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Message...

2011 has already been very active for PNoWB. Amidst revolts and revolutions in the Arab world, PNoWB is continuing to support its members by ensuring a direct dialogue with World Bank and IMF officials, as well as through various policy resources. In March 2011, PNoWB together with regional World Bank offices organized a special parliamentary meeting on World Bank operations in the West Bank and Gaza with Mariam J. Sherman, World Bank Country Director for the region. The report is available at www.pnowb.org. Conflict, Security, and Development are also the themes of the World Bank’s World Development Report 2011 and it is likely that these issues will remain on top of many international agendas throughout the year.

PNoWB participated in this year’s World Bank/IMF Spring Meetings with a delegation comprised of Board members and additional PNoWB members. During this time, delegates met with a number of partner organizations and senior representatives from the World Bank and IMF, and attended a one-day parliamentary workshop.

Looking forward to the second part of 2011, PNoWB will work on ensuring that MPs are represented in the Fourth High Level Forum on Aid Effectiveness (HLF4), which will take place in Busan, Korea from 29 November–1 December 2011. Together with partner organisations such as AWEPA, IPU, and NAP, PNoWB is working to provide input to the outcome document and will organize a Parliamentary meeting prior to HLF4.

Furthermore, PNoWB is currently planning an international conference on ‘Doing Business’ to take place in Kigali, Rwanda. The conference will bring together parliamentarians, senior representatives of the African private sector, multilateral organisations as well as donor countries to discuss how to improve the business environment in Africa. I strongly encourage PNoWB members to participate in these events. You can express your interest to PNoWB’s International Secretariat in Paris (secretariat@pnowb.org).

Alain Destexhe, MP
Chair, Parliamentary Network on the World Bank
Gender and development in Africa

By Obiageli Ezekwesili,
Vice President for Africa,
World Bank

In Africa, the feminization of poverty still remains acute. One in twenty girls born today in Angola, Mozambique, Liberia and Sierra Leone will die in childbirth. An African woman is 25 times more likely to die during labor than a European woman. Girls still face genital mutilation in 28 African countries. More than 800,000 Africans, most of them female, are victims of human trafficking. Three young women are infected with HIV/AIDS for every young man in Africa.

The African woman, however, is also Africa’s face of hope, strength and opportunity. The rate of female entrepreneurship is higher in Africa than in any other region of the world. An African country – Rwanda – boosts the highest female representation in parliament. The primary enrollment rate has climbed from 84 girls for every 100 boys in 1991 to 91 in 2009.

Significant strides have been made on the path towards gender equity, but great challenges remain. The ratio of girls to boys in secondary school has barely moved in the last 18 years – from 76 girls per 100 boys to 79. In tertiary education, there are only 68 young women for every 100 males. In stark contrast to Rwanda, female representation in parliament across Sub-Saharan Africa is only about 18 percent.

The road to achieving the Millennium Development Goals in Africa can only be built on a gender inclusive agenda, unleashing the productive power of women. That agenda should advance women’s education and access to information, protect women’s rights, improve women’s access to agricultural inputs and security over their land, promote female entrepreneurship, and increase the participation of women in government and public life. Urgent action in five key areas would help.

First, more African girls must go to and stay in school long enough to be armed with the skills essential for success. Girls need support at the secondary and post-secondary levels, where the crucial school to work transition is made. It is also vital for girls to acquire skills beyond the classroom – the kind that allow for innovation and entrepreneurship when faced with limitations.

Second, protecting women’s rights is essential for enhancing their access to economic mobility. Family laws on inheritance, marriage, labor markets and land rights are greater determinants of economic decision making and empowerment than are business regulations. Legal restrictions on mobility, work outside of the home and control of personal assets are in dire need of reform in many African countries.

Third, women must gain access to productive resources. If women and men had the same access to agricultural inputs, productivity on women’s farms could increase 10 to 30 percent. It will take innovative programs to provide women with these inputs and concerted action to protect their rights to land, ultimately altering the course of agricultural productivity for women, and for the continent.

Fourth, with African women currently absorbed by businesses concentrated in the less productive areas of the informal sector, breaking free will require access to credit – not just microfinance – but to higher credit amounts at low interest rates with longer maturity terms. These need to be complemented by the right kind of technical support for female entrepreneurs, delivered in a timely fashion.

Progress is possible and can come swiftly, as primary school enrollment has shown. It cannot
only be symbolic, though. While education is an essential starting point, it is only the first of many hurdles in shrinking the gender gap in earnings and empowerment. Africa needs to hear the voice of the missing half, who can help set a more representative and inclusive agenda with the right priorities — including advocating for greater commitments for pro-poor, pro-children and pro-women policies and reforms. Success will require that African governments work with citizens and the private sector, civil society, communities and Africa’s friends in the development community. It will require sustained political will, a commitment to enforce laws that strengthen the agenda on policies friendly to girls and women.

At the World Bank, we are bringing our stone to help build the foundation for progress, keen to listen to the ideas of the poor and recognize that the African people must lead this process. Our Road Map for Gender Mainstreaming addresses gender challenges. Our Gender Action Plan fosters women’s access to land, agricultural inputs, infrastructure, labor markets and financial services while our Adolescent Girls Initiative trains mentors and empowers young African women to transition to work. As World Bank President Robert Zoellick puts it: “It goes beyond a matter of fairness or decency. It makes no economic sense to lose out on the energy, creativity and dynamism of half of the world’s population”.

Our private sector arm, the International Finance Corporation (IFC) has invested a combined $170 million under a Gender Entrepreneurship Markets (GEM) initiative which has benefited thousands of women in 23 Sub-Saharan African countries.

The subject is close to our hearts at the World Bank. Gender equity and development will be the focus of the Bank’s flagship World Development Report for 2012. It is one of the themes for our three-year funding period (2011-2014) for which the Bank has raised $49.3 billion to benefit the world’s 79 poorest countries, 38 of them in Africa.

Our new Africa Strategy has two pillars—competitiveness and employment, and vulnerability and resilience—and a foundation of governance and public sector capacity. Improving the life chances and opportunities for women is a fundamental aim, and the tools for implementing the strategy—partnerships and knowledge—will leverage our funding to deepen and accelerate economic growth that generates jobs, is broad, diversified and inclusive—benefiting the poor and women — on whom the well-being of children and future generations is so dependent. So far, gender has been an obstacle, yet every obstacle is an opportunity in disguise. The expansion of economic and social empowerment of the African woman is the key to the realization of the African promise.

Some facts:

- In 2008, there were 96 girls for every 100 boys enrolled in primary school, up from 91 in 1999. Although this signals good progress, 37 million girls were not in primary school in 2008, compared to 32 million boys.
- Globally, gender parity in secondary school enrolment has improved, from 76 girls for every 100 boys in 1991, up to 95 girls for every 100 boys in 2008. However, rates of secondary enrolment remain low in sub-Saharan Africa and South and West Asia.
- Globally, the number of maternal deaths has decreased by less than 2 percent a year since 1990, far short of the 5.5 percent annual reductions needed to meet the target to reduce maternal mortality by three quarters.
- In developing regions overall, 53 percent of people living with HIV were women in 2008. At 58 percent, women’s share of those living with HIV in sub-Saharan Africa is the highest in the world, although latest figures show that prevalence among young women has declined significantly in some of the worst hit countries in the region. However, in the Commonwealth of Independent States (CIS), South Asia, Latin America and the Caribbean, and North Africa, women’s share of those living with HIV has increased since 2002.

Source: Report on ‘Gender Justice: Key to Achieving the Millennium Development Goals 2010’, UN Women
Parliamentarians are key players in promoting accountability and transparency in a country’s management of natural resources. They are instrumental in holding the executive to account, passing and reviewing legislation, debating contracts, monitoring budget expenditure, and voicing the needs and rights of their constituents. In resource rich countries, parliamentarians face additional demands. Due to issues such as the complexity of contracts, volatility of prices and the large cash inflows, the oil and mining industries offer unique challenges to transparency. Effective monitoring of revenue from oil, gas and mineral extraction requires a policy framework and institutions that focus on ensuring that these industries contribute to the public good. The most important of those tools are access to information, a clear legal system and periodic oversight of the use of natural resources.

The Revenue Watch Index found that only 13 out of 41 countries had approved a Freedom of Information Law, as of early 2010. Parliaments play a key role in guaranteeing public access to information, including the terms that governments and companies negotiate for the exploration and extraction of mineral resources. The Revenue Watch Index found that five countries (Colombia, Liberia, Peru, Timor-Leste and the United States) publish contracts signed by the government and extractive companies, and several other countries have published them in the past. The lack of negative effects when countries publish contracts should encourage Parliaments to approve legislation to open these instruments to public scrutiny.

Negotiating terms for oil, gas and mining exploration and production is highly technical work. However, parliaments can and should draft legislation providing a consistent fiscal regime, clear division of roles and responsibilities between agencies in charge of regulating the sector, commercial activities and revenue collection, and limits to arbitrary decisions. For example, the Revenue Watch Index identified 16 countries where legislation establishes that negotiators cannot deviate from three key principles: (1) the authority in charge cannot negotiate new terms after licensing or auction rounds, (2) the authority in charge cannot agree to a fiscal stabilization clause, and (3) the authority in charge cannot offer compensation in case of changes in the regulatory framework, without approval from another independent authority. Parliaments in resource rich countries have the power to include similar rules in their legislation.

In some countries, the legislative branch has authority to ratify oil and mining contracts. This practice, however, is observed in countries that do not have the most democratic governments, for instance Angola, Azerbaijan or Venezuela. This creates the risk of having parliaments that rubber-stamp decisions already made by the executive. While negotiating contracts remains a technical issue, a parliament’s role is better suited to defining clear rules and legislation and to guarantee public access to information from the executive, creating incentives to develop the highly technical skills necessary for regulating and overseeing these industries.

By itself, good legislation will not create accountable and transparent management. All but one country (Sudan) included in the Revenue Watch Index published its legislation, but oversight remains a necessary next step to hold governments accountable. Creating active parliamentary committees to scrutinize reports and audited statements of revenues are a good start, even if parliamentary powers vary from country to country.
In most countries, parliament’s main power lies in the authority to approve budgets as well as legislation on revenues. Mechanisms to manage revenue outside the normal budget process undermine this power—such as savings funds, stabilization funds or escrow accounts holding money generated by the extraction of oil, gas and minerals. The Revenue Watch index identifies 29 countries with a special fund for these revenues. In 17 of these countries the rules governing the fund are publicly available, and the authority in charge publishes information about assets and transactions. The remaining 12 do not publish information about either how the instrument is funded or the rules for disbursement.

Effective monitoring of revenue from extractive industries requires parliamentarians to protect the right to access public information, set a clear legal framework and oversee the use of public resources. Transforming mineral resources into opportunities for economic growth and development require at the least transparency and accountability. Parliaments have a key role supplying both.

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**Fighting disasters, one parliamentarian at a time**

By David Fisher,
Coordinator, International Disaster Response Laws, Rules and Principles Programme, International Federation of Red Cross and Red Crescent Societies (IFRC)

People around the world have been moved by the major disasters we have seen on our screens in recent years, including the 2010 earthquake in Haiti, which killed more people in a single day than died in all disasters worldwide the previous year, or the terrifying earthquake-tsunami-nuclear crisis, which struck Japan in March of this year. Nevertheless, for many – including many parliamentarians – these events may seem far away. Maybe your country has low seismic risk, does not rely highly on nuclear energy, or has not had a major disaster recently. Maybe you have other critical economic and social issues that need to be urgently addressed and that are central to the political platform on which you were elected.

Still, if you are a parliamentarian, you should be worrying about natural disasters, even if your voters aren’t … yet. Why? Though most are not as visible as the Haiti and Japan crises, disasters are on the rise world-wide (for example, there were 385 disasters in 2010 compared to 278 in 1990). Moreover, most of them are weather related – floods, storms, droughts, heat waves, and the like – and they are occurring in different patterns, in different places and with higher intensities than in the past, largely due to the effects of climate change. Moreover, human vulnerability to natural hazards is also growing – in particular due to the skyrocketing rise in the numbers of urban poor. As pointed out in the 2010 edition of the IFRC’s World Disasters Report, around 1 billion urban dwellers now live in poor-quality, overcrowded housing in slums or informal settlements, with poor sanitation, poor access to emergency services, inadequate drainage, and other high-risk factors. In other words, disasters, large and small, are more likely than ever to be headed toward your constituents in upcoming years.

**What can parliamentarians do?**

First and foremost, as lawmakers, parliamentarians should ensure that their countries have a comprehensive and modern legislative framework for disaster management. While there has been important progress since the adoption of the Hyogo Framework for Action in 2005, this is not yet the case in many countries. Some have disaster response systems running mainly on the basis of executive decrees. Many others have “flagship” statutes that mainly
address the emergency response activities of civil defence agencies and fail to set out clear rules and responsibilities for reducing risks before a disaster or for recovery afterwards. While much can and should be accomplished by the executive branch through decrees, policies, plans, strategies and networks, the absence of a solid legislative foundation can lead to many gaps.

The most obvious of these gaps relate to institutional cohesion, clear accountability and funding shortfalls. Especially on the far ends of the disaster management spectrum – risk reduction on the one hand and recovery on the other – there is a multiplicity of ministries, levels of government, and sectors that must work together to address the many connected issues. The absence of clear mandates and guaranteed budget lines for risk reduction activities has often led to disappointing results. Particular difficulties arise when major responsibilities for disaster management are vested with local authorities without adequate financing capacity, institutional expertise or oversight.

In addition, however, disaster laws should reflect that governments cannot do everything themselves. Roles, responsibilities, and incentives must also be provided for others. Civil society organizations, such as National Red Cross and Red Crescent Societies, should be guaranteed a seat at the table in disaster management committees at the national, provincial and local levels. Potential legal hurdles to the work of volunteers deployed by these organizations in disasters (e.g., labour law restrictions, liability exposure, and insurance requirements) should also be addressed in advance of a disaster.

Moreover, laws should empower communities themselves to take an active role in disaster safety. Some recently adopted disaster laws, including those of Bolivia, Honduras, Indonesia, the Philippines, Serbia and Slovenia, set out a “right to protection” from disasters. The precise remedies when that right is not upheld, however, often remain unclear. A small but growing number of disaster laws now also specifically guarantee communities the right to be informed about disaster risks and to be represented in decision-making bodies relevant to disaster management, which have traditionally been the exclusive domain of technical experts. In the environmental field, a number of countries, such as Cambodia and the Dominican Republic, have been experimenting with providing specific incentives to communities to be directly engaged in forestalling deforestation and misuse of water sources.

Along these same lines, disaster laws should be prepared for the potential that a massive event could overwhelm all domestic response capacity, leading to a need for international assistance. Most countries have only very limited legal or procedural provisions in place to handle the most common regulatory problems in international operations, ranging from customs restrictions (particularly for medications, vehicles, telecommunications equipment and foodstuffs), visas for foreign personnel and the recognition of foreign medical qualifications to adequate oversight, quality-monitoring and coordination of foreign actors. In this respect, the “Guidelines for the domestic facilitation and regulation of international disaster relief and initial recovery assistance,” adopted by the State Parties to the Geneva Conventions in 2007, can be an important resource. In addition to passing laws, however, parliamentarians can use their oversight authority and platform to improve national performance in disaster management. In particular, in the area of land management and building codes, one of the most common complaints is that existing laws are not followed – either by the relevant authorities or by private actors – leading to communities at very high risk not only for sudden events like earthquakes, but also slow-onset disasters like floods. Likewise, after many disasters, recovery and reconstruction efforts tend to bog down after media attention has drifted away – efforts to sustain political resolve are often necessary to ensure that displaced families are not trapped in “temporary” homes for long periods.

Finally, and while it may be an obvious point, parliamentarians in many countries have critical roles in the allocation of annual budgets and are
therefore in a position to ensure that critical disaster risk management institutions and activities are adequately resourced. Providing for dedicated budget lines and/or mandating a clear compilation of overall spending on disaster risk management would be important steps in this direction, even where national resources are not equal to the many priorities before government. Particularly important is looking at the proportion of spending that is allocated for community-level activities – often neglected in favour of large infrastructure projects.

It is plain that we cannot make ourselves completely safe from disasters and there must always be trade-offs between the many priorities of government. However, more can be done and even the voice of a single parliamentarian can make an important difference in saving lives.

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**Civil Society Emerges as Important Focus of Parliament in Afghanistan**

By Sarah Kathleen Rose, JD, LLM, PhD

USAID Afghan Parliamentary Assistance Program

State University of New York

We might find the clearest sign of the Wolesi Jirga’s increasingly sustainable relationship with Afghanistan’s Civil Society in renaming the Women’s Affairs Commission of the Wolesi Jirga (Lower House) of the National Assembly to the Women’s Affairs, Human Rights and Civil Society Commission. Led by Her Excellency Fauzia Kofi and composed of eight female and two male Members of Parliament, the Commission’s significance in the work of parliament is steadily overcoming conservative resistance to its efforts to contribute to the normalization of life for the Afghan people. The commission’s mandate was broadened to ensure that for the first time since the initial constitution of the National Assembly in 2004 the parliament explicitly gave voice to concerns for human rights and relationships with civil society in a manner that is consistent with international parliamentary practice.

Commission members were sensitive to the challenges of this broadened mandate and turned to the USAID-sponsored Afghanistan Parliamentary Assistance Program (APAP) for support in planning for its enhanced role in the Wolesi Jirga. APAP is administered by the State University of New York Center for International Development (SUNY/CID). The committee asked APAP for immediate assistance in addressing three important issues:

- A review of the Law on Violence against Women,
- A review of the controversial Family Law, and
- A joint conference with Afghan Civil Society on women, peace and a strategic partnership with Civil Society and the Assembly.

The Commission initially approached each issue in hybrid conferences/public hearings with Afghan experts from Parliament, the Executive and Civil Society. Each event featured presentations and open questioning from an audience composed of Members of Parliament and Civil Society. As the commission has continued its work on these pressing issues, it also appointed a working group to produce a one-year strategic plan that would address human rights and women’s issues, and bring in Civil Society Organizations to collaborate with the Wolesi Jirga more generally. APAP has provided assistance in this planning. Committee member Her Excellency Farkhunda Naderi observed that “Parliament represents the voice of the people. That voice can best be heard through civil society. Without the cooperation of civil society, the work of Parliament cannot be fully effective. And we must remember, Parliament is responsible for oversight but oversight of
Parliament is the responsibility of Civil Society.” And it appears that CSOs are prepared to play a constructive role. Mr. Zia Moballegh of Rights and Democracy explained: “The role of civil society in legislation process is very important because CSOs can play a significant role in reflecting the concerns of targeted groups about the certain laws. This is a facilitation of a two-way communication between the lawmakers and the people. The peoples’ needs will be addressed and the lawmakers will be sure that they are not ruling in a despotic way.” As the Women’s Affairs, Human Rights and Civil Society Commission is producing a plan that will bring in Civil Society to contribute to its broadened mandate, Her Excellency Riahana Azad expressed the Commission’s own concerns that they continue to build their knowledge on these issues and strengthen their capacity to respond flexibly to their constituencies. The commission has also reached out to the Women’s Affairs Commission in the Meshrano Jirga (Upper House) in order to coordinate effectively on issues of common concern. According to Her Excellency Fawzia Koofi, “the enhancement of mutual cooperation with the Women Affairs Commission of the Meshrano Jirga is important in building a common understanding of goals, as well as good collaboration in the achievement of these goals.” To facilitate this cooperation, the commission has asked SUNY APAP to organize short preparatory “tea and conversation” sessions before special events. According to Her Excellency Naderi, “we need something to bring us together and APAP is the only place that can really help.”

In the current stabilization process in Afghanistan, a young and vital civil society and an increasingly effective parliament both seek to strengthen their working relationship. Senator Arefullah Pashtoon, Head of International Relations Commission of the Meshrano Jirga, observed, “Civil society can play a vital role in bridging the gap between the Parliament and the people as they are deeply involved with the core of society. A strong Civil Society can also help the parliamentarians with expertise and information on specific issues and thereby make our work more effective.” Without a doubt, the Women’s Affairs, Human Rights and Civil Society Commission are determined to make that connection a reality.

Afghanistan Parliamentary Assistance Project

The Afghanistan Parliamentary Assistance Project (APAP) was established in 2004 to assist the National Assembly of Afghanistan in its institutional, technical, and political development. The three-year project is financed by USAID and operated by the State University of New York’s Center for International Development (SUNY/CID).

Some of its current activities include:

- Develop the institutional capacity of the National Assembly to provide effective and efficient legislative support services to Members of Parliament (MPs);
- Strengthen the ability and capacity of MPs to perform their legislative, representative, and oversight functions and responsibilities;
- Reinforce linkages between MPs with constituents, provincial representatives, the executive, civil society, and the media;
- Provide technical assistance to committees on legislation, oversight, and representation;
- Facilitate constituent input into Parliament’s legislative and oversight functions; and
- Educate constituents about Parliament’s roles, functions, and responsibilities

For more information, please visit:
Where is the World Bank’s energy sector strategy headed?
By Paulina Garzon,
Latin America Program Manager,
Bank Information Center

As the World Bank (WB) goes through a crisis of relevance in the face of new lenders with greater financial capabilities and fewer rules, it is also widely recognized as a knowledge institution that prioritizes investments on public policy design, regulatory frameworks, and strengthening institutional capacity at the country level. The Bank is not only the international financial institution with the highest social and environmental standards, but also the institution with the greatest capacity to influence national laws and public policies. Alongside the $13 billion it put towards energy infrastructure in 2010, the WB has the influence to guide a new vision for energy development globally.

The WB has spent almost two years developing the new Energy Sector Strategy (ESS), expected to be approved in July 2011. The ESS will be the guiding instrument in modernizing the energy sector with two main objectives: 1) to increase access to modern and reliable energy, especially for the poor, and 2) to facilitate the transition into an energy sector that is environmentally sustainable and with low carbon emissions.

The Committee on Development of Effectiveness (CODE) met on April 11 to revise the ESS draft, with the task of producing a report for the WB Board. So far, CODE has not made any public declarations, but it unofficially supports a partial ban on coal funding that has created a divisive line among the Executive Directors (EDs) from the developed and developing countries, to the point that some of them have warned that the ESS will not progress without changes in language. In general, the developing nations have harshly questioned the role of the WB on energy policy planning while it remains great asymmetry on the production of GHG in the world. The debate over the ESS has brought to light a deeper battle which is WB governance itself. It was expected that the new draft would be published and that a consultation period would open in May 2011. However, due to the internal division among EDs, it looks like the WB has decided to prioritize arriving at an internal consensus and not extending the debate to civil society. According to the institution’s calendar, the final draft of the ESS will go to the WB Board of Directors for approval on July 14th 2011.

Some Key Issues of the Energy Sector Strategy
According to the WB’s own estimates, energy demand in developing nations will increase by 80% between 2008 and 2035, and in 2030, 1.2 billion people worldwide will not have access to electricity. Within this context, the proposal in the ESS to extend access to energy to approximately 60 to 80 million people by 2020 seems modest and insufficient.

The ESS proposes to carry out an analysis of greenhouse gas (GHG) emissions in all energy generation projects up until 2012 in areas where there is a methodology for the analysis. These project analyses will be counter-evaluated with alternatives to those projects. The projects financed by intermediary financiers and the policy projects will be analyzed as soon as methodologies are developed, but no later than 2014. Some developing countries EDs’ view this proposal warily because it would impose additional costs on projects that may then require additional WB financial support. On the other hand, it remains to be seen if the methodologies to be used, the coverage of the analysis and the use of the information will challenge the current energy model, which at its current status, would result in the duplication of GHG worldwide by 2050. It is worth noting that the WB has not incorporated a GHG accountability system for its own operations. The ESS clearly supports the promotion of large hydroelectric dams without guaranteeing the
application of international standards to ensure the proper evaluation of the economic risks and social and environmental impacts that are often associated with large dams. The WB categorizes these projects under the “clean energy” portfolio. This portfolio will also include policy loans regardless of the results generated by the policy reform. Although the WB has pointed out in the ESS that 75% of its energy portfolio will be based on supporting clean energy, the ESS does not provide a precise definition of “clean energy” which makes it impossible to ensure that the goal is met.

There is concern about the WB’s intention of prioritizing large hydroelectric projects, the lack of support for small hydropower, the weak approach toward energy generation sources such as wind power and solar photovoltaic power, and how these priorities may undermine the development of energy matrices aiming at a sustainable energy model. Although the ESS deems it important to strengthen planning capacity to cover the poorest sectors and also to mitigate climate change, it is unclear how the planning instruments such as the Integrated Resource Management, the Low Carbon Development Strategy, the internalization of social and environmental externalities throughout the project cycle, and the Development Strategy Loans (DPLs), will be aligned with the ESS objectives. Currently, the ESS only considers the Integrated Management Plan for hydroelectric dams.

The Results Framework in the ESS also requires further attention. The current indicators in the Results Framework do not facilitate tracking progress against ESE priorities and objectives. For example, despite the emphasis of the ESS on efficiency, the Framework is strongly biased in favor of measuring the WB’s impact on increasing supply. In that way, it supports a definition of effectiveness measured by the volume of new and/or large projects, instead of energy efficiency. None of the indicators are designed to measure improvements to access or reliability as a measure of efficiency. There are also no indicators to measure the results of improvements to human well-being that could be attained through the ESS.

The ESS points out that the WB will be “selective” in financing extraction and production of oil and gas, when it contributes directly or indirectly to poverty reduction, but it does not specify the criteria for selectiveness. The ESS highlights that the WB’s investment arm for the private sector, the International Finance Corporation (IFC) will support the “sustainable development” of oil and hydrocarbon activities while these generate “benefits of sustainability to the local communities.” Again, it is not defined what those benefits will be, while at the same time, it ignores the fact that the fossil fuel extraction model in the majority of poor countries is deeply rooted in corrupt and inefficient structures.

Nevertheless, the “Achilles heel” of the ESS is the ban on new investments on coal plants for the middle-income countries grouped within the International Bank for Reconstruction and Development, and for the low income countries grouped in the International Development Association, with the only exception for the second group that funding will be provided when there is no other energy supply options to serve the poor. The WB’s strategy to restrict development of coal plants, while promoting large hydroelectric dams did not work. With the G-11 countries at the forefront, several EDs released a statement to CODE stating that “it is unacceptable for the Bank Group to discriminate between categories of countries in terms of fuel base of WBG-supported energy projects”, instead the WB should assist countries on their particular circumstances “without excluding any energy source upfront.”

This past February, the European Parliament released a resolution expressing its concerns about the WB’s massive financing of fossil fuels and about the fact that the WB qualifies large hydroelectric dams and bio-fuels as “clean energy” on the ESS. This April, the European EDs at the WB, searching for venues to negotiate and preserve “the good” of the ESS, have expressed that they are open to reconsidering the issue of coal financing, highlighting that the WB has to use its “added value” when promoting and financing clean energy.
A common factor between the negotiations of the ESS at the WB and the negotiations on climate change within the United Nations framework is the fragility of the dialogue between developing countries, with emerging economies, and low income countries. It happens because of the lack of ambitious goals from the developed countries on reducing their carbon footprint; the very modest financial support toward conservation in developing countries (who have important forested areas and have a relatively low carbon print); the amount of energy required by the fast development of the middle income countries’ economies; and the challenges that low income countries face in subsidizing clean development. Finally, the WB’s executive leadership’s position on the ESS is complicated by the politics of voting in a new WB president in 2012.

**IMF’s Crisis Response and Challenges**

By Lorenzo Giorgiannis,  
Strategy and Policy Review Department,  
IMF

Since the financial Crisis the main message of the IMF has been to call for coordinated fiscal stimulus. From 2007 to 2009 there was an increase in the fiscal deficit in percent of GDP. The crisis response from Central Banks was to establish a network of swap lines worth US$600 billion (see illustration). The Global Crisis emphasized the need for financial safety nets from adverse shocks. During this period, when borrowing became twice as expensive the IMF changed its way of lending to attract attention early on. Giving countries the incentive of crisis prevention instruments, particularly low income countries, the IMF increased the size of its loans and modernized its conditionally (adjusting the number of structural conditions assessed per programs per year). The IMF also increased its lending resources and deployed immediate financial assistance in order to increase countries’ reserves.

**Reformed Lending Instruments**

During the crisis countries had access to two IMF crisis-prevention facilities: the Flexible Credit Line (FCL), with ex-ante conditionality, and the High-Access Precautionary Stand-By Arrangement (HAPA) with a focused conditionality. The Precautionary Credit Line (PCL) has been newly established to meet the needs of countries that, despite having sound policies and fundamental stability, have
vulnerabilities that exclude them from using the FCL. The PCL has a qualification process similar to that for the FCL but with ex-post conditionality focused on the strength to consolidate market confidence in the country’s policy plans. As the main focus of the PCL is crisis-prevention, it is only available to countries that do not face a balance of payments need at the time of approval. The IMF are also using PCLs for a crisis-resolution role, in the case that a large crisis of payment needs arises unexpectedly, access to resources can be brought forward.

**Increased Lending resources**
The IMF was able to triple lending resources by increasing borrowing. On April 2, 2009, the Group of twenty industrialized and emerging market economies (G-20) agreed to increase the resources available to the IMF by up to $500 billion to support growth in emerging market and developing economies. This was achieved in two steps, first, through bilateral financing from member countries and second, by incorporating this financing into an expanded and more flexible NAB (New Arrangements to Borrow).

**Deployed Financial Assistance**
IMF’s executive board backed a general allocation of about SDR (special Drawing rights) 161.2 billion, equivalent to US $250 billion, to provide liquidity to the global economic system by supplementing the foreign exchange reserves of the fund’s member countries. Approximately $100 billion of the allocation is going to emerging market economies and developing countries. 32 arrangements approved and $273 billion in commitments.

Overall more flexible financing has helped avoid excessive adjustment (see graph above).

**More lending to European Countries**
In 2010 various countries approached the IMF with long-term programmes. The IMF lent more to European countries, such as Ireland, Greece and Portugal, and provided fiscal accommodation where possible. During this period exchange rates remained fairly stable (see graph above). However, there was a rise in unemployment (see graph below) that led to an increase in social spending among many countries that asked for IMF assistance.

**Early Warning Exercises**
In order to try and prevent another financial crisis in the future the IMF has launched an early warning exercise together with the Financial Stability Board (FSB) after a request from the G-20 in November 2008. The EWE (Early Warning Exercises) assess the low probability but high impact risks to the global economy and identify policies to mitigate them. The EWE integrates macroeconomic and financial perspectives on systematic risks, drawing on a range of quantitative
tools and broad-based consultations. The EWE does not directly attempt to predict crisis but rather seeks to identify the vulnerabilities and triggers that could precipitate systematic crises alongside risk-mitigation policies. This involves the regular use of macroeconomic data from each member country. Following discussions at the IMD executive Board with the FSB the findings are then presented to senior officials at the Spring and Annual Meetings.

Structural reform of Voting Rights The IMF has reformed the structure of its voting rights. Approximately 6% of voting rights have been shifted to emerging economies. Now BRIC countries are among the top ten quota contributors and emerging economies have a blocking minority. The IMF envisions a multilateral decision making process as key to its future. The highly interlinked nature of today’s economies demands policy coordination beyond borders.

All graphs and illustrations were taken from Lorenzo Giorgiannis’ Presentation ‘IMF’s Crisis Response and Challenges’ given at the Joint IMF/WB Parliamentary Workshop as part of the annual Spring Meetings, 15 April 2011.
The euro area is expected to suffer continued financial stress with rising concerns over sovereign and banking risk, austerity measures and the lack of a comprehensive solution. Bank funding costs and European sovereign peripheral spreads are therefore expected to remain elevated during the first half of 2011. If turmoil in the euro area periphery is contained, the capital flows of emerging market economies are expected to remain strong and financial conditions secure. Bond insurance by emerging market sovereigns and firms will probably remain stable in 2011. An appetite for investment alongside low interest rates in mature markets will continue to threaten, with upside risks, emerging market flows and asset prices.

**Rising Food Prices**

Low inventories and bad harvests have led to a significant increase in food prices. Global food prices have risen by approximately 35% since 2006, after a drop in 2009 they have continued to rise. The rising cost of food, fuel and other commodity prices pose economic, social and political risks in developing countries. Pressure on prices is expected to continue in 2011, due to a continued demand and a slow supply response to tightening market conditions. Importantly, the rapid growth in emerging and developing economies has narrowed, and in some cases, closed output gaps in these economies. In these economies consumer prices are expected to rise by 6% this year (see graph below).

Better social safety nets and targeted relief could help combat the effects of high food prices. The IMF can help a country if food prices become a macroeconomic issue that affects the budget. The Exogenous Shocks facility of the IMF could also provide concessional financing to countries facing balance of payments needs caused by sudden and exogenous shocks.

**Inflation**

Inflation continues to represent a risk for both emerging and advanced economies. While inflation has picked up since the height of the financial crisis this is mostly due to commodities in advanced economies. Emerging economy activity remains buoyant, with emerging inflation amid strong activity. There are also signs of overheating, driven partly by strong capital flows. In advanced economies while there is still the pressure of inflation on the horizon, it is expected to remain at 1½% this year.

**Industry**

After an inventory acceleration-slowdown cycle, industrial activity seems poised to reaccelerate in 2011. However the recovery remains multi-speed, percentage of real GDP growth from a year earlier has risen by 6.5% in emerging markets, 2.5% in advanced economies and 4.5% for total global growth (see graph above). While downside sovereign/financial and oil supply risks have diminished they continue to dominate.
Future challenges
Emerging economies need to implement policies that keep overheating pressures in check and facilitate external rebalancing in key economic areas. The Euro area is facing an increasingly regulatory environment reducing the likelihood of increased lending to banks. The IMF predicts the most urgent requirements needed for recovery are comprehensive and rapid actions to overcome sovereign and financial troubles in the euro area as well as policies to readdress fiscal imbalances and to reform financial systems in advanced economies.

All graphs and illustrations were taken from Jorg Decressen’s presentation ‘Global Economic Outlook and Beyond’ given at the Joint IMF/WB Parliamentary Workshop as part of the Spring Meetings, 15 April 2011.

Factsheet: The IMF and Legislators
The IMF conducts outreach to legislators in its member countries in order to learn more about their views and concerns, explain Fund policy advice, and discuss policy trade-offs. This ongoing dialogue contributes to greater transparency, ownership, and accountability of economic policy choices. The legislative branch of government is essential to economic policymaking in most countries. Legislatures approve budgets and pass tax, banking, and trade laws. They oversee their government’s economic policies, and provide forums for public information and debate.

Legislators are key to success of Fund policies
The IMF is committed to transparency in its work, to explaining itself, and to listening to the people whose lives it affects. As part of these efforts, the IMF has broadened its engagement with the media, civil society and, increasingly, legislators. Outreach to legislators is growing because they are the elected representatives of their citizenry and have a legitimate role to play in economic policy making in their countries. Both the IMF and its member governments have realized that policies and reforms will be more effective if they command broad support in society. In low-income countries dialogue with legislators is particularly important, given their role in discussing and developing national poverty reduction strategies. Poverty reduction policies can be more effective if country ownership is enhanced. Legislators are responsible for passing laws in areas that are central to national economic and financial policies such as the budget, taxes, trade, and the

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1. Fiscal impulse and required adjustment are based on the assumption that cyclically adjusted primary balance adjustment needed to the debt ratio to 60 percent in 2030, except for Japan.

2. Sources: IMF, Fiscal Monitor, and IMF staff calculations.


4. Cyclically adjusted primary balance adjustment needed to the debt ratio to 60 percent in 2030, except for Japan.

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For 2011, withdrawal of fiscal stimulus will be limited. In many advanced economies, much more adjustment is needed to achieve sound public finances.
financial sector. They play an important oversight role in monitoring economic policies, development programs, and budget implementation. As a forum for public information and debate, legislatures play a pivotal role in ensuring that the voices of the voters are heard in major policy debates. For these reasons, it makes sense for the IMF to engage with lawmakers and provide them with accurate, up-to-date information about the IMF, its operations, and policy advice.

**Dialogue helps IMF understand and explain**

The IMF is governed by and is accountable to the governments of its 187 member countries. According to the IMF charter, the Articles of Agreement, its main interlocutors are the financial authorities—in most cases the finance ministry or central bank of the member countries. Recognizing that the principal responsibility for communication to legislators rests with the national authorities, the IMF’s interaction with legislators is tailored to the specific country circumstances, and closely coordinated with each country’s respective financial authorities and representative on the IMF Executive Board. The IMF understands that its outreach to legislators is a two-way dialogue. The objective is to familiarize legislators with the rationale for IMF advice. The IMF also values the opportunity to listen to legislators’ concerns and learn from their views. The IMF interacts with legislators at the national, regional, and international level:

-At the national level, IMF management, Executive Directors, and staff meet frequently with legislators during visits to member countries and when legislators visit IMF headquarters in Washington, D.C.
-At the international level, the IMF cooperates with various parliamentary organizations, including the Global Organization of Parliamentarians Against Corruption (GOPAC); Parliamentarians for Global Action (PGA); the Parliamentary Centre; the Commonwealth Parliamentary Association (CPA); and the Inter-Parliamentary Union (IPU).

The Independent Evaluation Office (IEO) of the IMF also maintains regular contacts with legislators, who provide feedback, comments, and suggestions to its evaluations.

**A dynamic relationship**

The IMF has been expanding its contacts with legislators in accordance with the high priority given to this by both the IMF Executive Board and IMF management. A January 2004 report of an Executive Board working group stressed that the IMF “should expand its outreach efforts and listen to legislators...to improve the understanding of the political and social context in which economic decisions are being taken” and to “help build understanding of the IMF.” In line with those recommendations, the IMF developed a guide for staff on outreach to legislators. Following a consultative process with the public and legislators, the guide was published in July 2005. The guide encourages IMF staff to continue to expand its dialogue with legislators, and provides practical advice on interacting with legislators.
PNoWB participated in the organization of the ‘Parliamentary Symposium on Oil and Gas Development in Uganda’ from June 17 to 19 last year. Over forty Members of Parliament converged with civil society representatives, political party leaders and financial, political and petroleum experts to discuss the government’s management of Uganda’s new petroleum industry at the Botanical Beach Hotel in Entebbe, Uganda. Participants shared their view on how Uganda can best manage the oil industry in a manner that is transparent, environmentally sustainable and equitable. The Symposium was organized by the Advocates Coalition for Development and Environment (ACODE), Water Governance Institute (WGI) and African Institute for Energy Governance (AFIEGO) – all Non Governmental Organizations – in partnership with PNoWB and the United States Embassy in Uganda.

Background
In 2006, Uganda discovered substantial oil reserves in the Albertine Grabben. At the time of the Symposium 39 wells had been drilled, with most encountering oil and/or gas. Initial tests revealed there to be over 2 billion barrels available as reserve capacity and flow rate potentials of up to 350,000 barrels per day over a 25-year period. Oil has the potential to transform Uganda’s economy dramatically for the better, but it also brings new risks and challenges. No other country in Sub-Saharan Africa has achieved sustainable growth and stable development from oil. Countries such as Chad, Sudan and Nigeria demonstrate that oil production can contribute to environmental degradation, political instability and abject poverty. In order to prevent this Uganda needs effective, transparent and accountable state structures and institutions to ensure that oil production translate into economic development and prosperity for all citizens. Hence, the government has begun to draft and enact legislations on oil industry development, regulation, taxation and oversight. In January 2008, the Cabinet approved the National Oil and Gas Policy. In 2010 the Ministry of Energy and Mineral Development produced a draft Petroleum Resources Bill which was one of the main topics for discussion at the Symposium. The discussion focused around two important objectives. First, that Parliament must actively engage in the legislative process and pass laws that decrease the risks oil production creates. Second, that Parliament must use its authority to actively oversee oil exploration and production, ensuring that international oil companies follow the established procedures and national laws of Uganda. The course of the discussion was set out over four main areas; Implementation, the Fiscal Regime, Governance and overcoming the oil curse and Assessment of the Petroleum draft Bill.

Hon. Henry Banyenzaki, Coordinator of PNoWB Uganda opened the session and emphasized the importance of collaboration between different stakeholders in order to enhance transparency in the management of the oil and gas sub-sector. The Uganda Minister of energy and Mineral Development Hon. Hilary Onek pointed out that the Ministry had introduced training programs in petroleum-related fields to build national skills and expertise. He said the Ministry is pursuing the establishment of an oil refinery within Uganda to maximize the benefits of the oil sector. Additionally, the Ministry had outlined key actions which were being undertaken to meet the policy objectives, such as a study to identify opportunities for citizen participation, the licensing process being undertaken through competitive bidding to promote transparency and collaboration on the management legislation over revenues from oil. Dr Moor, an American Academic and experienced Oil Consultant discussed best practice in the implementation. He maintained that oil companies have one aim: to maximize their profits. He said, the Ugandan government must counter this impulse with detailed regulations, Production Sharing Agreements (PSAs) and
strong oversight. The presentation on Uganda’s Fiscal Regime for Oil and Gas was made by Dr. Louis Kasekende, the Deputy Governor of the Bank of Uganda. He addressed the need to tax oil companies, including income tax, and implement legislation that holds oil companies to these terms. He also stressed the need for capable management in order that resources are not abused when oil becomes lucrative. Dr. Kasekende advocated for the creation of a Petroleum Fund that would allow Uganda to invest in oil revenue abroad and selectively introduce money into Uganda for specific projects, following the success of the Botswana’s diamond revenue model.

Mr. Godber Tumushabe, the Executive Director of ACODE, who gave a presentation on ‘Petropolitics, Governance and Overcoming the Oil Curse’ focused on the need for Uganda to improve her governance structures, without which he insisted any plans for oil governance would be lost. Mr. Tumushabe criticized the Petroleum Resource Bill, 2010 for contributing to unclear governance systems. For example, the Draft of the Resource Bill gives the Minister of Energy the authority to appoint trustees to the Petroleum Authority, a responsibility Mr. Tumushabe felt should belong to Parliament. Additionally, the Draft did not discuss any role for local governments, seemingly contradictory to the notion that Parliament has to use the oil legislation to re-strengthen local government and allow them the use of revenue as they see fit. The last presentation of the symposium was given by Prof. John Ntambirweki, who considered the use of PSAs as an outmoded means of licensing because they limited a country’s tax revenue and required the government’s involvement in business affairs of oil production. Ntambirweki thought this incompatible with Uganda’s policies of privatization and the need to encourage foreign investment. He further criticized the simplicity of the draft, lacking checks and balances, as well as organization between government offices. Oil production will impact sectors that lie far outside the jurisdiction of the Energy Ministry or expertise and therefore the process of maintaining sustainable oil revenue must include other government ministries, local government and civil society, according to Ntambirweki. Finally, the potential environmental impact of oil drilling in the context of the Draft Bill was discussed. Ntambirweki insisted that the Bill’s definition of “pollution” was too narrow and must be widened to incorporate other types of environmental damage beyond mere oil spill pollution. He recommended that the Bill include a requirement for oil companies to submit unbiased environmental Impact Assessments, Environmental Management Plans and Accident Contingent Plans. Overall it was drawn from the discussion that strong and effective legal frameworks are essential for the development and management of oil and gas resources, and that transparency, accountability and oversight are critical factors in oil resource development and revenue management. The role of Parliamentarians was outlined as ensuring that oil legislation and oversight effectively promote the interests of Ugandans.

**Update**

The second platform for dialogue on the Oil and Gas sector in which PNoWB has participated was held last month on the 15 April 2011. Over 70 stakeholders were in attendance at the symposium organized by Publish What You Pay-Uganda (PWYP-U) in Conjunction with Parliamentary Forum on Oil and Gas, PNoWB and International Alert. Participants attended a workshop on how best to engage legislators to promote the Extractive Industries Transparency Initiative (EITI) and build a strong legislative framework for managing oil and gas in Uganda. Hon. Banyenzaki called upon Ugandans to be vigilant and hold their leaders accountable if they are to achieve value for money and prosperity for all. He highlighted the need to work hard to guarantee a great future for latter generations by invoking good governance and transparency. He urged Parliamentarians to be strong, independent and brave in fighting for the rights of the people they represent. Participants concluded that Parliament must actively engage in the legislative process and pass laws that are strong, detailed and responsive to the many risks that oil production creates. They also called on Parliament to use its authority to actively oversee oil exploration and production with a view to ensure that international oil companies follow the established policies and laws of Uganda.
The Parliamentary Network on the World Bank (PNoWB) sent a delegation comprised of nine Board members, eight additional PNoWB members and two Secretariat staff to the Spring Meetings of the World Bank and the International Monetary Fund (IMF) in Washington D.C. from 13 to 16 April 2011. During this time, delegates met with a number of potential donor and partner organizations; held a Board meeting; met with senior representatives from the World Bank and IMF; and attended a one-day parliamentary workshop hosted by the World Bank and the IMF.

This report covers the PNoWB delegation’s participation in meetings with World Bank and IMF representatives, partners and potential donors. It also covers the delegation’s participation in a parliamentary workshop throughout the three days in Washington D.C.

PNoWB’s participation in the 2011 Spring Meetings had four main focuses: 1) the World Bank energy strategy; 2) private sector and the global economic outlook; 3) healthcare and education; and 4) transparency, open data, and anti-corruption measures. Throughout the meetings and workshop sessions, PNoWB members posed questions and highlighted issues related to these topics. The report is a summary of the presentations and discussions from the Meetings.

In the final section, the report identifies key areas for follow up from the Spring Meetings, which will partly define PNoWB’s work programme before the 2011 Annual Meetings. These areas include following up with the World Bank and other partners on possible partnerships for the ‘Doing Business’ Conference in Rwanda at the end of 2011; ensuring that the World Bank includes parliamentary engagement in its new energy strategy; working with partners such as GAVI and EFA FTI to inform PNoWB members about their initiatives; working with the World Bank in the preparations of the Fourth High-level Forum on aid effectiveness; and announcing to PNoWB members and partners its closer cooperation with the IMF. PNoWB will also investigate the possibility of including PNoWB members on the panels during the CSO Forum. Finally, the report’s annex includes a list of PNoWB delegates and the delegation’s program from 13 to 16 April.
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End of Term _________________________________

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**PNoWB Resolution on the new World Bank Energy Strategy**

During the 2011 World Bank/IMF Spring Meetings, PNoWB’s Board Members adopted a resolution on the World Bank’s new Energy Strategy. The Resolution aims to encourage parliamentarians to debate the issue and build a dialogue with the World Bank about its new Energy Strategy.

PNoWB will support Parliamentarians by circulating a draft parliamentary question to its members and encourage them to ask their government ministers to explain their policies on their country’s energy strategy.

To read the full Strategy, please visit [www.pnowb.org](http://www.pnowb.org).

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**PNoWB’s new website**

PNoWB recently updated its website, which now includes two main new features:

- Join PNoWB – Parliamentarians can now join PNoWB directly online. All you need is to fill out the Membership form directly on the website. Once you submit it, the PNoWB Secretariat is automatically informed of your request. Partners are also welcome to fill out a form to receive information on PNoWB’s activities.

- News – PNoWB has aggregated the latest news from the World Bank, the International Finance Corporation (IFC), the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), and the World Trade Organization (WTO) on its new website. This provides facilitated access to the latest news on international development and finance.

The website will remain PNoWB’s primary tool for communicating with its members. It will still include all the latest policy resources published by the network, including issue and conference briefs, Parliamentarians and Development (P&D) policy series, research summaries, best practice case studies, annual conference and field visit reports. All editions of PNoWB’s quarterly publication, Network Review, can also be found on the website.

The resources of PNoWB’s IDA16 and Aid Effectiveness Campaign – the Principle Issue Brief and four Supporting Issue Briefs are also available online. For more information, please visit [www.pnowb.org](http://www.pnowb.org).

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**A PNoWB publication...**

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Send your articles to secretariat@pnowb.org

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