



THE PARLIAMENTARY NETWORK

On The World Bank & International Monetary Fund

Breakfast meeting at the EU Parliament, Strasbourg 16 January 2020

The Parliamentary Network on the World Bank and the IMF organized in collaboration with the World Bank and International Monetary Fund (IMF) a breakfast meeting at the European Parliament in Strasbourg on January 16th, 2020, in order to inform European parliamentarians about its work and encourage them to join the Network.

Vice-President of the European Parliament, **Othman Karas MEP** welcomed participants and stressed the role of parliamentarians as strong partners to international financial institutions. As such, it is essential to increase dialog and communication between parliamentarians and international institutions to exchange more expertise on development subjects.



« The global challenges are our agenda [...] The global agenda is the European Union agenda. »- Othmar Karas MEP, Vice-President of the European Parliament.

Mr. Karas explained that European countries' agendas tend to be nationally oriented and not global enough. Consequently, he recommended parliamentarians to join the Parliamentary Network to work hand in hand with IFIs, and to constitute a driver for the future of the EU, since both groups have the same global concerns. IFIs are also able to help parliamentarians in their daily work, which is, for the most part, improving people's lives

Mr. Massimiliano Paolucci, World Bank Special Representative to the EU and NATO, stated that the World Bank needs Europe more than ever in order to address development issues because they affect the global community and not only developing countries. He continued by presenting the WBG as a development institution whose main objectives are to end extreme poverty by 2030 and to boost shared prosperity. To achieve these goals, the WBG is planning to focus more on questions related to fragility issues. He explained that more than 30 countries have been living in a situation of fragility for decades, and since 2010 the number of conflicts going on has tripled. Additionally, according to projections, the number of conflicts is likely going to increase due to inequality, climate change and demographics.



“If you don’t address fragility, you will not be able to support the social structures and the institutions that drive development.”- Massimiliano Paolucci, Special Representative to the European Institutions, NATO, the Kingdom of Belgium and the Grand-Duchy of Luxembourg.

The institution has decided to undertake this work on fragility as it is essential to support the driving structures of development. In this context, the WBG is not only looking at a post conflict approach but is also trying to understand the causes of conflict in order to prevent fragility crises. To achieve this, the World Bank has undertaken several strategies focusing on four principal dimensions: elaborate better policies, creating partnerships, more accurate programming and sending personnel to the field.

Mr. Paolucci closed his speech by saying that fragility has financial and human costs, and those can only be reduced by working hand by hand with civil society and parliamentarians. This is an ongoing process where the WBG is trying to deploy its staff directly where it is needed, to direct the money towards the strengthening of institutions inside countries, and to work closer with parliamentarians and governments.



Mrs. Naye Bathily, World Bank lead on Parliamentary engagement gave some background information on the World Bank's approach to engaging with legislators. She stated that 20 years ago the institution became aware of the need to diversify their partners including parliamentarians. Led by Parliamentarians, the Parliamentary Network was created and since then, along with the WBG and the IMF, it organizes various activities for MPs and Senators, such as conferences, workshops, and field visits in order to strengthen the connection between legislators and IFIs. Additionally, the World Bank has opened consultations on projects and programs for staffers and young MPs. Mrs. Bathily ended by highlighting that the new engagement with the EU parliament is critical for the work of the World Bank.

“20 years ago we realized that we needed to diversify our partners including parliamentarians. [...] This new engagement with the European Parliament its absolutely critical for us.” - Naye Bathily, Head Global Parliamentary Unit, World Bank Group.

Nazim Belhocine started his speech by briefly exposing the history and the composition of the IMF. Then, he quoted Christine Lagarde's three pillars in order to explain IMF's work: **"The IMF has a wallet, a brain and a heart."** The wallet refers to the IMF's practical instruments such as conducting operations on the ground, lending money to countries and working with governments to restore economic stability. The second pillar provides policy assessment of countries, economic outlooks and publications. Finally, the third pillar of the IMF is the capacity development programmes aimed at providing regional technical assistance to countries worldwide. Finally, Mr. Belhocine, specified that the IMF is constantly evolving and trying to adapt new work areas such as gender, inclusive growth and fintech.



Nazim Belhocine, IMF

Udo Bullmann MEP, gave a brief speech on the role of parliamentarians in working with IFIs. He stated that parliamentarians today need IFIs' expertise for facts and figures in order to undertake real action. He added that Bretton Woods institutions have changed. Now SDG's are at the core of the new IFIs' agendas and should be at the center of the new European mandate. IFIs can be used by European parliamentarians to export solutions to the rest of the world and generate a positive spillover effect.



“We need [World Bank’s] expertise to talk about facts. [...] To improve.” – Udo Bullmann, Member of the European Parliament.

From his perspective the European Union must promote networking with the World Bank and IMF to improve the situation of developing countries around the world. For Mr. Bullmann the IFIs and the EU are two engines promoting development solutions on a global level.

Mr. Jeremy Lefroy, former Chair of the Parliamentary Network on the World Bank & IMF, started his speech by stating that the WBG and IMF have changed over the years and are currently working to reduce inequality and eliminate poverty. Nevertheless, to reach these objectives its essential to work hand in hand with parliamentarians for 3 reasons, which are also the primary objectives of the Parliamentary Network:

- **Spread understanding among MPs of the work of the IMF and the WBG.**
- **Encourage the WBG and IMF to work with legislators as key stakeholders.**
- **Increase knowledge and experience sharing among the members of the Parliamentary Network.**

Mr. Lefroy explained that the Parliamentary Network is exclusively voluntary, and its main aim is to tackle development through a pragmatic approach. It encourages parliamentarians to take back all the learning from conferences and meetings in order to promote development worldwide.



“We are a network exclusively voluntary and our aim is to see things done.”- Jeremy Lefroy, Former Chair of the Parliamentary Network on the World Bank and the IMF, Former member of the House of Commons.

During the discussion period parliamentarians raised several concerns.

During the first round of questions, **Mrs. Frances Fitzgerald MEP**, expressed her satisfaction about getting to know the Parliamentary Network, as well as the importance of having an existing platform for broad discussions on development issues, which links parliamentarians with IFIs, which often do not have enough interaction. Then **Mrs. Hildegard Bentele MEP**, asked about the mechanisms through which parliamentarians can participate in the discussions and **Mrs. Inese Vaidere MEP**, raised the question of how the World Bank Group has improved its programs over the years.

In response to those questions, Mr. Lefroy explained that participation in the Parliamentary Network is voluntary and that, while the Network has no power to make decisions, the parliamentarians do. This makes it possible for them to push for a more inclusive approach with World Bank and the IMF. Mr. Belhocine and Mr. Paolucci stated that World Bank and IMF programmes currently seek to ensure that the adjustment burden is spread evenly inside countries. Also, they added that the World Bank and IMF are trying to empower people inside its decision-making process and are working to protect the poorest through specifically targeted programmes.



*“I’m very pleased to see this Parliamentary Network. I see more and more parliamentarians concerned about development issues. This is a good engagement.”-
Francis Fitzgerald, Member of the European Parliament and former Irish Minister.*

A second round of questions was then opened by Mr. Bullmann. During this round **Mrs. Monica Gonzalez MEP**, expressed her concerns about the middle-income countries that seem to be left behind after they reach a certain level of development. Additionally, **Mrs. Eniko Gyori MEP**, asked how IFIs keep track of the money invested and supervise that it is spent efficiently.

In response to those questions, Mr. Paolucci explained that the World Bank is still working with middle-income countries through several programmes, North-South and South-South cooperation. They also have installed evaluations and anticorruption standards for financial transparency and to verify that the resources are efficiently spent. Mr. Belhocine added that the IMF has put in place enforced data regulations and standards which countries need to adhere to.

Mr. Lefroy explained that parliamentarians can use networks such as the Parliamentary Network to disseminate information about solutions that work because they have the first-hand information from the people they represent on the ground. Thus, middle income countries can exchange experiences about what has worked for them and learn from each other's experiences. Additionally, parliamentarians can use their influence to improve the IFI's work because they make crucial political decisions concerning development issues.

Finally, Mr. Udo Bullmann closed the session by encouraging a long-lasting collaboration between the European Parliament, IFIs, and the Parliamentary Network on the World Bank & IMF.

"I'm impressed by PN's work because it's a pragmatic approach to development problems. This meeting should be a door opener for a long lasting collaboration between MPs and IFIs."- Udo Bullmann, Member of the European Parliament.

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