to their constituency

 The link between parliamentarians and their constituency is a very powerful one and yet, some of the constituents' aspirations cannot be met because members of parliament have limited prerogatives.

Private sector support

 Rwanda has been highlighted as a success story in terms of market creation and private sector support.

The role of technology

 Mr. Amin pointed out that technology can promote competition and provide easier access to finance while driving down the cost of capital if well-regulated and provided there is an alignment of both the private and public sector.



Undertaking reform of energy subsidies

Moderator

Hon. Syed Naveed Qamar, MP Pakistan

Speakers

Jerome Vacher, IMF Resident Representative for Ukraine

Arunish Chawla, Minister-Economic, Embassy of India, Washington D.C.

Hon. **Naveed Qamar** opened the conversation sharing his experience as former Minister of Petroleum and Natural Resources of Pakistan, and his efforts to cut energy subsidies during his time in government. Although each type of subsidy requires a specific approach, the timing remains a crucial element for reform; the government's *honeymoon* period is a privileged time to attempt reforms. IMF recommendations on the topic are worthy of attention and should be studied in the light of each country's economy.

IMF Resident Representative for Ukraine Mr. **Jerome Vacher** laid out the effects of subsidies on the countries' economies including their fiscal system, public spending, and resource allocation. Today, global subsidies represent about 6.5% of the world GDP. Subsidies tend to depress private investment and accelerate the depletion of natural resources while reinforcing inequality. Mr. Vacher presented the case of Ukraine explaining that the energy subsidy reforms had taken over 20 years of discussions before being carried out for the last few years and bearing fruit. He further noted the benefits it has brought in terms of efficiency, environmental pollution reduction. He insisted that reforms should target the most vulnerable members of the population.

Mr. Arunish Chawla presented the case of India and its challenging implementation of energy subsidy reform over the past decade. While Indian oil companies were nationalized and administered a control price mechanism in the mid 1970s, the oil prices increase during the 1990s led the government to rethink its energy policy. By adopting differentiated strategy depending on the type of energy targeted (e.g. oil, gas, gasoline, kerosene), the Indian example highlights the need for persistence in political will to achieve reforms. Mr. Chawla also advised developing sound research capacity to provide relevant feedback and judgment on the conducted reforms, as well as to adopt a gradual approach with adequate sequencing to maintain a sustained impetus for reform.

Discussion

Privatisation as an alternative?

- Privatisation was suggested as an alternative for policy makers, as it could provide a high level of efficiency in the field of energy.
- It was, however, pointed out that consumers usually appreciate having a public company to which they can refer to. Moreover, privatization often leads to higher prices for the consumers. In Jordan, for instance, private companies' prices are at least 20% higher than the public sector's.



Making subsidy reform policies politically acceptable

- The example of Morocco was shared, where an indexation system was put in place along with subsidies conditioned to the oil barrel price. The gradual approach made the reform politically acceptable.
- To pursue successful policies, timing is key, along with providing the right compensation mechanism (e.g. trough taxation).

Key subsidy reform components

 One of the most subsidized countries in South East Asia, Malaysia is under a 'subsidy rationalization' programme. According to research studies, subsidy removal policies are bound to fail if not accompanied by reallocations to ensure that the poorest still receive income and that the richest households' privileges are reduced.

The necessity of a comprehensive energy policy

- Because governments only have a limited term, it is difficult to implement coherent and efficient subsidy removal policies over time.
- Energy subsidy should not be studied as an isolated policy item but rather be linked to other issues from the energy sector; including, energy efficiency monopolies.
- Green energy was highlighted as a long-term investment.
 - The IMF supports green energy policies as long as they fiscally make sense.



Mitigating climate change

Moderator and discussant

Hon. Alfredo Molina Triana, MP Colombia, President of the Environment Committee; GLOBE Colombia

Speaker

Ms. Marcene Broadwater, Global Head Climate Change, International Finance Corporation, World Bank Group

Discussant

Hon. Martin Oyono, MP Cameroon; GLOBE Africa

Ms. Marcene Broadwater underlined the role that the private sector can play, with the public sector, in mitigating climate change; a task requiring an additional \$3 trillion to be achieved. As revealed by the IFC *Climate Investment Opportunities in Emerging Markets* Analysis⁸, the Paris agreement helped open up \$23 trillion in climate-smart investment opportunities across emerging markets, a call for action to unlock investment and respond to the current risks making investors hesitant. Members of parliament can help foster investment by adopting adequate policies, clarifying investment standards, encouraging green building, and following pragmatic approaches. By using its leverage with limited money, the public sector can unlock private capital.

Comments from the discussants

Hon. **Alfredo Molina Triana** presented the outcomes of forest governance actions in Colombia, led with the support of GLOBE. In Colombian constitution the environment is considered as natural capital for the country's development, namely through its forests and rivers producing hydropower. Forest governance is a part of the peace process, hence the Forest development plan and the government's aim to contain deforestation. Beyond the Colombian case, Hon. Molina Triana called for increased inter-parliamentary cooperation to tackle the global challenge of climate change.

Hon. **Martin Oyono** shared the forest governance reform opportunities in Cameroon. Forest governance requires the involvement of all stakeholders, including indigenous peoples and community leaders. Through GLOBE, parliamentarians were offered to get a concrete overview of forest governance challenges by going on the ground. Opportunities for parliamentary leadership exist in Cameroon: while legislators have been actively involved in the government's reform for four years, the legislative assembly has also laid down guidelines and principles for the drafting and implementation of a forest governance legal framework.

⁸ Read *Climate Investment Opportunities in Emerging Markets,* An IFC Analysis <u>here</u>



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Discussion

Committing to the Paris Agreement

- Strong legislation is necessary to ensure an effective climate mitigation framework. The Paris
 Agreement is helpful, despite the uncertainty drawn by the United States withdrawal raising
 questions on how to ensure commitment.
 - o Ms. Broadwater encouraged countries to take leadership for climate.
- Parliamentarians can foster government collaboration.

The consequences of climate change

- Climate change and deforestation affect economic sectors which can provide jobs to the young, as illustrated with cocoa production in Cameroon.
- Some countries, such as Malawi, are more affected by climate change than others and would welcome assistance from the World Bank, the IMF and GLOBE to tackle mitigation.
- Biodiversity conservation is a global priority since 40% of the world economy depends on nature. Research, education, applying the *polluter pays* principle and strengthening legislation are possible solutions, yet conditioned by the involvement of all parties.

Changing behavior

• The difficulty of changing citizens' behavior, in spite of adopting appropriate policies and measures, was raised.

Ms. Broadwater insisted on the need to explain the importance of climate mitigation for future generations.



The week ahead: the Spring Meetings policy agenda

Speakers

Jill Wilkins, Director, Global Engagement, External Affairs, World Bank Group

Sabina Bhatia, Assistant Director, Communications Department, IMF

Ms. Jill Wilkins explained that the World Bank and IMF Spring Meetings aim at moving priority policy agenda items forward. The World Bank has given focus on three main issues for the event: 1) accelerating growth and private sector engagement; 2) investing in people and human capital; and 3) building resilience to shocks. Thematic issues including aligning initiatives for climate change mitigation and approaches to development finance are also given attention during the event. The Spring Meetings bring together a large range of stakeholders, from civil society - with a dedicated Civil Society Policy Forum -, governments, other development partners, to members of parliament.

Ms. **Sabina Bhatia** presented the IMF activities, which comprise lending but also analytical and multilateral surveillance work through the publication of reports. These revealed that although the world economy is gaining momentum, short-term risks and structural challenges remain. The IMF thus recommends a three-pronged approach (fiscal, monetary, structural), promoting inclusive growth, and further international cooperation to maintain this momentum. The IMF can support efforts for recovery by providing macroeconomic policy advice, identifying fiscal space and reforms, providing assessments and review experiences, and making member-tailored recommendations.

Discussion

Corruption

• More information was provided about the IMF work on corruption: the institution provides technical assistance for anti-money laundering and by combating the financing of terrorism, thanks to its experts on illicit financial flows.

Inclusive growth and inequality

- The persistence of income inequality at both the national and international level has been pointed out.
 - Ms. Wilkins explained that this was the reason the World Bank was looking at the root causes of inequality, including through a country specific approach and looking at trade in order to improve developing countries value addition.

IMF country programmes and action capacity

- IMF programmes are often designed to respond to short-term issues and are not always
 efficient, especially in the case of Jordan where the debt increased and the situation
 worsened despite the programme.
 - Ms. Bhatia highlighted the exceptional crisis situation of Jordan, an element that is being incorporated into the IMF approach by reducing the burden of adjustment for the poor and more timely safety nets for taxation measures.



- The IMF capacity to resist a financial shock, similar to the 2008 crisis was questioned.
 - o Ms. Bhatia explained that the IMF members were the ones to decide on the institution's size and resources.

International Development Association (IDA)

- More regular updates on the implementation of IDA was requested from MPs who only receive information every three years, at the time of the Fund's replenishment.
 - The World Bank does gather regular information on the projects financed by IDA and committed to communicating more on that to the parliamentarians.



Investing in human capital and early childhood development

Speakers

Hannah Bowen, Director, ACTION Secretariat

Meera Shekar, Global Lead for Nutrition, World Bank Group

Discussants

Hon. Dissan Gnoumou, MP Burkina Faso

Hon. Pam Damoff, MP Canada

Ms. **Hannah Bowen** presented ACTION, a network of global health advocates which aims at bringing the voice of civil society into health policies and supporting policy makers in the drafting of legislation and policy implementation. Underlining that nutrition is responsible for half of the under 5 year-old children death toll, Ms. Bowen presented stunting as an indicator for development which needs to be reduced.

Early childhood development is linked to investment in early years, explained Ms. **Meera Shekar**. During the first 1000 days, children are prevented from reaching their full potential when they lack good nutrition, stimulation, learning opportunities, nurturing and protection. Early childhood development is a critical topic for the World Bank because the upcoming digital revolution will require new generations to develop new sets of skills. Pre-school education represents another pillar: children who do not attend it suffer from a learning gap. To this date, 156 million children under 5 years old are stunted worldwide, calling policy makers to join forces against under-nutrition, to promote early stimulation and learning, to protect the vulnerable and to foster women's education, promote reproductive health, improve water and sanitation, and to provide quality affordable food.

Comments from the discussants

Hon. **Dissan Gnoumou** (MP Burkina Faso) presented the successful example of his parliament's network on food security. Thanks to such network, members of parliament were able to advocate and obtain a dedicated budget line for nutrition. He insisted that nutrition should not be considered as a public health related issue only, but as a development challenge for the generations expecting to support sustainable growth.

Hon. **Pam Damoff** (MP Canada) shared her experience in supporting initiatives against stunting around the world. Members of parliament can help through very simple interventions such as supporting or sponsoring actions led by civil society to educate young women around the world on reproductive health, pregnancy and children care. She reminded the participants that fighting stunting is an investment.



Discussion

Maternal health

• The importance of improving maternal health and breastfeeding practices was raised as an important element for development partners to focus on.

Nutrition and conflict

• Stunting and malnutrition become an even more critical issue when in situation of conflict, especially for displaced population.

The impact of network and group actions

- Other parliamentarians have shared examples of focus groups for early childhood development, including the UK Parliament All Party Parliamentary Group for Conception to Age 2-The First 1001 Days which approach also includes mental health.
- Scaling-Up Nutrition, a network counting over 50 member countries, has also been cited as important advocate pushing for government commitments. However, there is still work to be done to ensure that political declarations are translated into action.
 - The World Bank asserted that investments were either forthcoming or already in place in most of the aforementioned countries and that it also provided financial facility covering reproductive health issues.



Conclusion

The 2017 Global Parliamentary Conference two-day programme delivered suggestions on how to improve the parliamentarians' role in defining and implementing successful development policies, a set of recommendations for enhanced cooperation between parliaments and international financial institutions, and increased knowledge on topics of parliamentary interest.

The 2017 GPC shed light on how parliamentarians can enhance their role in the definition and implementation of policies for successful development outcomes. As parliamentarians shared their experiences and exchanged views with development experts, a few recommendations could be drawn:

- Parliamentarians should make full use of their oversight and scrutiny functions. This includes keeping their government accountable, monitoring budget spending and being vigilant as to the risk of corruption.
- Thanks to their on-the-ground knowledge and direct link with constituents, parliamentarians are in a privileged position to stay abreast of the people's aspirations. As expectations are rising, it is important that these are met in order to avoid frustration and possible situations of fragility, conflict and migration. Members of Parliament can serve as a bridge between citizens and the governments, express the people's aspirations and help identify solutions and opportunities to meet these.
- Corruption has been unanimously highlighted as a crucial issue for legislators, who have the
 power to shape efficient legal frameworks against corruption, as well as transparency,
 disclosure, and protection for officials and whistle-blowers. Tackling the issue of corruption
 and enhancing transparency would result in positive economic outcomes and allow the gain
 of public confidence.
- Members of Parliament were encouraged to take advantage of networks at the national and global scale. At the country level, examples from networks Burkina Faso, Colombia and Cameroon were showcased and demonstrated that parliamentarians could advocate and obtain greater outcomes on issues if they acted collectively whether it be to obtain dedicated budget lines for nutrition or to ensure forest governance. The value of the Parliamentary Network was similarly emphasized as it represents a unique platform for parliamentarians to hold international financial institutions accountable by facilitating engagement between the two stakeholders at the global level and at the country level.

The conference also served as a reminder of the **importance for financial institutions and parliamentarians to cooperate**. In times of global uncertainty, international organizations like the World Bank and the IMF are indeed vital to address challenges. Both of them operate in many countries of the world through programmes and projects, and provide expertise and information on how to best achieve development results. Members of Parliament were encouraged to take an active part within the Parliamentary Network on the World Bank & IMF which constitutes a privileged platform for parliamentarians to make their voice heard by international financial institutions. Feedback from parliamentarians to the World Bank and IMF also represents citizen's voices which can further be integrated in the World Bank and IMF future operations. Legislators were, moreover, invited to engage with IMF and World Bank country offices, whose representatives can be invited before parliamentary committees if needed. Finally, the conference highlighted the value of knowledge produced by both the World Bank and IMF - reports and data can be used as reference by parliaments.

Knowledge-building is a fundamental step to design and implement transformational development policies hence the important added-value of the 2017 edition of the GPC which allowed



parliamentarians to exchange and learn directly from experts and top management representatives of the World Bank and IMF, as well as to share their experiences with their peers. The conference served as a platform to discuss key development issues including: the link between inequality, job-creation and growth; steps towards more inclusive institutions and parliaments; the necessity to fight corruption and measures that can be taken within government and the private sector; perspectives for growth and challenges in the sub-Saharan African region; the role that parliamentarians can play for the implementation of the SDGs; examples of climate change mitigation namely through forest governance; as well the merits of investing in human capital and early childhood development.

The most up-to-date data from the World Bank, the IMF, and partner organizations were then presented and participants can also refer to policy documents and reports for their legislative work.

The conference was also the occasion for the Parliamentary Network to hold a General Assembly and elect a new board, composed of five new members and five re-elected ones and among which each region of the world is represented.

The 2017 GPC participants, along with the newly-elected Parliamentary Network Board of Directors, expressed their commitment to these outcomes. Applied collectively, such recommendations can help parliamentarians maximize their impact on the development process and enable them to achieve actionable policies on the ground. The upcoming Parliamentary Network meeting, the Parliamentary Workshop at the 2017 World Bank and Annual Meetings, will provide another occasion for interested members of parliament to extend the debate on some of the topics covered.



Fighting inequality through job-creation & growth

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International Jobs Report: Edition 2017, P. Loungani, 3 July 2017, OCP Policy Center: available in English

Youth Job Creation Policy Primer: A systems approach to achieving full employment for all young women and men by 2030, Peace Child International, The Parliamentary Network on the World Bank & IMF, April 2017: available in English

Special session with the leadership of the IMF and the World Bank Group

Building a More Resilient and Inclusive Global Economy, a speech by Christine Lagarde, Managing Director, IMF; 12 April 2017 (as prepared for delivery): available in English

Rethinking Development Finance, a speech by World Bank Group President Jim Yong Kim, 11 April 2017 (as prepared for delivery): available in English, Español, Français, العربية, Русский, 中文

Building inclusive institutions and parliaments

World Development Report 2017: Governance and the Law, World Bank Group. Full report available in English; main messages available: English, Español, Français, Русский, Português, 中文, عربي

Lobbying in Europe: Hidden Influence, Privileged Access, Transparency International, April 2016; available in English.

Tackling corruption in government and the private sector

Annual Update - Fiscal Year 2016, Integrity Vice-Presidency, World Bank Group; available in English.

Corruption: Costs and Mitigating Strategies, IMF, May 2016; available in English.

Sub-Saharan Africa: growth prospects and challenges for the next decade

Regional Economic Outlook: Restarting the Growth Engine, IMF, May 2017; available in English.

Africa's Cities: Opening Doors to the World, World Bank Group, February 2017; full report available in <u>English</u>; overview available in <u>English</u>, <u>Français</u>, <u>Português</u>.



The role of parliamentarians in tackling the SDGs

Parliament's role in implementing the Sustainable Development Goals, A Parliamentary Handbook, UNDP, GOPAC, IDB, 2017; available in English.

Atlas of Sustainable Development Goals 2017: From World Development Indicators, World Bank Group, April 2017; available in English.

Undertaking reform of energy subsidies

Getting Energy Prices Right: From Principle to Practice, IMF, July 2014; available in English.

Mitigating climate change

Shock Waves: Managing the Impacts of Climate Change on Poverty, World Bank Group, 2016; full publication available in <u>English</u>; overview available in <u>English</u>.

Investing in human capital and early childhood development

Promising Approaches in Early Childhood Development, World Bank Group, March 2017; available in English.

Smarter Education Systems for Brighter Futures, World Bank Group Education Global Practice, 2016; available in English.



Hon. Jeremy Lefroy, MP United Kingdom

Jeremy Lefroy is a British Conservative Party Member of Parliament. Since his election in 2010, he has served on the International Development Committee. In 2015, he was also appointed to the UK Parliament's Joint Human Rights Committee. After ten years in Tanzania working in the coffee industry, he returned to the UK and established business marketing coffee and organic cocoa from smallholder farmers. He co-founded Equity for Africa, a social investment business which supports entrepreneurs in creating sustainable jobs by lease funding for small businesses. He also established Stafford Works, a charity which promotes apprenticeships, job creation and entrepreneurship in his own parliamentary constituency. In the course of his duties as Chair of the Parliamentary Network on the World Bank & IMF, Jeremy Lefroy contributed to the 18th Replenishment of IDA, a World Bank fund for the poorest countries, for which he advocated both with members of the Network and with the British parliament.

Hon. Alain Destexhe, Senator Belgium

Alain Destexhe has been a member of the Belgian Parliament since 1995. He is a former Secretary General of Médecins Sans Frontières (MSF), former President of the International Crisis Group (ICG) and former President of Parliamentarians for Global Action (PGA). After graduating from the Liège University Medical School, he obtained a diploma in International Affairs from the Paris Institute of Political Studies (IEP) and a certificate in management from the **INSEAD** in Fontainebleau. As medical doctor and Secretary General of MSF, Alain Destexhe was involved in major humanitarian crises in the 80s and 90s, notably in Central America, Ethiopia, the Gulf, Bosnia-Herzegovina, Rwanda and Somalia. He then worked with the Crisis Group on peace-building measures in the Balkans and led the PGA campaign to ratify the Rome Treaty on the International Criminal Court (ICC). He is the author of several books on humanitarian issues and international relations. His main areas of interest are development, electoral observation and international justice. Alain Destexhe joined the Parliamentary Network on the World Bank & IMF in 2000, chaired its twelve-member Board from December 2010 until June 2013. He is also the chairperson of the Committee on Legal Affairs and Human Rights of the Parliamentary Assembly of the Council of Europe since 2016.

Hon. Olfa Soukri Cherif, MP Tunisia

Hon. Soukri Cherif is a Member of Parliament for Tunisia and Member of the Committee on Finance. She is also a member of the Steering Committee of the Global Parliamentarians Forum for Evaluation as well as a member of the French National Council for Development and International Solidarity (CNDSI) as a foreign political leader. Before taking on her parliamentary duties, she was assisting teacher in Economics at the Institut Supérieur de Sciences Humaines in Tunis, and assistant in Mathematics and Statistics at the University of Paris Panthéon-Sorbonne, where she also studied. She was a consultant for the OECD and an AISEC Alumni President. Hon. Soukri Cherif graduated with an MBA in Trade Policy from Harvard University.

Hon. Pauline Bekono Ebah Ndoumou, MP Cameroon

Hon. Ndoumou has been the Quaestor of the National Assembly since 2007, as well as a member of the Committee on Social and Cultural Affairs. She is also the President of the Cameroon Chapter of the Parliamentary Network on the World Bank & IMF Chapter. She is the Vice President of the African Parliamentarians Network for Climate Community in Cameroon and the South Regional Coordinator of the Network of **Parliamentarians** for the Sustainable Management of Forest Ecosystems of Central Africa - REPAIR.

Hon. Percy E. Downe, Senator Canada

Senator Downe was appointed to the Senate of Canada on June 26, 2003. He is a present member of the Senate Liberal Caucus (Facilitator/Whip); the Senate Committee on



Foreign Affairs and International Trade (Vice Chair); the Senate Committee on Internal Economy, Budgets and Administration; the Vice-President of the Canada-Europe Parliamentary Association; and the Chair of the Canada-United Arab Emirates Parliamentary Friendship Group.

Hon. Mauricio Lizcano Arango, Senator Colombia

Oscar Mauricio Lizcano Arango graduated as a lawyer from the Universidad del Rosario in Bogotá, Colombia, where he stood out for his academic excellence and leadership. He was President of the University's Student Council, and Vice President of AIESEC (International Association of Students of Economics and Social Sciences) in the year 2000. He completed a specialization in Business Administration and Technology at University of Cambridge (England) and another in Public Affairs Management at the Universidad del Externado in Colombia, in partnership with Georgetown University. Throughout his 15 years of experience he has served as adviser to CORPES (the Regional Council for Economic and Social Planning), Regional Director for Bogota and Cundinamarca for DANSOCIAL (the Administrative Department of Economic Solidarity), Secretary of Transportation in Manizales under Mayor Germán Cardona, **UNDP** (United Nations Development Program) consultant for the Minister of the Interior and the Minister of Justice, adviser to the Minister of Communications, and Secretary General of IGAC (Agustin Codazzi Geographic Institute). He taught Political Science at the Universidad Autónoma de Manizales. where participated in the creation and management of postgraduate programs and other courses. He was elected Member of Congress for the Party of the U for the 2006-2010 period, and Senator of the Republic from 2010-2014. He was reelected for the 2014-2018 period and now serves as Speaker of the Colombian Senate. He has promoted several important projects, some of which have already have been written into law. He has also worked on financial reform, on the National Development Plan, and the Annual Budget.

Hon. Shamsul Iskandar Mohd Akin, MP Malaysia

Hon. Iskandar Mohd Akin is a Member of the Malaysian Parliament and a member of the Rights and Privileges Committee. He was elected to federal Parliament in the 2013 election. Since then, he consistently highlights the importance of good governance and puts the agenda of reforming the anti-corruption agency and laws as the top priority in his parliamentary debate. His recent efforts in the sphere of whistleblower protection have gained traction from the Malaysian government. He also currently serves at the Executive council of the Commonwealth Parliamentary Association, Malaysian Branch, and as Vice President of the People's Justice Party, the leading opposition party in Malaysian Federal Parliament.

Hon. Lahcen Haddad, MP Morocco

Dr. Lahcen Haddad has been Member of Moroccan Parliament since November 25, 2011. He has been reelected for a second term on October 7th 2016. He has also served as Minister of Tourism with the Government of Morocco between 2012 and 2016. Before joining the Government in January 2012, Lahcen Haddad worked as international expert in strategic studies, democracy, governance and development, and as a certified expert in strategic planning, monitoring and evaluation, diversity and entrepreneurship. Dr. Lahcen Haddad taught as a university professor for over twenty years with institutions such as Indiana University, Saint Thomas Aquinas College in New York, the School of International Training in Vermont, Mohamed V University in Rabat and Al Akhawayn University in Ifrane, Morocco. Dr.Haddad is also known for being an active media expert with knowledge of new trends in digital means of communication and social media. Lahcen Haddad has been elected recently as Member of the Governing Council for SID (Society for International Development).



Hon. Nathan Nandala-Mafabi, MP Uganda

Nathan Nandala-Mafabi is a Ugandan Member of Parliament with the Forum for Democratic Change (FDC). He is part of the Appointments Committee. Since 2011 he is the leader of the opposition and the Chairman of Bugisu Corporation Union. He is also a financial management consultant and tax consultant by profession, and holds university diplomas from Uganda, Kenya and the UK. He used to work as Chairman of the Public Accounts Committee and as Shadow Minister of Finance, Planning and Economic Development.

Hon. Olga Bielkova, MP Ukraine

Hon. Bielkova is a Member of Ukrainian Parliament and Vice Chair of the Verkhovna Rada's Committee on Fuel and Energy Complex, Nuclear Policy and Nuclear Safety. She serves as the permanent Member of the Ukrainian Delegation to the Parliamentary Assembly of the OSCE and a Board Member of the International Board of the Extractive Industries Transparency Initiative (2016). Olga Bielkova is a Harvard Mason Fellow, and holds a Master of Public Administration from the Harvard Kennedy School of Government.



About Annex 3

The Parliamentary Network on the World Bank & IMF (PN) is a non-governmental organization providing an international policy platform and informative body of knowledge sharing and research for parliamentarians to engage with international financial institutions. The Parliamentary Network is composed of over 1000 legislators from World Bank and IMF member countries, striving to promote dialogue between MPs and the World Bank and IMF, civil society, academics, government and private sector representatives. The mission of the PN is to increase transparency and accountability in development cooperation by fostering an oversight role of Parliaments and civil society on IFIs

The World Bank is a vital source of financial and technical assistance to developing countries around the world. The World Bank Group comprises five institutions managed by their 189 member countries. Established in 1944, the World Bank Group is headquartered in Washington, D.C. and has more than 10,000 employees in more than 120 offices worldwide. The World Bank Group has engaged systematically with MPs since about 2000, both in borrowing countries and in donor countries. Further, World Bank's country offices have increasingly included parliamentarians in Country Partnership Frameworks Consultations. More about the World Bank and Parliamentarians here.

The International Monetary Fund (IMF) is an organization of 189 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world. Created in 1945, the IMF is governed by and accountable to the 189 countries that make up its membership. The IMF proactively engages with MPs through already established "umbrella" parliamentary organizations, reaching out to parliamentarians on the committees that have oversight of economic issues with the intent of ensuring the stability of the international monetary system. More about the IMF and Parliamentarians here.



Contact us

Gergana IVANOVA

Coordinator
The Parliamentary Network on the World Bank & IMF
Tel +33 (0)1 40 69 30 55
Mobile +33 (0)6 42 52 92 45
givanova@parlnet.org
www.parlnet.org

Nayé A. BATHILY

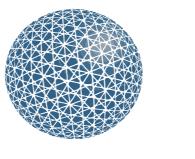
Lead, Parliamentary Engagement, External & Corporate Relations Vice Presidency,
World Bank Group
Mobile +1 202 247 7447

nbathily@worldbankgroup.org
www.worldbank.org/parliamentarians

Glenn GOTTSELIG

Senior Communications Officer, Public Affairs Division International Monetary Fund Tel. +1 202 623 717 Mobile: +1 202 651 0972 ggottselig@imf.org





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Parliamentary Network

66, avenue d'Iéna - 75116 Paris, France