

THE PARLIAMENTARY NETWORK

On The World Bank & International Monetary Fund

PARLIAMENTARY WORKSHOP

at the

ANNUAL MEETINGS 2016



WORLD BANK GROUP



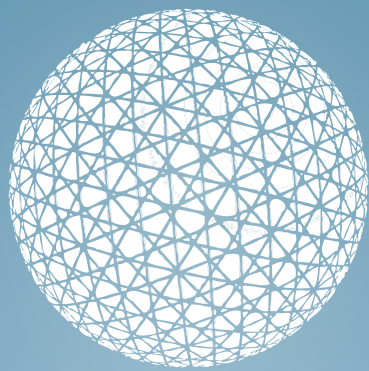


TABLE OF CONTENTS

Contents

EXECUTIVE SUMMARY	2
FOREWORD	5
WELCOME REMARKS	8
JOBS AND GROWTH: THE GLOBAL OUTLOOK	10
IMF COUNTRY ENGAGEMENT - A LOOK INSIDE THE IMF'S PROGRAM DESIGN TO SUPPORT MEMBER COUNTRIES	13
ENERGY SUBSIDIES - WHAT ROLE FOR MPS?	16
REGIONAL ECONOMIC OUTLOOKS	15
ANTI-CORRUPTION AND GOOD GOVERNANCE - OVERVIEW OF IMF EFFORTS	24
WELCOME REMARKS	27
THE UPCOMING WORLD DEVELOPMENT REPORT 2017: GOVERNANCE AND THE LAW	29
WORLD BANK REGIONAL SESSION	32
CITIZEN ENGAGEMENT - WHAT ROLE FOR PARLIAMENTARIANS?	39
MIGRATION, CONFLICT AND DISPLACEMENT	43
HEALTHCARE SYSTEMS (IN PARTNERSHIP WITH RESULTS)	47
IDA18	50
CONCLUSION	52
ANNEXES	53
ANNEX 1: Meeting on parliamentary engagement for early childhood development and nutrition, organised by ACTION, Action Against Hunger and Global Health Advocates	
ANNEX 2: 2016 Parliamentary Workshop Programme	
ANNEX 3: Conference Participants	
ANNEX 4: About the Network	

EXECUTIVE SUMMARY

The Parliamentary Network on the World Bank & International Monetary Fund (the Parliamentary Network or PN) participated in the Annual Meetings of the World Bank Group (WBG) and International Monetary Fund (IMF), held in Washington D.C. from 7-9 October 2016. The Parliamentary Network organized - jointly with the World Bank and IMF, on this occasion a **Parliamentary Workshop, held on 4 and 5 October 2016 and attended by 70 participants, including 5 Board members**, setting a record high attendance for the workshop. The delegation consisted of **representatives from 30 countries**: Belgium, Bosnia and Herzegovina, Burkina Faso, Cameroon, Canada, Chad, Côte d'Ivoire, Denmark, Estonia, Guinea, Italy, Kenya, Liberia, Lithuania, Madagascar, Malawi, Moldova, Nigeria, Pakistan, Portugal, Romania, Saudi Arabia, Senegal, South Africa, Sweden, Tanzania, Tunisia, Turkey, Uganda, and the United Kingdom.

Participants included senior officials from both the IMF and the World Bank, Speakers of Parliaments, CSO representatives as well as heads and representatives of parliamentary organizations, such as: the Global and African Parliamentarians' Networks Against Corruption (GOPAC and APNAC), the Commonwealth Parliamentary Assembly (CPA), ParlAmericas, the Parliamentary Assembly of the Mediterranean (PAM), and the Assemblée Parlementaire de la Francophonie (APF).

The main themes of this year's Parliamentary Workshop included the relation between jobs and growth; energy subsidies; good governance; citizen engagement; migration, conflict and displacement; healthcare systems; and the role of the International Development Agency (IDA). Parliamentarians were also presented with the World Bank and the IMF outlooks for their region. The participants greatly appreciated this unique opportunity to engage with both IMF and WB officials on pressing issues, whether at the global or local level. They also valued the two institutions' sessions on the economic assessment and forecast for their respective regions. Each session was followed by enthusiastic discussions between parliamentarians and World Bank and IMF experts and during which the former were able to directly ask their questions to the panel, to share their experiences and best practices and, ultimately, gain critical knowledge and advice for their legislative activities.

This full report covers all the sessions and the delegation's participation in meetings with WBG and IMF representatives and partners. It highlights the key areas of focus of the Parliamentary Workshop, which aims to:

- Increase Parliamentarians' information and knowledge of the World Bank and IMF priorities and strategic directions;
- Create effective possibilities for dialogue and impact between Parliamentarians and the World Bank and IMF;
- Promote parliamentary engagement for better development outcomes.

1. Increase Parliamentarians' information and knowledge of the World Bank and IMF priorities and strategic directions:

Knowledge building is a foundational step to design and implement transformational development policies. The ability of parliamentarians to succeed in development initiatives hinges on their understanding and their use of knowledge on the specific themes discussed, including:

- The benefits of following a three-pronged policy response to **boost growth and jobs** with the countries' use of their fiscal space for infrastructure spending, expansive monetary policies, and structural reforms;
- The need for a **reform of energy prices** in order to tackle the distortions and externalities caused by subsidies;
- The **latest regional data and analyses** as presented by both the World Bank and IMF regional departments' experts;
- The **costs of corruption** and its negative impact on inclusive and sustainable growth;
- The implications of the current **lack of humanitarian assistance** to the countries welcoming high inflows of refugees;

2. Create effective possibilities for dialogue and impact between Parliamentarians and the World Bank and IMF:

If the international community is to achieve the SDGs by 2030, it will need to set in motion stronger partnerships and deeper collaboration between all development stakeholders. The World Bank and the IMF can act as pivotal enablers to legislators by assisting them in the following ways:

- Allowing **MPs to directly engage and ask questions** about the World Bank and IMF work on the ground, about the projects process, their implementation and their results;
- **Providing the MPs with expertise, public policy support and technical assistance** on issues ranging from inclusive growth, gender, financial inclusion, inequality to international taxation;
- Providing **capacity-building for legislators**, the strengthening of committee policies, the advancing of parliamentary scrutiny and review, and offering training courses (including online) and seminars;
- Through the **better understanding of the IMF framework for country engagement** and of the MPs role in enabling the advised policies through legislation;
- Through the presentation of the **World Bank Strategic Framework for Mainstreaming Citizen Engagement** and of the possibilities for further impact through the MPs creation of collaborative space with citizens and CSOs and inclusion of citizen feedback.

3. Promote parliamentary engagement for better development outcomes:

Parliamentarians are elected representatives of citizens, expressing a powerful voice for the development policy dialogue. As legislators and “development practitioners”, parliamentarians also play an active role in enhancing development outcomes, as multiple speakers underscored during the Conference. MPs pass laws, debate and approve foreign aid budgets, review development policies, and hold governments accountable for programs financed by international development organizations. As such, the actions of legislators can be catalytic in development initiatives,

particularly on issues pertaining to poverty eradication and boosting shared prosperity. More specifically, the role of parliamentarians is critical in:

- Promoting long-term commitment, the coordination of beliefs with their citizens, and the prevention of free-riding for **successful implementation of policies**;
- Using their **accountability and oversight mandate to assess the executive government** and ensure it commits to equity, justice and transparency, in matters such as humanitarian assistance, taxation; or health
- Harnessing development and poverty reduction by advocating, in parliament, for **IDA18 replenishment and other innovative financial tools** such as the Concessional Financing Facility (CFF);
- **Sharing of successful examples of parliamentary networks**: such as the *GOPAC* or the *TB Caucus*, which reveal the impact of collective parliamentary action
- Using the **COP21 momentum** and mounting fiscal pressures for MPs to take further steps in energy subsidies;

Collectively, these recommendations can assist parliamentarians in maximizing their impact on the development process. Through three days of learning and debate, the Conference has sought to reinvigorate political will to tackle these issues and help create solutions to the most pressing development challenges of our time.

FOREWORD

About the Parliamentary Workshop at the Annual Meetings

The parliamentary workshop at the World Bank/IMF Annual Meetings engages Parliamentarians in a dialogue on development and matters related to the global economy, with discussions between MPs, senior management, and technical or operational staff of the WB and the IMF, meaning the people responsible for designing and overseeing the implementation of projects and policies. The workshop provides:

- Up to date information to parliamentarians on the World Bank's and IMF's priorities and strategic directions;
- Direct access to the World Bank and IMF for parliamentarians, thus creating effective possibilities for dialogue and impact (including at the regional and country level);
- A knowledge-sharing platform and, therefore, promoting parliamentary engagement for better development outcomes.

Parliamentarians were active contributors to the framing and conceptualization of the Sustainable Development Goals (SDGs). Now, it is also up to them to help implement them at national and international levels through their lawmaking, budgeting, and oversight functions.

All sessions provided concrete examples and actions parliamentarians can take to achieve the goals and challenges discussed.

IMF and World Bank cooperation with parliamentarians is vital because of the critical role they play in providing meaningful input and feedback and leveraging influence for budget approval of IMF and World Bank operation within their national institutions. Through its broad base of members, the Parliamentary Network is in the best position to provide a privileged platform of discussion between MPs and IFI experts. The yearly Parliamentary Workshop, the only event of its kind at the Annual Meetings, ensures that the IMF and the World Bank effectively engages with legislators.

The 2016 edition of the parliamentary workshop at the Annual Meetings assembled 70 MPs from 33 countries in Washington DC setting a record high attendance for this Parliamentary Network event. Each presentation was followed by high-quality sessions of Q&A, during which influential MPs were eager to engage with both IMF and WB experts on global issues and development challenges pertaining to their specific countries.

MPs were particularly keen to deepen their knowledge on the following issues: the relation between jobs and growth; energy subsidies; good governance; citizen engagement; migration, conflict and displacement; healthcare systems; and the role of the International Development Agency (IDA). Participating MPs were also presented with the World Bank and the IMF outlooks for their region.

Participants included senior officials from both the IMF and the World Bank, Speakers of Parliaments, CSO representatives as well as heads and representatives of parliamentary organizations, such as: the African Parliamentarians' Network Against Corruption (APNAC), the Commonwealth Parliamentary Assembly (CPA), ParlAmericas, the Parliamentary Assembly of the Mediterranean (PAM), and the Assemblée Parlementaire de la Francophonie (APF).

The following report serves as a summary of the 2016 Parliamentary Workshop held in Washington, D.C. on 4 and 5 October 2016. The fourteen sessions of the workshop are individually presented. A brief overview is provided before each section, followed by the presentation of main topics of focus and a discussion. Each session concludes by summarizing the key points brought up during the workshop. The report structure is as follows:

- Session Title, Speakers, Discussants, Moderators
- Overview
- Presentations
- Discussion

The report is intended to serve as an important reference that we hope will encourage dialogue, reflection, and opportunities for exchange and learning for the future.

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, MCs, and Participants. The PN thanks the numerous organizations who collaborated in making the Conference a success. The PN wishes to thank its Members who came from all over the world to be part of this important gathering.

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 the development cooperation process by fostering an oversight role of Parliaments and civil society.

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](#).

Welcome remarks

Speakers:

Jeremy Lefroy, MP United Kingdom; Chairman, the Parliamentary Network on the World Bank and the IMF

Sheila Redzepi, Vice President, External and Corporate Relations, World Bank Group

Gerry Rice, Director, Communications Department, IMF

The 2016 Parliamentary Workshop was opened by Parliamentary Network Chair **Hon. Jeremy Lefroy** (MP United Kingdom) who praised the MPs for attending the workshop in increasing numbers and underlined its importance as an opportunity for MPs to help bring positive change. He also expressed his gratitude to the World Bank and IMF for their support to the Parliamentary Network and highlighted their key role in times of global challenges and uncertain economic prospects. For Hon. Lefroy, this workshop is a testimonial of World Bank and IMF parliamentary engagement and outreach. Indeed, both institutions consider inequality and poverty as a major hindrance to growth and call for investing in areas such as education and infrastructure in order to foster economic growth and development. Through their mandates, the World Bank and the IMF share the MPs and citizens' worry that the next generation will be worse off. Their cooperation with MPs is also vital on tackling other pressing topics, including the refugee crisis, for which the MPs can speak on behalf of their constituents and put pressure on their government.

'International organizations are vital for today's world stability'

'MPs have to speak for the vulnerable because they can help change things'

PN Chair Hon. Lefroy welcoming the workshop participants



Mr. Gerry Rice, Director of the IMF Communications Department, also welcomed this opportunity to engage in a first-hand dialogue with legislators. He highlighted the IMF decision on zero-rate lending and referred to IMF Managing Director Christine Lagarde's recent remarks¹ when presenting the IMF

¹ *Boosting Growth and Adjusting to Change*, 28 September 2016. Watch and read the full speech here : <https://www.imf.org/en/News/Articles/2016/09/27/AM16-SP09282016-Boosting-Growth-Adjusting-to-Change>

views and recommendations. He first described the state of the global economy, affected by growth that has been ‘too low, for too long, and reaching too few’. Mr. Rice pointed out that the recovery, mostly driven by emerging markets was fragile and did not reach low-income countries. These pessimistic prospects, in many advanced economies, led to backlashes against globalization and protests by the people left out. Indeed, the ‘new twist in the globalization story’, as Mr. Rice called it, has had negative aspects in addition to the benefit it brought. That is why the IMF is now working on providing more specific policy advice to mitigate the negative effects of globalization. The IMF is advocating for a *three-pronged approach* which consists of exploiting opportunities and policy space at the structural, fiscal and monetary levels. Mr. Rice invited the MPs to share their proposals and input on the matter in order to make this strategy work for better and more inclusive growth.

The World Bank Group, represented by **Ms. Sheila Redzeqi**, Vice President of External and Corporate Relations, emphasized the gravity of the challenges that the world is facing today. The size and intensity of the crises have been unprecedented and are a cause for instability which ‘undermine the very basis of multilateralism’. Ms. Redzeqi underlined the fact that ‘the face and the location of poverty is changing’ to the point that, by 2030, half of the world’s poorest population will be affected by fragility and conflict. Despite these worrying facts, solutions exist and positive signals have been observed, especially in terms of poverty reduction worldwide. Citing World Bank Group President Jim Kim, Ms. Redzeqi set out three ways for fostering growth and reducing inequality. The first step consists in boosting private infrastructure and private investment (1). In addition, we would need to ‘invest in the people’, that is to say, in providing them with the necessary skills and education for them to compete in the future economy (2). Finally, resilience is also needed to face challenges such as conflicts and climate change (3). The World Bank is involved in the implementation of these recommendations, especially through the International Development Agency (IDA). As a financial mechanism supported by many MPs over the years, IDA is a powerful tool to help eradicate of poverty. Ms. Redzeqi invited MPs to keep on advocating for the IDA replenishment as well as to get in touch with the World Bank country offices to continue the dialogue initiated in the Parliamentary Workshops.



From left to right: G. Rice (IMF), Hon. J. Lefroy (PN), S. Redzeqi (WBG)

Jobs and growth: the global outlook

Moderator

Hon. Olfa Soukri Cherif, MP Tunisia Member and Rapporteur of the Finance Committee; Member of the Committee on Anti-Corruption; Vice Chair of the Parliamentary Network on the World Bank and the IMF;

Speaker

Prakash Loungani, Division Chief, Development Macroeconomics Division, Research Department, IMF

Overview

The outcome of the U.K. vote in favour of leaving the EU, which surprised global financial markets, signals an important downside risk for the world economy. As a result, the global outlook for 2016-17 has worsened, reflecting the expected macroeconomic consequences of a sizable increase in uncertainty, including on the political front. This uncertainty is projected to take a toll on confidence and investment, including through its repercussions on financial conditions and market sentiment more generally. This session presented the current outlook faced by advanced, emerging, and developing economies, and identified the tools governments can use to boost jobs and economic growth.

Mr. Prakash Loungani (Division Chief, Development Macroeconomics Division, Research Department, IMF) presented the main findings of the unemployment outlook along with possible solutions to boost jobs and, therefore, growth. Unemployment, and the worries it generates, is one of the causes for the recent Brexit referendum result in the United Kingdom, where many people felt that they did not benefit from globalization. The negative effects of globalization, although neglected for a long time, have now been fully integrated in the work of both the IMF and the World Bank.

The main finding of the IMF outlook is that ‘the great recession has been followed by a not so great recovery’, as Mr. Loungani put it. In addition, the modest growth rate resulted in the lack of job creation. According to the *International Jobs Report*², the global unemployment rate first slowly declined - with no significant reduction - before increasing in developed economies. It is expected to remain high in 2017. In low income and emerging markets, the countries have been mainly affected by the decline in oil and commodity prices. It is, for instance, the case for many countries in Latin America, even more so for Venezuela which faces a severe crisis, as well as for Southern African countries and Russia.

The IMF advises for a three-pronged policy response with the aim of boosting growth. When possible, countries are encouraged to use their fiscal space for infrastructure spending, expansive

² *International Jobs Report : Edition 2016*, Prakash Loungani, OCP Policy Center, Published January 27, 2016. Available here: <http://www.ocppc.ma/sites/default/files/OCPPC-IJR-1601v2.pdf>

monetary policies and structural reforms. If applied, such strategy could result in unemployment reduction.



From left to right: Hon. O. Soukri Cherif (PN), P. Loungani (IMF)

‘The great recession has been followed by a not so great recovery’

P. Loungani, explaining the lack of job creation

Discussion

Mr. Loungani’s presentation sparked several questions from the audience. Both Hon. Paolo Guerrieri (MP Italy) and Hon. Vincent van Quickenborne (MP Belgium) reacted on the issue of investing in public infrastructure, respectively asking why many countries were ignoring the international organizations’ advice for more investment, and pointing out some of the European Commission existing restrictions on the inclusion of public investment in the yearly budget. Mr. Loungani confirmed that the IMF, along with organizations such as the World Bank or the OECD were urgently pushing towards fiscal consolidation and public investment. Admitting that public investment was still subject to some resistance, he cited a few obstacles: the difficulty to identify specific investment priorities; the challenges in terms of transparency and governance; the implied investment rates and risks; as well as existing restrictive rules.

Answering to comments made by Hon. Guerrieri (MP Italy), Parliamentary Network Vice-Chair Hon. Olfa Soukri Cherif (MP Tunisia), Hon. Saeed Alshaikh (MP Saudi Arabia) and Hon. Edward Dagoseh (MP Liberia), he further elaborated on the country differences in terms of the sensitivity among public investment, GDP, and job outputs. Although there is no *one-size-fits-all* answer explaining the differences between countries, a few factors can be taken into account. The structure of a country’s economy plays a big part and has an impact on the share of people working in particular services. In the case of Spain and Italy, the main difference is that the people working on very short contracts represent a more predominant share in Spain; which allows for the demand to pick up faster when there is a boom in infrastructure spending. He also gave the example of Morocco which used to have a very low elasticity until its economy quickly developed.

He further commented on demographics, an issue raised by a Swedish MP, and underlined the lack of general study clarifying the links between demographics and growth, though country specifics have been developed such as in the case of Japan.

Hon. Yunus Carrim called for a better globalization with no disproportionate spillovers on the poorest countries, to which IMF representative Prakash Loungani reacted by reasserting the IMF's effort in giving more consideration to 'the losers of globalization' in its work.

IMF country engagement: a look inside the IMF's program design to support member countries

Moderator

Hon. Teresa Coelho, MP Portugal, Chair of the Committee on Budget, Finance, and Administrative Modernization

Speaker

Jeff Franks, Director, Europe Office, IMF

Overview

The session took a look at the IMF's country engagement, its policy advice, and program design to support member countries in dealing with macroeconomic challenges and financial crises. Based on the personal experience of an IMF mission chief, practical examples shed light on best practices and the evolution of the Fund's approach over time. The session also touched on issues related to the recent refugee crisis, increased political uncertainty, and challenges related to protracted low growth and inequality.

Jeff Franks gave an overview of the IMF's engagement through its country assistance programmes, encouraging countries to ask for its support when needed. Experience has shown that the countries may require such assistance for several reasons. Indeed, some require support as a precautionary measure, in order to anticipate and build better resistance to unforeseen crises. In such cases, the IMF can provide facilities with no conditions attached. Countries can also reach out to the IMF when they are affected by a crisis and need support to get through it. In that particular case, the IMF assistance has three benefits: not only would the country benefit from the IMF expertise on how to deal with the crisis and its financial support, it would also gain a reputation for entering into the programme which eventually increases confidence in the country and attracts other sources of support and financing. Finally, the IMF can also help the countries as a last resort. In each of these cases, Mr. Franks insisted, it is never mandatory for countries to get into IMF programmes: it is always upon their government's request.

'[IMF experts] are the emergency room doctors of the economic world. When there is a problem, countries come to the emergency room in an ambulance'

Whenever a country asks for the IMF assistance, the IMF first assesses the causes, which are usually linked to several types of imbalances or gaps (e.g. between income and expenditure) creating

uncertainty and unsustainability. Therefore, payment imbalances, which are the *raison d'être* of the IMF and correspond to a situation where export levels and country's spending are higher than the country's payment ability, often lead to a crisis. Financial imbalances, which can also be a cause for crisis, involve a lack of resources and significant level of debt. Countries can also suffer from fiscal imbalances when they cannot cover their fiscal deficit. When the banking institutions are failing, imbalances are referred to the financial sector. Similarly, we speak of monetary imbalances in cases of inflation. Mr. Franks pointed out that such types of imbalances are not exclusive but rather simultaneous. Imbalances are usually caused by internal weaknesses or external shocks, or, in often cases, by a combination of both as the latter often reveals the former. Upon intervention, the IMF assesses the problem and first works on identifying the nature of the country's internal weaknesses and the effects of the shocks. Domestic reforms may not be necessary if the external shocks are merely temporary. However, they often last in the medium and longer term and when policies need to be adjusted.

The role of the IMF is thus to look at the imbalances and to advise depending on their nature. It then advises the country's government on the best policies to be implemented. MPs then have 'a critical role in helping to undertake the policy changes necessary' and enable adjustment due to their unique mandate to change the legislation.

Discussion

MPs asked many questions on the IMF support programs and engagement with member countries.

In answer to Hon. Maria Willner (MP Sweden) who asked what would happen to a country when it is too late for the IMF to help them, Mr. Franks pleaded countries to 'come to the emergency room rather sooner than later' and cited the example of Venezuela, a country whose economy was salvageable 3 years ago but which did not reach out to the IMF due to ideological reasons.

At Hon. Saeed Alshaikh (MP Saudi Arabia)'s request, Mr. Franks gave his views on Saudi Arabia and the positively welcomed Vision 2030 plan. He added that, as an oil-producing country, Saudi Arabia would have to cushion itself against shocks. He also commented on the IMF negotiations with Egypt and warned against the dangerous effects of currency devaluation.

The case of IMF engagement with Romania was raised by Hon. László Borbély (MP Romania), and Mr. Franks praised Romania's successful loan program, which had been undertaken as a precautionary measure. If the program is renewed, it would provide the IMF with scrutiny over the government; a prerogative which is seen favourably by the opposition.

Referring to the Portuguese experience in contracting an IMF loan, Hon. Pedro Roque (MP Portugal and Vice-President of the Parliamentary Assembly of the Mediterranean) pointed out the heavy political price which resulted in the loss of majority for the government coalition.

Hon. Paolo Guerrieri (MP Italy) highlighted the lack of consensus between institutions such as the IMF, the OECD or the European Commission, which do not agree on a common methodology and assessment. Mr. Franks admitted that they all had differences in methodologies and views and explained that it was the reason why a negotiation process existed between multi-lateral partners.

Hon. Shakeel Shabir (MP Kenya) expressed his concern over some IMF rules and regulations that do not always fit specific country's situations. The IMF is an evolving institution and Mr. Franks explained that it drew lessons from every major crisis, resulting in more flexible fiscal rules and poverty awareness than what was the case 20 years ago.

Further precisions were given as to why some countries are rejected for IMF loans. As explained to Hon. Edward Dagoseh (MP Liberia) and to the rest of the audience, such a situation happens when, after the country's request, the negotiations with the IMF fail to result in a compromise. The IMF, however, never refuses a country request right away.

Hon. Myriam Boujbel (MP Tunisia) asked for advice regarding the unstable political situation and the difficult social context of Tunisia, which saw seven governments during the last five years. The country had then called for the IMF help to help implement reforms. Mr. Franks replied that because the IMF did not specialize in political science it often relied on the country's government with regards to what is politically acceptable. The IMF has been increasingly socially aware and is working on suggesting compensatory measures in the context of political fragility.

In answer to Hon. Pauline Ndoumou (MP Cameroon), Jeff Franks explained that the IMF reaches out to countries outside of Washington D.C. by maintaining contact on the ground and providing trainings and seminars, including to MPs.

Finally, Mr. Franks reacted to Hon. Kurfi (MP Nigeria)'s question on conditionality and explained that if a country did not accept conditions that the IMF deems necessary for its recovery then the IMF could refuse to provide a loan. He added, however, the IMF works hard, negotiating with countries, in order to avoid such scenarios.

Energy subsidies - what role for MPs?

Moderator

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

Speaker

Sanjeev Gupta, Deputy Director, Fiscal Affairs Department, IMF

Overview

This session looked at the many benefits to countries that choose to move ahead unilaterally with energy subsidy reform. Top subsidizers in percent of GDP and in per capita subsidies stand to gain the most. The benefits will mostly accrue at the local level, by reducing local pollution and generating much needed revenues. Taxing fuels to reflect environmental costs is also straightforward administratively, as it can build off road fuel excises which are well established in most countries. Energy subsidy reform can also contribute to carbon emissions reduction. To achieve significant carbon emissions cuts at the global level, it would be essential for top subsidizers in dollar terms to play a leading role.

Mr. Sanjeev Gupta presented the latest data and analysis available on the topic of energy subsidies. The figures show that subsidies have slightly declined but remain large at the global level, representing a 450 billion dollar and 6% of the global GDP cost³. Externalities which cover elements such as the cost of pollution or global warming and represent another part of subsidy have however been on the rise. Coal is at the origin of most of these externalities and is the resource which causes the biggest damage to the environment. It is however not highly taxed, depending on countries. As it happens, in most countries, energy is not taxed the same way as other goods.

Distortions also appear on figures revealing that the biggest share of subsidy benefits is captured by high-income groups. For instance, the world population top quintile benefits from 61% and 42% of, respectively, Gasoline and Diesel subsidy benefits⁴.

The IMF therefore advocates for an energy price reform as it can generate health benefits amounting to a 24% global reduction of fossil-fuel related CO₂ emission reduction, as well as to a 57% reduction in fossil-fuel emissions-related death⁵. In addition, a reform in energy price could also create a significant fiscal dividend. The IMF estimates this dividend to represent less than the cost of subsidy and, although it varies across countries, it would represent a smaller percentage of GDP than health spending in advanced economies. Countries are thus encouraged to reduce distortion in taxes and to reduce taxes that do not contribute to growth.

³ Source: IMF staff estimates

⁴ Source: Arze del Granado, Coady, and Gillingham (2012)

⁵ Source: IMF staff estimates

Despite the existing difficulties in reforming, the IMF can offer help in the definition and implementation of a strategy. Mr. Gupta insisted that, in order to be effective and efficient, reforms need to be comprehensive and involve the impacted people; to have a clear communication strategy emphasizing on the expected costs and benefits; and to include a progressive and appropriate price increase. Moreover, he pleaded for a depoliticization of energy pricing and price-setting mechanisms. The dynamic of the COP21 agreement and the mounting fiscal pressures in most countries have created a favourable momentum reinforced by the drop in energy prices. Many countries, in the Middle East and North Africa, in Africa and in Asia have already taken steps toward energy subsidy reforms. Peer-reviews, in the framework of the G20 and the APEC also exist.

The IMF has made a certain number of resources available, ranging from analytical works, tools and technical assistance⁶.

Discussion

The discussion gave the opportunity for MPs to ask for further details on the implications of energy subsidies.



When asked on the consequences in terms of disposable income by Hon. Saeed Alshaikh (MP Saudi Arabia), Mr. Gupta explained that part of the revenue generated by higher taxation could be attributed to the targeted people, especially those who are most affected by subsidies. When it comes to growth, the subsidies formerly used for corruption could, for instance, be invested in more productive sectors - such as education or infrastructure - and have a very positive impact. Taxing can also provide a good alternative when markets are not available for borrowing.

⁶ For a more detailed listing of IMF resources on this topic please refer to the presentation available [here](#)

Mr. Gupta responded to a question from PN Board Member Hon. Nathan Nandala-Mafabi (MP Uganda) on fuel consumption and vehicle taxation by explaining that although new cars tend to pollute less than former models, a subsidy for the newest models could be the cause of distortion. He suggested a differentiated taxation for fuels depending on their polluting level instead.

Both PN Chair Hon. Jeremy Lefroy (MP United Kingdom) and Hon. Shakeel Shabir (MP Kenya) raised the issue of aviation fuel which is highly polluting, used by the wealthiest and yet not taxed yet. Sanjeev Gupta argued that it was, however, not as much of a priority as coal which is even more polluting.

On the topic of renewable energies, Mr. Gupta agreed with PN Vice-Chair Hon. Olfa Soukri Cherif (MP Tunisia) on investing the benefits from tax into renewable energy, especially while there are very few incentives for private investment in this sector at the moment.

Reacting to a comment from PN Board Member Hon. Pana Merchant (Senator Canada), Mr. Gupta admitted that many countries relied on coal despite its high ecological price and invited those which were able to adopt the appropriate technology to turn away from it and to use subsidies carefully. Hon. Clement Chiwaya (MP Malawi) further commented that countries like Malawi were increasingly relying on coal because of the reduced water levels and the consequence on hydroelectric power. Mr. Gupta agreed that this was a challenge especially with the forecasted expansion of energy demand.

Regional economic outlooks

Moderator

Hon. Mansour Sy, MP Senegal

Speakers

Mumtaz Hussain, Senior Economist, African Department, IMF

Roberto Guimaraes-Filho, Deputy Division Chief, Asia and Pacific Department, IMF

Emil Stavrev, Deputy Division Chief; and **James John**, Deputy Division Chief, European Department, IMF

Pritha Mitra, Senior Economist, Middle East and Central Asia Department, IMF

Pelin Berkmen, Deputy Division Chief, Western Hemisphere Department, IMF

Overview

During this session, IMF representatives from regional departments presented the latest economic analysis and developments in the regions and engaged MPs in a discussion on the economic outlook for specific countries and regions.

Regional economic outlook for Sub-Saharan Africa

Mr. Mumtaz Hussain presented the IMF relationship with the Sub-Saharan African countries. The IMF engages with them at the bilateral level, through IMF-supported programs - from which 20 countries benefit -, as well as through centres and institutes that provide them with capacity building. It also engages with the region at the multilateral level through consultations with the West African Economic and Monetary Union (WAEMU) and the Economic Community of Central African States (CEMAC), as well as in the context of the IMF publication of both the World and Regional Economic Outlooks.

The Regional Economic Outlook aims at fostering the IMF engagement with the region stakeholders, including, policymakers, by conveying important messages and key facts on the region's economy. It summarizes the key trends and prospects for the region and offers policy recommendations. Legislators are included in the Regional Economic Outlook targeted audience because its recommendations cannot be adopted unless they benefit from parliamentary support.

The 2016 Regional Economic Outlook⁷ shows that half of the African countries export extractive commodities. The decline in their price is problematic because many of these countries rely heavily on these resources. Furthermore, a deficit in the region's trade with China is also observed. These two factors lead to a declining GDP growth forecast.

⁷ Read the full report here: <https://www.imf.org/external/pubs/ft/reo/2016/afr/eng/sreo1016.htm>

Mr. Hussain explained that countries have started responding but have not gone far enough yet. Despite the fiscal adjustments and the monetary policies undertaken, there is still the need for a prompt and robust macroeconomic policy response to make growth happen in a more inclusive way.

Regional economic outlook for Asia and Pacific

The IMF has few country programmes in the Asia and Pacific region and the Regional Economic Outlook therefore aims to provide more in-depth information on relevant issues and to discuss forecasts, risks and recommendations. It is published two to four times a year. The Regional Economic Outlook also ensures that the views of the countries are consistent with the IMF and is used to disseminate research results, to interact with the media, civil society, international organizations and country authorities.

The main conclusion to be drawn from the latest Regional Economic Outlook⁸ is that the Asian region is very dynamic which contributes to 2/3 of the global growth and has transitioned to a balanced growth. However, downside risks dominate and the region economy is turning into the 'new mediocre' because of capital flows volatility, of the Chinese slowdown and of the rising debt levels (both corporate and private).

Regional economic outlook for the Euro area

After the effect of the 2008 Euro crisis, the region is expected to keep on recovering with a 1.7% GDP growth forecasted for 2016. The recovery, albeit mediocre, can be explained by a combination of factors: the European Central Bank (ECB) monetary policies which resulted in higher loans granted to corporations, increasingly supportive fiscal policies, the decline of oil prices and the slowly increasing employment rate. However, Mr. John pointed out that the medium-term outlook appears mediocre because the forecasted growth would not suffice to counter the rising inflation. This is due to a low productivity rate for the European Union region, to the relatively high unemployment rate and to the EU financial sector bad performance.

In order to counter the backdrop of the mediocre outlook and rising Euro-scepticism, the IMF recommends that the EU takes more decisive and collective actions on the following fronts: (1) create better incentives for growth-friendly structural reforms; (2) strengthen fiscal framework while expanding centralized fiscal support; (3) maintain accommodative monetary policy to raise inflation; and (4) accelerate the balance sheet repair while completing the banking union.

Regional economic outlook for Central, Eastern and Southern Eastern Europe (CESEE)

⁸ Read the full report here: <https://www.imf.org/external/pubs/ft/reo/2016/apd/eng/areo1016.htm>

The CESEE regional outlook⁹, presented by Mr. Emil Stravev, forecasts a good GDP growth rate, a better one than the EU's. The economies of Russia and the Commonwealth of Independent States (CIS) have improved and will keep on improving provided that the oil prospects do. Factors behind this growth include the overall rise in private consumption and the decline in unemployment. However, a later re-estimation has downgraded the potential growth for CESEE economies.

The IMF consequently recommends a supportive monetary policy and a growth-friendly consolidation, more fiscal adjustments in cases where growth has been high and gaps appear closed, combined with reforms to boost productivity and investment as well as to reinvigorate convergence of the region gain in importance.

Regional economic outlook for the Middle-East and Central Asia

Ms. Pritha Mitra highlighted the two main themes that are covered in the Regional Economic Outlook for the Middle East and Central Asia.

The first theme covered is conflict as it is a factor that continues to undermine the region's socio-economic stability. Conflict-affected countries include Libya, Syria, Iraq, Yemen and Afghanistan. Their neighbouring countries are also affected, namely by the refugees inflows. For instance, the refugee population represents a quarter of the Lebanese total population and one fifth of the Jordanian population. Important refugee flows like these involve big strains on the host country's government and public services. Another security-related concern is terrorism which has badly impacted the tourism industry in countries like Tunisia.

The second main factor examined in the Regional Economic Outlook is the decline in oil prices. The region is the biggest exporter and therefore suffers from lower revenues, increasing debt and difficulty in making adjustments. As oil prices are expected to remain at a low level, some countries are now thinking about taxing and subsidies. Although oil importer countries may benefit from cheaper commodity prices, they also suffer from the reduced investments from oil exporters. In addition, the deep recession that hit Russia had impacts, in terms of investments and remittances, in Central Asian and Caucasian countries.

Overall, these shocks have caused a fall in GDP per capita and a slowdown in job growth, in a region where the young represent an important part of the population. Ms. Mitra explained that the region needs to make structural reforms for more dynamic and more private-sector oriented economies.

Regional economic outlook for Latin America and the Caribbean

Ms. Pelin Berkmen revealed to the audience that an overall 0.6% recession rate was forecasted for 2016 in the Latin American and Caribbean region¹⁰. Indeed, despite several countries growing at their traditional rate, many South American countries - Venezuela, Ecuador, Suriname, Brazil, and Argentina, for instance - are to suffer negative rates. Indeed, on the one hand, the region's growth

⁹ Read the full report here: <http://www.imf.org/external/pubs/ft/reo/2016/eur/eng/erei1116.htm>

¹⁰ Read the full report here: <http://www.imf.org/external/pubs/ft/reo/2016/whd/eng/wreo1016.htm>

has been affected by the evolution in commodity prices, especially in the case of commodity exporters. On the other hand, the region has benefitted from easier financial conditions thanks to the increase of flows in Latin America - a common trend for emerging markets. Finally, a third factor needs to be taken into account: the US growth has been slower than expected affecting the region and, more particularly, privileged trade partners like Mexico whose growth is, as a consequence, therefore lower than formerly expected.

Overall, the medium-term growth prospects (for the five years to come) have also been subdued and dropped to 2.7% of GDP. Part of the decline is more structural in nature and further low growth rates are to be expected. The IMF advocates for a natural adjustment of the exchange rate with a limited inflation rate. The countries are however more indebted and this is mainly due to the decline in revenues from commodities.

In terms of policy recommendations, the IMF encourages Latin American and Caribbean countries to improve their infrastructure quality as well as to invest for better education outcomes.

Discussion

The discussion gave the opportunity for MPs to deepen their understanding of global, regional and national trends.

The session moderator Hon. Mansour Sy (MP Senegal) opened the comments floor by stressing the usefulness of the presented outlooks for the MPs and wondering about the link between demographics and development. Mr. Hussain cited Africa which will become, thanks to its demographic dividend, the largest provider of labour force. The challenge will then be to create enough jobs, to develop the right sets of skills and sectors in order to tap into this human resource. Otherwise, the people who will be left unemployed will be likely to migrate. Answering PN Chair Hon. Lefroy's question, Mr. John and Mr. Stravev specified that the effects of demographics and ageing, especially long-term pension liabilities, were included in the European outlook which concludes that the region needs to sustain productivity.

A parliamentarian from Kenya commented that it was somewhat difficult for MPs to understand scientific figures and data and expressed his wish to have these reports made more accessible to parliamentarians, suggesting that the IMF could present the reports to national parliaments. The IMF experts revealed that the organization's direct engagement with MPs through its country offices was indeed a priority.

Referring to the example of Nigeria, Hon. Onyereri (MP Nigeria) asked for advice on how to handle the existing divergence between national monetary and fiscal authorities who are respectively concerned with inflation and economic growth. Mr. Hussain agreed that such dilemma existed and was hard to solve because central banks are always worried that inflation becomes uncontrollable.

More details were given by Mr. John to Hon. Saeed Alshaikh (MP Saudi Arabia) on the effects on easing monetary policies and low interest rates in Europe. He explained that the positive effects of the European Central Bank (ECB) purchase of assets and the reduction of interest rates below 0 would be greater if combined with the cleaning of balance sheets. He warned against the limited

power of negative interest rates and advised for stronger economies, more centralized investments and structural reforms.

Hon. Alshaikh further asked about the speakers' views on the Gulf countries fiscal consolidation and the Saudi 2030 Vision Plan; to which the IMF panellists replied that more reforms were still needed on the fiscal front for the Gulf countries in order to restore confidence and, on the longer term, transform their economies into more dynamic and private-sector oriented ones. The IMF also recommends prioritizing reforms in the fields of competitiveness, education and skills and, thus, welcomed the 2030 Vision Plan for Saudi Arabia but still awaits more details.

On the topic of the US spill over effects on Latin America and the potential consequences of the upcoming US presidential elections, Ms. Berkmen replied to Hon. Sy (MP Senegal) that it has so far had similar effects to other political uncertainties.

Anti-corruption and good governance – overview of IMF efforts

Moderator

Hon. Joy Gwendo, Senator Kenya; Board Member, the Parliamentary Network on the World Bank and the IMF

Speaker

Ceda Ogada, Deputy Director, Legal Department, IMF

Overview

Corruption is a major challenge to achieving both development goals and a prosperous global economy. In addition, reducing corruption stands at the heart of the recently established Sustainable Development Goals and achieving the ambitious targets set for Financing for Development. Economic activity is similarly harmed by corruption – with corruption operating as a strong disincentive to foreign investment. A parliament is a country’s central institution, in its capacity as the primary expression of the people’s will and, therefore, has a paramount responsibility for combating corruption in all its forms, especially in public life but increasingly also in the wider economy.

Hon. Joy Gwendo (Senator Kenya) opened the session and underlined the big challenge represented by corruption and called the MPs on their shared responsibility in the fight against it.

Mr. Ceda Ogada’s presentation highlighted the costs of corruption and offered proposals for mitigation strategies. Corruption is a pressing issue; not only to the IMF but also to the public who identified it in surveys as one of the most important problem in the world today. The fact that income inequality persists and has risen, along with globalization, has fed the perception that national and global institutions are ‘rigged’ in favour of the elite. Corruption also contributes to outrages and played a part in the street protests we witnessed during the ‘Arab Spring’, as well as in Ukraine, in Honduras, and in Guatemala.

*‘At a time of rising income inequality, public sector
corruption is bound to fuel outrage’*

Mr. Ogada defined corruption, in the public sector, as the ‘abuse of public office for private gain’ and estimates the cost of bribery alone up to \$2 trillion annually.

Corruption has significant costs and studies have shown that it hinders inclusive and sustainable growth. On the economic and social front, corruption causes the weakening of the revenue base by affecting the state’s capacity to raise revenue from taxes, tempering public spending and sometimes triggering debt and crisis, as it was the case in Greece. It also favours low quality expenditure which does not add value other than being a source of money itself. Corruption discourages investment

from the private sector because of the high costs and the uncertainty and perpetuates inefficiency by providing incentive to delay the implementation of appropriate political measures and reforms. Poverty and inequality are entrenched by corruption since the poor are the ones suffering from the lack of investment in the public sector. Finally, it also fuels political instability and conflict and, in extreme cases, can undermine the capacity of the state.

In order to counter corruption, the IMF can help with the design of a holistic and long-term strategy that would include preventive measure. The Fund has four areas of expertise and advocates that they all be included in any strategy aiming at fighting corruption. Firstly, transparency (1) is a pre-requisite because it allows the citizens to monitor their government. Mr. Ogada cited the development of international standards on fiscal and financial transparency; transparency in extractive industries which represent an important share in many economies; the supporting of international standards on transparent corporate ownership; as well as targeted interventions in sensitive sectors. The rule of law (2) is critical and must entail a credible threat of prosecution on both ends of the corruption chains. The IMF advocates for new specialized institutions and an effective anti-money laundering framework in order to minimize the laundering of corruption proceeds. Thirdly, economic liberalization (3) is also advised because excessive regulation has proved to be a source of corruption. De-regulation and simplification would however need to be conducted within an appropriate institutional framework in order to transition from state-controlled monopolistic markets. Finally, a key issue is the building of institutions (4) because they would be in charge of implementing the framework. Independent, competent officers and good leadership are required.

The IMF is currently reviewing its own internal policies in order to provide better support to countries on the issue of corruption. Mr. Ogada concluded by inviting the MPs to get familiar with the latest IMF Staff Discussion Note on the topic¹¹.

Discussion

Hon. Fiona Bruce (MP United Kingdom) asked for more information on the international community's support to the training of young lawyers and the strengthening of judiciary systems. She also wondered about the space left to civil society. Mr. Ogada explained that the IMF, together with the World Bank and other institutions, contributed to the strengthening of anti-corruption and anti-money laundering laws but that the legal frameworks were not easily implemented. The IMF also supports the training of national legal bodies but does not have the competence to directly train them. As to civil society, its role was critical in countries like Ukraine or Indonesia where the IMF has successful programmes.

Hon. Shakeel Shabir (MP Kenya) invited his peers to take part in the Global Organization of Parliamentarians Against Corruption (GOPAC)¹² and in its African chapter which he chairs. He insisted that MPs need to show ethics and the needed political good in the fight against corruption and reflected on the case of Kenya where five ministers were fired over corruption allegations. Mr. Ogada

¹¹ Staff Discussion Note of May 2016 entitled "*Corruption: Costs and Mitigating Strategies*", IMF

¹² Find out more about GOPAC here: <http://gopacnetwork.org/>

agreed and pointed to the Singaporean experience where a *zero tolerance* policy was applied even to high level officers.

The issue of unemployment and low salaries was raised by Hon. Edward Dagoseh (MP Liberia) and Mr. Ogada admitted that the temptation for corruption is higher when public officials are not well paid. That is why the IMF recommends having higher salaries, coupled with the credible threat of being fired. Hon. Victor Oh (Senator Canada) agreed to this view and praised the success, in Singapore, of having raised salaries combined with heavy penalties for civil servants.

Hon. Philip (Senator Nigeria) requested more information on the IMF and World Bank activities in the strengthening of oversight institutions and the recovering of stolen assets. Ceda Ogada explained that despite the IMF efforts in outreach and advocacy to parliaments, its primary counterpart remains the executive (ministries of finance and central banks) rather than the legislative branch. Although, the World Bank has a stolen assets recovery programme, there is still much work to be done on both institutions' parts.

Hon. Yunus Carrim (MP South Africa) asked about the correlation between the level of inequality and corruption in a given society and pointed out the existence of different forms of corruption that need to be all taken into account. On the first point, Mr. Ogada confirmed that studies found a correlation between inequality and corruption. He added that the IMF work on corruption includes the public and the private sector, namely on banking and ethical behaviour.

Asked by Hon. Muriuki (MP Kenya) about the success rate of anti-corruption measures undertaken, Mr. Ogada said that success was difficult to assess, mostly because corruption is a hidden activity and most of the indexes looked at by the IMF are about perception rather than actual corruption. He cited the successful conduct of an IMF programme in Indonesia but insisted that most of the results of fighting corruption would take time to show.

PN Board Member Hon. Nathan Nandala-Mafabi (MP Uganda) asked Mr. Ogada about the IMF work on the bribing of citizens and about scenarios where the judiciary institution is corrupt. The IMF can foster discussion and advocate enforcement of measures against the bribing of citizens but it cannot go further because this would fall into the police prerogatives. It can also stop lending money to a country considered too corrupt, which is what it did for countries such as Kenya, Mozambique, Mali, Malawi and Ukraine. He then called for the building of new institutions, when possible, in cases of corruption within the judiciary. For instance, in Kenya, the creation of an anti-corruption constitutional commission was an IMF proposal but it did not go through because the MPs refused to adopt it in the end. He highlighted the fact that MPs can nonetheless exercise their scrutiny over the judiciary.

Welcome remarks

Speakers

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

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

Sabina Bhatia, Division Chief, Public Affairs, Communication Department, IMF

Ms. Jill Wilkins opened the second day of the Parliamentary Workshop by underlining the unique opportunity the workshop represents in fostering collaboration and face-to-face debate on key development challenges. The recent launch of the World Bank report *Poverty and Shared Prosperity 2016*¹³ can contribute to the discussions thanks to the following findings: extreme poverty is on the decline since 1990 while inequality remains high, thus constraining efforts for equitable and inclusive growth. The World Bank calls for investing in infrastructure, in human capital and early years, as well as for the strengthening the countries' resilience to shocks and threats. Ms. Willkins insisted that the goal of ending poverty by 2030 was not out of reach provided efforts in achieving it are doubled. The World Bank is grateful for the MPs support to the International Development Association (IDA) which is now in the process of its 18th replenishment¹⁴. The World Bank's engagement with MPs has been valuable for the institution. It translated into discussions, workshops, visits in developing countries, engaging with MPs from both donor and recipient countries. Ms. Wilkins also underlined the importance of the World Bank partnership with the Parliamentary Network and welcomed MPs to continue the dialogue with the World Bank country offices.

PN Chair Hon. Jeremy Lefroy highlighted the importance for MPs of taking advantage of World Bank and IMF senior officials visits to their countries by inviting them to parliament and engaging with them.

Ms. Sabina Bhatia then welcomed the Workshop participants on behalf of the IMF. She praised the interesting discussion that took place the day before and hoped that the MPs would take advantage of those ahead. Given the main IMF findings from the global outlook and their latest world economic forecast¹⁵, the IMF is now working toward fostering more inclusive growth and trade¹⁶. It advocates fiscal policies, as a general rule, combined with structural reforms. In such areas, MPs have a role to play because the measures taken need broad-based support in parliament and their implementation

¹³ *Poverty and Shared Prosperity 2016: Taking on inequality*, World Bank Group. Find out more and read the full report here: <http://www.worldbank.org/en/publication/poverty-and-shared-prosperity>

¹⁴ On the occasion of the 18th replenishment of IDA, the global community made a record \$75 billion commitment to end extreme poverty. Find out more about IDA: <http://ida.worldbank.org/>

¹⁵ *World Economic Outlook: Subdued Demand: Symptoms and Remedies*, IMF, October 2016. Find out more and read the full report here: <http://www.imf.org/external/pubs/ft/weo/2016/02/>

¹⁶ See op-ed 'How to Make Trade Work for Everyone', by Christine Lagarde, Jim Yong Kim and Roberto Azevedo, *The Wall Street Journal*, 4 October 2016. Read the article here: <http://www.wsj.com/articles/how-to-make-trade-work-for-everyone-1475621791>

requires the MPs' oversight control. Ms. Bhatia also mentioned that the IMF was now working on another set of issues which also require parliamentary support. Among them, inclusion is crucial in emerging markets where growing inequality has been rising and requires the implementation of social safety nets. Gender has also become an important issue especially when 90% of countries have legal restrictions preventing women to enter the labour force. The IMF is also working on subsidy reform so that the benefits target the poor through investment in health and education. Finally, the IMF has important anti-corruption programmes undergoing, in Ukraine for instance; and calls, namely, for the strengthening of the rule of law.

The upcoming World Development Report 2017: Governance & the Law

Moderator

Hon. Pana Merchant, Senator Canada; Board Member, the Parliamentary Network on the World Bank and the IMF

Speaker

Luis-Felipe Lopez-Calva, Co-author, World Development Report, World Bank Group

Overview

The upcoming WDR 2017 on Governance and the Law will examine the institutional foundations of a well-functioning state, and address two sets of issues facing the development community: The challenging interaction between economic development and the quality of governance; and the persistence of gaps between intended governance reforms and the reality on the ground. As legislators, MPs are at the centre of governance processes, and have the mandate to significantly influence development outcomes. Building on the findings of the WDR, this session seeks to shed light on how a better understanding of governance can bring about more effective policy interventions to achieve sustainable improvements in welfare. To do so, the session focuses on two guiding questions: in a given governance environment, how can policies be more effectively designed and implemented to improve welfare? What are the channels through which the governance environment can be changed to improve welfare?

Mr. Luis-Felipe Lopez Calva presented the outline and the main messages conveyed in the upcoming World Development Report (WDR). This WDR is the third of a trilogy looking at state effectiveness; the two previous reports having been respectively focusing on behavioural aspects at the origin of a weakening in state effectiveness (2015)¹⁷ and on technological constraints to policy effectiveness (2016)¹⁸. The 2017 WDR gives more emphasis to the institutions.

Three main outcomes are studied in the WDR: the reduction of violence, the enhancing of prosperity, and the sharing of prosperity. The report also reveals the underlying factors allowing for policy implementation; and gives importance to the policy arena where stakeholders negotiate the allocation of money for given policies. The WDR also explains 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. On the contrary, the failure of a given policy is

¹⁷ Read the *World Development Report 2015: Mind, Society and Behaviour* here: <http://www.worldbank.org/en/publication/wdr2015>

¹⁸ Read the *World Development Report 2016: Digital Dividends* here: <http://www.worldbank.org/en/publication/wdr2016>

often due to power asymmetries. With power defined as the *ability to make others act in our interest*, asymmetries often resulted in exclusion, capture or cronyism.

Good governance requires the transition to the rule of law and the inclusion of the ‘three rolls of law’ which allow for the law to order power (1), to order behaviour (2), and to provide institutional ways of challenging decisions, therefore tackling exclusion (3).

‘Through financial resources, through the flow of ideas, through international conventions, through all these regulatory and financial instruments that international actors have, they can actually influence the relative power of actors who are interested in development and strengthen the positive dynamics for development.’

The report assesses that the achievement of the necessary changes implies a change in the actors’ incentives, the reshaping of differences and beliefs, and the increase of contestability (which allows for increasing compliance). The actors who have the power to bring these changes are decision makers, by restraining their own power in order to pursue socially desirable goals; citizens through democratic voting, political partisan organization, social organization as well as through deliberation.

In addition, the support of international institutions such as the World Bank is useful because they provide ideas and financing that have a positive influence on development.

Mr. Lopez-Calva concluded by assessing that two games are played within the policy arena: the *outcome game* and the *rules game*. Understanding how they are played enables us to understand how we can bring about change.

Discussion

PN Chair Hon. Jeremy Lefroy (MP United Kingdom) asked if there were examples of rule of law evolutions that may have taken place at a rapid pace. Mr. Lopez-Calva emphasized that the achieving of the rule of law was actually a constant effort and never completely over. He referred to the example of the United States at the end of the eighteenth century which rapidly changed from a very corrupt state because of the revolutionary context and demand from its society. He also cited the case of the European Union which saw the rapid adoption of a new set of rules, although each country adapted to it at a different pace. Because of country specificities, the World Bank prefers to provide principles rather than a policy prescription ‘recipe’.

Asked by Hon. Maria Andersson Willner (MP Sweden) about how to support the implementation of the rule of law, Mr. Lopez-Calva clarified the role and mandate of the World Bank which are to deliver policy effectiveness. In order to do so, the World Bank identifies specific areas where action can be taken and makes recommendations. Addressing Hon. Dissan Gnoumou’s (MP Burkina Faso) concerned about the WDR relevance to his country, he specified that no country was deemed completely exclusive or inclusive and that they all fall into the framework of policy effectiveness. The main pillar of the report is the building of legitimacy. In some countries, governments and authorities

benefit from *outcome legitimacy*, that is to say that their commitment to deliver the promises made have earned them the willing compliance from their citizens. In countries where such outcome legitimacy is weak, it is necessary to build *process legitimacy* by involving citizens in the policy making process and giving them capacity to contest.

Hon. Fiona Bruce (MP United Kingdom) asked about the type of skills and specific professions that are needed to support the implementation of the rule of law and Mr. Lopez-Calva replied that it was rather a matter of people internalizing the concepts, terms and principles defined in the report than of skills to acquire.

Asked by Hon. Rosena Allin-Khan (MP United Kingdom) on good practices of state and non-state actors interaction, he gave the example of the extractive industry where a new policy arena was created in the form of a dedicated commission.

With regards to the Sustainable Development Goals (SDGs), Mr. Lopez-Calva told Hon. László Borbély (MP Romania) that they had great normative value, including in the work carried out by the World Bank.

Finally, answering a question from PN Board Member Hon. Pana Merchant (Senator Canada), Mr. Lopez-Calva advocated greater incentive for citizens to participate, namely through leadership.

World Bank regional session

Moderator

Hon. Nathan Nandala-Mafabi, MP Uganda; Board Member, the Parliamentary Network on the World Bank and the IMF

Speakers

Shanta Devarajan, Chief Economist, Middle East and North Africa, World Bank Group

Hans Timmer, Chief Economist, Europe and Central Asia, World Bank Group

Steven Shalita, Manager, Africa External Communications and Partnerships (AFREC) unit, Africa Region, World Bank Group

Karin Kemper, Senior Regional Advisor, Office of the Vice President for the Latin America and Caribbean Region, World Bank Group

Overview

During this session World Bank representatives from Africa, Europe, Middle East and North Africa and Asia presented the latest developments in their region and engaged MPs in a discussion.

Middle East and North Africa

In the context of difficult global economic prospects, Mr. Devarajan asserted that the Middle East and North Africa (MENA) region's performance was even lower than the global average with a 2.3% projected growth rate for this year.

The reasons for such a low economic performance are of several kinds. The civil wars in Syria, Iraq, Yemen and Libya have affected the national economies of these four countries. They also had repercussions in neighbouring countries in terms of refugee inflows. In Lebanon, the refugee population now represents close to one third of the total population. Moreover, tourism and investment, especially in Tunisia and Egypt, has suffered from terrorism. In addition, the decline in oil prices caused a decline in revenues for exporting countries but also a decline in investment and remittances for importing countries. The low level of oil prices are forecasted to remain as such until the end of the decade.

Mr. Shanta Devarajan provided further context as to the *Arab Spring* factors. He explained that most of the uprisings were the consequence of misguided policy. In the countries involved, a pillar of the social contract was that the government would provide the main source of employment, as well as free public health and education. The protests started when the public sector jobs slowed down and the increasing use of subsidies worsened the economy.

Since 2011, the World Bank approach to the region changed from a “mosquito bites” strategy where conflict is considered as a given, to the current promotion of peace and stability as necessary conditions for development.



‘Without peace and stability, we won’t have development and we won’t have poverty reduction [in the MENA region]’

S. Devarajan, Chief Economist, Middle East and North Africa, World Bank Group

The most urgent issue facing the region involves the refugees, which is both a humanitarian and development challenge. Refugees need to be given dignity and jobs so that they can contribute to the economy of their home and host countries. The World Bank has therefore led a social-enterprise programme in Jordan, employing refugees whose products are being integrated into the EU market. Moreover, integration needs to be fostered in the MENA region, which is nowadays the most exclusive one. In the mid-term, a big effort for reconstruction will also be necessary. Part of the reconstruction has to be anticipated now, by fostering trust in order to improve the chances of cooperation when the time comes. Finally, radicalization and extremism, which are a consequence of exclusion, can be tackled if more private sector opportunities are offered to young people. This implies that the government will have to make hard decisions but MPs can help them in this endeavour.

Europe and Central Asia

Mr. Hans Timmer asserted that the European and Central Asian region is facing difficult prospects. On the eastern part of the region, countries have been badly affected by the drop in oil prices while the European Union’s institutions are threatened by the scope of the refugee crisis, the Brexit referendum result and increasing social tensions.

Another particularity of the region is that its current GDP rate does not reflect the depth of its current challenges. For instance, the 4% GDP decline in Russia does not show the important decline of consumption and investment. Furthermore, the decline in oil prices not only affects oil exporting countries but also their neighbours which often contribute to the oil production labour force and suffered from a lower purchasing power. In addition, many countries are threatened by a banking crisis because of the concentration of bank investments in the oil sector.



H. Timmer, Chief Economist, Europe and Central Asia, World Bank Group

Despite the low GDP growth, the European Union is slowly recovering. Employment is now higher in the region than prior to the 2008 crisis. However, structural problems lay behind the numbers because a big part of the additional employment is part-time or temporary. This is the case in Poland where, as a result, the population's anxiety has risen. Existing divergences are also to be noted between Southern Europe where competitiveness and exports are on the decline, and Eastern Europe which is experiencing increasing competitiveness. Investment rates are very low in the Union, partly because countries do not use their deficit to sustain investment anymore. Overall, the biggest challenge for the EU will be the adjustment to a new economy. The World Bank has undergone work on the potential necessity for the region to redefine its social contract and to rethink some of its fundamental institutions to enable a new phase in its development.

Latin America

Ms. Karin Kemper explained that the Latin American and Caribbean region is now very different than it was a decade ago. After going through a *golden decade*, the region now has a sizeable middle-class, which is now larger than its poor population. This societal change resulted in higher demand on government for better services, better infrastructure and better environment. Nowadays, the region is facing difficulties in delivering further social gains because of the strained economic conditions linked to the low commodity prices and the declining growth of China, on which an important part of the region's growth depends. Three and a half million people are still living in poverty despite the high level of expectation induced by the *golden decade*.

Given the current situation, improving internal integration is one of the main recommendations to the region. Nowadays, some products can be imported for a cheaper price from countries such as China or the USA than from other Latin American countries. Furthermore, the World Bank encourages a better business environment and the revision of the outdated regulatory and institution frameworks currently preventing companies to grow. Moreover, the World Bank is also working on the training of teachers in order to improve school and high school education and, ultimately, lift the skill base. Other challenges to be tackled include youth unemployment, governance and transparency, and the building of resilience to economic, security and climate change shocks. With regards to the latter, the region is still very vulnerable to climate shocks, including hurricanes which have heavily affected the GDP of Caribbean countries like Cuba and Haiti.



Karin Kemper, Senior Regional Advisor, Office of the Vice President for the Latin America and Caribbean Region, World Bank Group

Ms. Kemper concluded by explaining that the World Bank supported the introduction of safety nets that would allow the maintaining of social gains, investment, education, health and competitiveness for which the Bank is currently working with 16 out of the 40 countries in the region.

Africa

Mr. Steven Shalita presented the audience with an overview of governance and parliamentary engagement.

The World Bank report *Africa Pulse*¹⁹ reveals that the growth rate for Sub-Saharan Africa is projected to drop to 1.6% in 2016, its lowest level since the last two decades. The region is also affected by a high degree of political uncertainty and security concerns. Declining growth is, overall, due to the weight of the three main African economies affecting the rest of the region: Nigeria, South Africa and Angola. Countries such as Ethiopia, Rwanda or Tanzania have their economies still growing; Senegal and Côte d'Ivoire have also shown signs of economic improvement. In these cases, the improved performers benefitted from the strong quality of their monetary policy, from a better regulatory environment, from a diversified structure of exports, as well as from strong and effective public institutions.



'Parliamentarians are often caught between the machinery of government while at the same time exercising the function of holding their government accountable'

Steven Shalita, Manager, Africa External Communications and Partnerships (AFREC) unit, Africa Region, World Bank Group

¹⁹ World Bank Group. 2016. *Africa's Pulse*, No. 14, October 2016. World Bank, Washington. DC. Available here: <https://openknowledge.worldbank.org/handle/10986/25097>

With regards to governance and parliaments in Africa, Mr. Shalita cited M. Salih's study²⁰ and underlined the existing tension for parliaments often 'caught between the machinery of government while at the same time exercising the function of holding their government accountable'. When looking at the Ibrahim Index of African Governance²¹, several trends can be identified. A first trend is the deterioration of the rule of law, namely because of the high level of security pressures. Indeed, over the continent, the forced displaced population represents 18 million people, among which 12.5 millions are displaced within their countries. Refugee camps in countries such as Kenya or Uganda represent added pressure for the state. With regards to accountability, the continent ranks very low. Moreover, corruption is still a worrying trend in Africa, especially for 24 countries which hold their worst respective score ever. In terms of public sector accountability and transparency, the index reflects overall improvement as a result of the people's push to make governments more accountable. In about 26 countries, however, the index has lowered. The last finding of the report is the existence of a link between the country's level of accountability, the degree to which the rule of law exists and the extent to which the state has capacity to create economic opportunities for its citizens.

Parliamentary engagement is therefore complex given the presented conditions. Parliamentary accountability, along with development effectiveness, could be upgraded if the people are given better access to information and data, and research capacity; which the World Bank strongly encourages, aiming at greater popular involvement in the process of development support.

Discussion

PN Vice-Chair Hon. Olfa Soukri Cherif (MP Tunisia) asked for the World Bank's advice on how best to promote growth and support youth employment in countries like Tunisia. According to Mr. Devarajan, an upturn in economic growth will depend on the economic stakeholders (including business and trade unions) capacity to reach a consensus on how to make the labour market more flexible, and on reforms for better quality education and the revisioning of the Tunisian *Code d'Investissement*.

Replying to another MP on the subject of foreign ISIS fighters, he underlined the fact that unemployment is not the only factor for them to join the terrorist organization but that it did have an influence which may explain why a large number of foreign ISIS fighters come from Tunisia. Hon. Saeed Alshaikh and Hon. Mohammed Aljefri (MPs Saudi Arabia) asked about the World Bank view on the measures already taken and to be taken by countries affected by the dropping oil prices, and namely on energy subsidies. According to Mr. Devarajan, the major challenge facing oil exporting countries is the diversification of their economies. Although such diversification is a long-term process, subsidy removal can help moving away from the energy industry. In Gulf countries, the private sector cannot compete with the very high salaries paid by the public sector and therefore

²⁰ *African Parliaments: Between Governance and Government*, Mohamed Salih (ed.), Palgrave/Macmillan: New York, 2005

²¹ The IAG provides an annual assessment of the quality of governance in every African country. Originally established with the John F. Kennedy School of Government (Harvard University), presently the IAG consists of more than 90 indicators built up into 14 sub-categories, four categories and one overall measurement of governance performance. For more information: <http://mo.ibrahim.foundation/fr/iag/>

mainly employs foreigners. The public sector salaries reflect the redistribution of oil revenues and create a distortion. Mr. Devarajan suggested these revenues are used through loan transfer. Mr. Timmer added that further responses to the drop in oil prices will need to include fiscal adjustment and the de-pegging of the currency, combined with competitiveness policy and a focus on the financial sector.

At another MP's request, Mr. Devarajan gave a concrete example of the World Bank action on reconstruction. He explained that the World Bank was currently working in Yemen, with the World Health Organization (WHO) on an immunisation programme, as well as a cash transfer programme in collaboration with NGOs. Similar activities could be replicated in Syria, once the context allows it.

Hon. Vincent Van Quickenborne (MP Belgium) commented on the envisaged terms for a potential new social contract given that the digital revolution has deeply affected our lives, jobs and career prospects. Mr. Timmer agreed with his statement but added that digital technologies can also bring about positive change, with greater transparency and the creation of jobs and small enterprises. The negative effects - increased government surveillance, the digital divide, the *uberization* of economies - need to be embraced and government should invest in education and life-long learning in order to equip citizens with the needed skills.

Ms. Kemper replied to Hon. Maria Andersson Willner (MP Sweden) on the World Bank's contribution to a needed global trade deal that would ensure sustainable growth and social responsibility in all countries. She announced the launch of a report on the matter, in which the most beneficial export options are studied. The report concludes that innovative products, with an increased margin, may be the best to be exported from Latin America to the USA or the EU.

The World Bank's engagement with parliamentarians was a matter raised by several MPs. Hon. Juliana Lungunzi (MP Malawi) regretted that the World Bank and IMF's loans, although approved by the parliament, did not seem to have a significant impact on poverty in Malawi. On this case, Mr. Shalita said that it may be because one program alone does not suffice and needs to be completed with other initiatives, although conditional cash transfers have had benefits and targeted the people who needed it most. Hon. Ahmed Shakeel Shabir (MP Kenya) regretted that, in Kenya, the World Bank and IMF's primary contact were the Central Bank and the Treasury rather than MPs who are involved in the later stages of their programmes' negotiations. According to Hon. Shakeel Shabir, an earlier involvement of MPs would allow for their greater endorsement when the programmes and loans are submitted to the Parliament's vote. Similarly, PN Chair Hon. Jeremy Lefroy (MP United Kingdom) and PN Board Member Hon. Nathan Nandala-Mafabi (MP Uganda) wondered about the benefits of engaging MPs at the early stages of the institutions' programmes, and of letting them use their oversight functions for the evaluation and audit stages. Mr. Shalita reacted to these comments by underlining the benefits of having a parliamentary network in a given country. Experience has shown that its existence often eases the process between the World Bank and the parliament. He also added that legislators have, in any case, absolute power over the budget and therefore they are systematically involved in any granted World Bank loan. Ms. Kemper pointed out that the Bank's engagement with MPs varied depending on the country. In Latin America, World Bank projects

require parliamentary approval and that is why the World Bank Vice President for Latin America and the Caribbean discusses, beforehand, with Latin American MPs, and also with donor countries MPs. She insisted that it also depended on the state's balance of power between the executive and the legislative.



Citizen engagement - what role for parliaments?

Moderator

László Borbély, MP Romania, Chair of Committee on Foreign Policy

Speaker

Jeff Thindwa, Manager, Global Partnership for Social Accountability, World Bank Group

Discussant

Yunus Carrim, MP South Africa, Chairperson of the Standing Committee on Finance

Overview

Long-term development and prosperity require effective, trustworthy, and transparent public sector institutions that sustain citizen confidence. Citizen engagement is indispensable to the honest give-and-take that shapes effective project planning. An appropriate strategy and effective tools are crucial to this endeavour, but also to encourage governments and citizens to engage regularly. In 2014, the World Bank launched the Strategic Framework for Mainstreaming Citizen Engagement (CE) in World Bank Group Operations with the aim of improving the way the Bank listens to beneficiaries. The Institution's goal is to mainstream citizen engagement in WBG operations by incorporating beneficiary feedback in 100% of Investment Project Financing (IPF) operations with clearly identifiable beneficiaries by FY18. This session will review how CE is measured, share examples of successful CE, and explore how parliamentarians, as elected representatives, can contribute to enhancing development results by acting as a liaison between citizens and the World Bank.

Presentation

Mr. Jeff Thindwa presented the World Bank approach to citizen engagement and emphasized the Parliament's role as a mediator between government and citizens.

After decades of World Bank engagement with citizens, a conclusion emerged that government institutions cannot function responsibly if they are not equipped with mechanisms dedicated to engaging with citizens, that is to say that *citizen centric* governance is needed. Hence, the World Bank's adoption, in 2014, of the Strategic Framework for Mainstreaming Citizen Engagement²² in World Bank Group Operations, which aims at systematic feedback on its programmes. It sets the goal of having beneficiary feedback for all World Bank projects by fiscal year 2018, in order to allow for

²² *Strategic Framework for Mainstreaming Citizen Engagement in World Bank Group Operations. Engaging with Citizens for Improved Results*, World Bank Group, 2015a. Available here:

<http://consultations.worldbank.org/Data/hub/files/consultation-template/engaging-citizen-improvedresultsopenconsultationtemplate/materials/finalstrategicframeworkforce.pdf>

ongoing learning about the project implementation and the necessary citizen validation. 96% of World Bank projects are now designed according to a *beneficiary oriented design* with explicit reference to citizens and including feedback along the process. Mr. Thindwa admitted that a review of the World Bank's monitoring implementation reports will be needed to ensure that all the indicators for feedback are captured. Grievance mechanisms which establish the percentage of complaints made and resolved will also be reviewed.

‘Government institutions cannot function responsibly and responsively to citizens without mechanisms for engaging citizens, capturing their preferences and interest and priorities (...) and responding to them’

In addition to the citizen engagement mainstreaming framework, the World Bank launched, in 2012, an innovative platform called the Global Partnership for Social Accountability (GPSA). The GPSA is the only facility sanctioned by the institution's board of directors providing funding to civil society organizations (CSOs) which uses social accountability mechanisms to collaborate with their governments for greater institutional performance. So far, 49 countries and more than 200 partners are part of this initiative.

With regards to the role of parliaments in citizen engagement, Mr. Thindwa underlined the fact that parliamentary functions are bestowed to MPs in the name of citizens they represent. The Parliament engagement with citizens can however be improved in many cases, as shown by the following examples. In Brazil, for instance, an *e-democracia* platform enables citizens to comment on draft legislation. In Germany, *Parliament Watch* captures citizen and civil society aspirations, and has over 90% of German MPs participating and answering questions from their constituencies. In the United Kingdom, the Parliament questions and answers session gives a focus to the citizens' concerns as well. Lastly, in Ghana, the crowd sourcing of data with citizens and CSOs has given more authority and legitimacy to the MPs when engaging with the national government. Mr. Thindwa mentioned two helpful schemes for MPs: the first on budget formulation and enactment process; the second on the audit process. The two schemes reveal what can be the entry points for citizen and CSO input: during the budget development to discuss priorities, during parliamentary committee public hearings, as part of participatory audits and for the implementation of audit reports.

Mr. Thindwa concluded by encouraging MPs to create space and collaborate with citizens and CSOs, to enact services accordingly to the citizen's feedback; and called for a constructive partnership between parliaments, governments, and civic organizations.

Comment from the discussant

Hon. Yunus Carrim (MP South Africa), discussant for the session, provided the audience with a response to the World Bank's strategic framework for mainstreaming citizen engagement. Starting from the necessity for active citizen participation to achieve sustainable development, he stressed

the challenge of what parliamentarians can do to give effect to the World Bank framework and facilitate its use and implementation.

‘There’s a two-way street here. Citizens can be empowered through the space MPs create, and MPs can be empowered by being more rooted in the citizens.’

Firstly, parliamentarians and candidates should start by working for their election and/or re-election in order to be given the power to hold the government accountable on development projects. Whatever the specificities of national parliaments are, encouraging public participation is the right thing to do and then also serves the MPs’ interest in getting re-elected. On their side, citizens should be aware of their right to engage on World Bank projects, and of the outcomes of their participation.

Citizens need to be capacitated and the World Bank should, ideally, only fund projects in which a citizen engagement plan is included. Parliamentarians also need to be empowered, with technical and financial skills.

As the World Bank refers, in its framework, to ‘*citizen engagement*’ and to the ‘*listening of beneficiaries*’, Hon. Carrim suggests a more active concept of ‘*citizen participation*’. He also pointed out the existing potential in the Parliamentary Network on the World Bank and the IMF, which could serve as an advisory body for the World Bank’s engagement with the MPs, and ensure the reporting back from attending MPs to their national government.

In the interest of all, and primarily of the poor and disadvantaged, he invited the five major stakeholders - the World Bank, governments, parliaments, CSOs, and citizens - to be get stronger through appropriate cooperation with each other.

Discussion

Moderator Hon. László Borbély (MP Romania) noted, from his national experience, that few MPs understood the full scope and meaning of the Sustainable Development Goals (SDGs); he suggested the creation of focal points or nests in each country to which interested MPs can refer to.

Hon. Cedric Frolick (MP South Africa) praised the World Bank Strategic Framework for Mainstreaming Citizen Engagement in World Bank Group Operations which he deemed to be a good starting point. He however called for a more gradual approach which would not assume what the public would want, including their engagement, but rather provide the parliaments with tools to manage their engagement as it comes. He also advised to take a look at existing participation models for other areas, as well as at their best practices. Mr. Thindwa agreed that citizen engagement can come from below and does not need to be exclusively approached top-down and that good models could be looked into for replication. He however reminded that beyond the sole participation, social accountability mattered as it gives an account of the project’s implementation and result.

Mr. Thindwa replied to Hon. Fiona Bruce’s (MP United Kingdom) question on the World Bank’s advocacy for civil society space to governments, when the environment for citizen participation is restricted. He explained that although the World Bank cannot engage in partisan politics, it can

leverage donor partners and governments to use their own political pressure ability when needed. Governments should not expect citizen engagement to be 'tidy' and that the World Bank would not advise restrictive laws on the matter. Responding to Hon. Nathan Nandala-Mafabi' s (MP Uganda) interrogation about the World Bank's engagement with dictatorships, Mr. Thindwa further explained that the World Bank connects with governments on service delivery. Indeed, all governments, including in dictatorships, are willing to see their policies and service delivery working. If CSOs prove to be necessary for the successful delivery of a policy, it could bring about cooperation with the government.

Hon. Umaru Kurfi (Senator Nigeria) asked Mr. Thindwa about the World Bank's assistance to his country to recover assets. Mr. Thindwa highlighted the World Bank's Stolen Assets Recovery Initiative through which it has been collaborating with the Nigerian government to track down lost assets.

Hon. Gwenaëlle Grovonius (MP Belgium) raised the issue of the Executive Directors deliberations' confidentiality. She regretted that the MPs did not have access to the content of their discussions nor to the position of their national Executive Directors. Mr. Thindwa suggested that MPs, along with CSOs, could explore the World Bank's information policy and its provisions in order to advocate for greater access to Board deliberations.

Finally, the session discussant Hon. Yunus Carrim (MP South Africa) suggested that PN members gather into seminars to discuss the network's action plan. He also called for the World Bank to communicate with shorter reports to the attention of MPs who cannot afford to read entire policy reports.

Migration, conflict and displacement

Moderator

Taha Özhan, MP Turkey, Chair of the Foreign Affairs Committee

Speakers

Adnan Mazarei, Deputy Director, Middle East and Central Asia Department, IMF

Ferid Belhaj, Director, Middle East, Middle East and North Africa (covering Lebanon, Syria, Jordan, Iraq and Iran), World Bank Group

Overview

In recent decades, the Middle East and North Africa region has experienced more frequent and severe conflicts than in any other region of the world, exacting a devastating human toll. The region now faces unprecedented challenges, including a refugee crisis bigger than any since World War II. The economic costs of conflicts on the countries directly involved and on their neighbors are massive, but appropriate macroeconomic policies can help reduce the impact of conflicts in the short term. The session will look at how higher and more inclusive growth can help address some of the root causes of conflicts, as well as the impact of displacement on destination countries and the developmental challenges faced by host communities.

The session moderator Hon. Taha Özhan (MP Turkey) opened the session from the perspective of his country which is affected by the refugee crisis on a daily basis. The refugee crisis being a transnational phenomenon cannot be contained into any national borders. Its effects have been global, and the 'centrifugal powers' efforts to protect borders are useless. Such crisis rather requires attention to the root causes. There are now over 65 million displaced persons, among them 20 million are refugees and 50% of them are living in Turkey - a number which is expected to rise over the next few months.

Mr. Adnan Lazarei (IMF) discussed the IMF assistance provided to the countries affected by a crisis²³. Depending on how they are affected, the IMF provides policy advice, technical assistance or financial assistance. The IMF has been working on the case of conflicted countries - Iraq, Yemen, Libya and Syria - and engages with them, as long as the security conditions allow it. The IMF used to have a programme in Yemen which has been interrupted for the moment. The IMF interaction with Libya has been more peculiar because of the coexistence, for a while, of two governments. The IMF had thus provided technical advice to both, together, until an internationally recognized one emerged.

²³ See The IMF Staff discussion note: *The Economic Impact of Conflicts and the Refugee Crisis in the Middle East and North Africa*, September 2016; available here: <http://www.imf.org/external/pubs/ft/sdn/2016/sdn1608.pdf>

The IMF usually gives short-term advice on how to manage the financial pressure on the country when its institutions are put under serious strains or muted. In often cases, the Central Bank remains the only reliable institution and therefore the preferred and supported contact point for the IMF. For instance, the Libyan central bank kept functioning and monitoring the budget of both governments despite the institutional crisis. It is also the case in Yemen where the central bank is still working.

The IMF engagement with Lebanon involves technical advice and has been difficult lately because of the unstable political situation. A lot of the burden fell upon the central bank. Similarly, the support to the Jordanian authorities focuses on the definition of a macro-economic policy and on the dialogue with the international community in order to relieve both countries from the debt they contracted by sheltering a great part of refugees. Mr. Mazarei asked the MPs to advocate, in their respective parliaments and with their governments, for the support of Jordan and Lebanon in the sheltering of so many refugees.

‘Of course conflicts have social and ethnic dimensions but in our domain we also recognize many of the problems are economic; there are issues related to fairness, equitable access to resources, inclusiveness of growth, corruption and also regional disparity.’

In addition to these programmes, the IMF also works at the pre-emptive level, anticipating the conditions in which the reconstruction of countries such as Syria is likely to take place.

Mr. Ferid Belhaj (World Bank) highlighted the unprecedented instability and tension in the Middle-Eastern region.

He explained that the Syrian civil war originated from a combination of severe drought, combined with rural exodus and a lack of reforms despite the citizen’s call for services. Because the government was not willing, nor able to deliver, violence took over. Lebanon, Jordan, Iraq and Turkey, as neighbouring countries, are also facing a tragic situation, as a result of the humanitarian impact. Mr. Belhaj referred to a report²⁴ in which the economic impact of the Syrian conflict on Lebanon was estimated to amount to \$7.5 billion. Many visits were organized to the country and followed by the crafting of instruments and projects aiming to alleviate the pressure on the receiving communities while fostering the development impact of the refugees’ arrival. However, the \$75 million provided by multilateral donors did not suffice and failed to meet the needs of the Lebanese and Jordanian societies, although they are providing a *global public good* by welcoming refugees.

²⁴ *Lebanon: Economic and Social Impact Assessment of the Syrian Conflict*, World Bank, 2013.

Read the full report here: <http://documents.worldbank.org/curated/en/925271468089385165/Lebanon-Economic-and-social-impact-assessment-of-the-Syrian-conflict>

Read the executive summary: <http://www.worldbank.org/content/dam/Worldbank/document/MNA/LBN-ESIA%20of%20Syrian%20Conflict-%20EX%20SUMMARY%20ENGLISH.pdf>

The World Bank focused its work on the receiving communities and cooperated with the IMF and UN agencies on refugee camps projects. Once refugees leave the humanitarian camps, the state does not have the capacity to deliver common services and resources (electricity, water, education) to all. For instance, in Lebanon, the education system is overwhelmed. The World Bank has brought its support and, by next year, Lebanese schools should be able to host twice as many Syrian children than they currently do. After World Bank President Dr. Jim Kim's visit to Jordan, the World Bank suggested concessional loans with for which the international community would absorb the interest rates. The World Bank's International Development Association (IDA) is also a useful tool for the financing of such operations and allows, for instance, the securing of earmarked funds to be invested there once the situation improves in Syria.

Mr. Belhaj insisted that the more we wait in supporting Lebanon and Jordan on this issue, the more costly it will be for the world. He called for the MPs to use their influence on their government to support the Concessional Financing Facility (CFF), an international initiative aiming at addressing the impacts of the Syrian refugee crisis²⁵.

'I appeal, for all of you who can make it, to put a good word with your governments so that this global financing facility becomes something that could actually help the international community deal with (...) forced displacement and the refugee crisis.'

Discussion

Hon. Rosena Allin-Khan (MP United Kingdom) wondered how the IMF and the World Bank managed to help on the front of longstanding refugees such as the Palestinians and the new comers from Syria. Mr. Adnan Mazarei from the IMF pointed out that many refugees from Syria happen to be Palestinian refugees who sought refuge there first. In this case, most of the work is done at the UN level. Mr. Ferid Belhaj added that MPs and the international community should support UNWRA²⁶ as it currently lacks the budget to fulfil its mission of helping Palestinian refugees.

Hon. Håkan Svenneling (MP Sweden) asked both institutions' advice on how to encourage more countries, namely in the EU, to welcome refugees. Mr. Mazarei explained that the urgent dimension of the IMF negotiations with the EU involved financial help to Lebanon and Jordan. He also addressed Parliamentary Network Board Member Hon Pana Merchant's (Senator Canada) concern over the future of the small Greek islands which do not have the resources to deal with large number of refugees. He explained that overall and in both regions most international organizations are making sure that humanitarian needs and development aspects are addressed and to fill the 'holes in the architecture'. On the World Bank side, advocacy focuses on the potential and assets which lie in refugees in order to counter their view as a liability. The World Bank therefore concentrates on finding economic opportunities and the right policies to make it work. In Jordan, 20,000 Syrian refugees are to be employed in private sector jobs, with the support of the public sector. Mr. Belhaj encouraged politicians to look over the long term despite the sometimes difficult political discourse this implies.

²⁵ Learn more about the Concessional Financing Facility here: <http://cff.menafinancing.org/>

²⁶ The United Relief and Works Agency for Palestine Refugees in the Near East

The session moderator Hon. Taha Ozhan (MP Turkey) noted that refugees should not be judged as being 'good', 'bad', 'productive' or 'unproductive'. He added that in welcoming refugees, Turkey also shares the burden with Jordan and Lebanon while preventing more deaths in the Aegean Sea.

Healthcare systems (in partnership with RESULTS)

Moderator

Pauline Ebah épse Ndoumou, MP Cameroon

Speaker

Hannah Bowen, Director, ACTION

Overview

Governments, legislators and development partners have to work together to strengthen health systems, which involves providing quality, affordable care without financial hardship for patients. Better health and development outcomes are in line with the Sustainable Development Goals (SDGs). SDG 3 includes a target to “achieve universal health coverage (UHC), including financial risk protection, access to quality essential health care services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all.” This session will review policy advices to help countries expand access to quality, affordable health care; protect people from falling into poverty due to illness; and promote investments in all sectors that form the foundation of healthy societies. The session will have a special focus on ECD (Early Childhood Development).

Presentation

Ms. Hannah Bowen asserted that health lies at the heart of each and all the debated issues during the workshop and insisted that ‘*you cannot have a healthy economy without having healthy people*’.

A holistic approach of a strong healthcare system includes the following elements: universal health coverage as a basic goal; equity and access; the prevention of stunting. Integration of the health system with other sector represents a key feature to be integrated in the policy framework and Action Against Hunger (Action Contre la Faim - ACF) is currently working on this aspect. Indeed for a population to be healthy, it needs, for instance, to benefit from good agriculture and food.

Legislators have a role to play in the implementation and improvement of their national healthcare system. They can: (1) Enable the political framework: by reviewing existing policies, or propose new legislation and policies. The Global TB Caucus, in that respect, is a good example because it is a network which gathers parliamentarians from over 100 countries with the aim of ending the TB epidemic²⁷; (2) Use opportunities to engage with their constituencies and raise their questions to the government which can be addressed through the creation of networks or the drafting of legislation on health and nutrition related issues; (3) Parliamentarians can supervise the financing thanks to

²⁷ Learn more about the Global TB Caucus here: <http://www.globaltbcaucus.org/>

their oversight functions in the budget process - be it domestic or ODA resources - and increase the domestic resources allocated to health.

‘It makes it easier for civil society to work with you when as members of parliament you come together in networks or caucuses’

Ms. Bowen highlighted the existence of multiple collaboration opportunities, whether with parliamentary coalitions or with institutions specialized on health and nutrition.

Discussion

The discussion provided the participants with the opportunity to present existing initiatives on nutrition, from their country and region. As the session moderator, Hon. Pauline Ndoumou (Cameroon) highlighted the challenge for MPs to act on health, especially in Sub-Saharan Africa where infant mortality could hit 70 million children by 2030.

Hon. Nossamba Diomande (MP Côte d’Ivoire) explained that health and nutrition are important issues in developing countries. In Côte d’Ivoire, for instance, 38 out of 1 000 children are victims of infant mortality and although an action plan and budget exist there is still work to be done in ensuring that the money is well spent. That is why the national *Caucus des Femmes Parlementaires* wishes to work on childhood related issues (ranging from nutrition, HIV to school canteens) and to legislate on the matter of child nutrition, a crucial issue especially in rural areas.

Hon. Esther Matiko (MP Tanzania) drew from her experience as Deputy Chair of the Parliamentary group on Nutrition, Food Security and Children’s Rights and explained that the existing stunting and malnutrition in Tanzania led to the creation of a dedicated Commission which partnered with CSOs, namely on school feeding programmes across the country. Hon. Matiko also called for the adaptation of maternity leave to breastfeeding duration.

The issue of maternal mortality was raised by Hon. Mansour Sy (MP Senegal) who asked how to best address it and what could be effective ways to cooperate with governments in order to prevent budget cuts in this area (e.g. on the recruitment of midwives).

Hon. Dissan Gnoumou (MP Burkina Faso), founding member of a parliamentary network on food security, deplored the lack of governmental and financial commitment on nutrition related issues in Burkina Faso and called the World Bank on supporting CSOs who are working on the topic.

Hon. Juliana Lunguzi (Malawi) raised the issue of health financing to which Ms. Hannah Bowen responded by insisting on the need for a cross-sectoral reflection before providing the example of the Global Financing Facility²⁸ (GFF), an innovative financial tool supported by the World Bank, which includes sectors such as reproductive and maternal health. Ms. Bowen insisted that, while the Parliamentary Network has a great role to play in advocating for the issue, ACTION can help MPs

²⁸ The Global Financing Facility is a multi-stakeholder partnership that supports country-led efforts to improve the health of women, children, and adolescents. Find out more: <http://globalfinancingfacility.org/>

make the case for health by providing them with cases, arguments, and answers to enquiries that they may receive from their constituents.

IDA18

Moderator

Ane Halsboe-Jørgensen, MP Denmark, Chair of the Foreign Affairs Committee

Speaker

Axel van Trotsenburg, Vice President, Development Finance (DFi), World Bank Group

Overview

Every three years, donors meet to replenish the resources and review the policy framework of the International Development Association (IDA). IDA is one of the world's most effective platforms for development. No other international institution has the mandate, knowledge, and resources to respond as effectively to complex global challenges with a focus on the world's poorest countries. Currently in its 18th round of replenishment, IDA is critical to helping the World Bank Group and its clients deliver on the pressing global development agenda. In donor countries, MPs approve development assistance budgets and often appropriate IDA contributions. In many developing countries, not only do parliamentarians ratify World Bank loans, but the constituencies that elect MPs to office are also IDA's primary beneficiaries. This session will provide an update on the IDA18 replenishment and explore how parliamentarians can help ensure that IDA continues to achieve good results for the benefit of the poor.

Presentation

The International Development Agency (IDA) was created in 1960 with the aim of creating comprehensive development opportunities in the world's poorest countries²⁹. Mr. Axel van Trotsenburg was very keen on discussing IDA with MPs. In a context where many parliaments are looking inwards and scarifying development, he insisted that the money provided through IDA was well invested because IDA focuses on results and accountability. In addition, IDA beneficiary countries have proved to be excellent partners, complying with the accountability requirement. As a last resort, the World Bank can also provide them with support when needed in order to make sure that the funds will be recovered.

Since its creation, the international community has provided IDA with \$250 billion. Such capital is nowadays much needed given the ambition development challenges and the new framework for action defined by the Sustainable Development Goals (SDGs) and the COP21 agreement. By supporting IDA, the World Bank contributes to a financing plan for the achievement of development goals. The last IDA replenishment - IDA17- resulted in \$52.1 billion. IDA18 aims at raising even more thanks to its capitalization. Indeed, as underlined by Axel van Trotsenburg, 'behind \$1 of credit, there is \$1 of capital' and IDA is about the creation of a donor contribution model which offers the

²⁹ Find out more about IDA: <http://ida.worldbank.org/>

possibility to also tap into capital market. IDA has been well rated by agencies (AAA), demonstrating its good functioning model.

‘Behind \$1 of credit, there is \$1 of capital (...) IDA is about creating a model with donor contribution and the possibility to tap into capital market’

Once replenished, IDA18 will help the implementation of initiatives such as: scaling up support in fragile states; creating a refugee window; job creation; climate change; and inclusiveness. In order to do so, the World Bank facilitates private sector development and private sector investment in fragile states - e.g. through the International Finance Corporation (IFC) and the Multilateral Investment Guaranty Agency (MIGA). MPs are encouraged to champion the IDA18 replenishment in their home parliament.

Discussion

The discussion gave MPs the opportunity to find out more about the IDA approach and mechanism.

Answering to a question from Hon. Fiona Bruce (MP United Kingdom), Axel van Trotsenburg explained that, since the adoption of the SDGs, most of the work was dedicated to finding ways of translating the international community’s commitments into implementation and concrete action. This requires a dialogue with governments, strong civil society engagement, and the reassertion of the driving values for international development.

Mr. van Trotsenburg also provided more details, at the request of a Swedish MP, on the relation between the International Bank for Reconstruction and Development (IBRD) - the original World Bank institution - and IDA. Since its creation, the IBRD and then the World Bank has been working in cooperation with countries, including middle-income countries, like Colombia, Mexico or China, through bilateral dialogue and multilateral cooperation. The specificity of IDA, however, lies in its focus on the poorest countries.

When asked about rising inequality by session moderator Ane Halsboe-Jørgensen (MP Denmark), Mr. van Trotsenburg gave a larger perspective by reminding the audience that inequality had narrowed, at the global level, but that structural issues within countries indeed allow it to grow; which means that there are things that can be done, including through IDA.

Conclusion

Speaker

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

Hon. Jeremy Lefroy (MP United Kingdom), Chair of the Parliamentary Network on the World Bank and IMF, thanked all the participants as well as the World Bank and IMF teams for their support. With regards to the topics discussed during the two days, he called the MPs for action through three means:

- The advocacy for the IDA18 replenishment within parliaments and to governments, as the most effective form of multilateral action;
- The creation of local Chapters of the Parliamentary Network in order to raise awareness on the World Bank and IMF activities;
- The contribution to the Parliamentary Network review. Opinion articles from legislators are welcomed and will be shared with the rest of the Network.

He insisted that, given current great global challenges, multilateral action is crucial and requires support and oversight from other stakeholders, including legislators. Therefore, it is important that MPs make a difference by advocating for change in their national parliaments.

ANNEXES

Parliamentary Engagement for Early Childhood Development and Nutrition

A meeting organized by ACTION, Action Against Hunger and Global Health Advocates

Thursday, 6 October 2016

In addition to the Parliamentary Workshop at the Annual Meetings, the participating MPs were invited to join the first global *Meeting on Parliamentary Engagement for Early Childhood Development and Nutrition*, an initiative led by ACTION, Action Against Hunger (ACF) and Global Health Advocates. The session aimed at sharing experiences and defining ways through which civil society can help MPs on issues of early childhood development and nutrition.

The meeting gathered MPs from Burkina-Faso, Cameroon, Côte-d'Ivoire, Madagascar, Malawi, Tanzania and the United Kingdom.

The concepts of early childhood development (ECD), malnutrition, under-nutrition, over-nutrition were reviewed and linked to multiple causes and therefore require the cooperation of different sectors - such as health, education, poverty-reduction, social protection, and environment - and at different levels. In order to act for early childhood development, MPs would therefore have to work through several of their parliamentary committees, corresponding to the different sectors involved.

The event also provided space for sharing experiences: of successful networks such as the Burkina Faso parliamentary network on nutrition or the TB Parliamentarian Caucus; of difficulties met in parliamentary advocacy, namely in donor countries where citizens do not relate to the issue and are not aware of their responsibility nor of the economic benefit they can get by contributing to global health; of existing activities led by ACF with MPs on the field; of the close relation between Scaling-up Nutrition - an initiative gathering 57 member countries - and parliamentarians through collaborations on budget monitoring and cooperation with the Inter-Parliamentary Union.

The meeting concluded with the drawing of possible steps for the future, including the exploration and cooperation between existing regional parliamentary networks and organizations working on the topics of ECD and nutrition.

PARLIAMENTARY WORKSHOP AT THE ANNUAL MEETINGS 2016

October 3-5, 2016

MONDAY, 3 OCTOBER 2016

All day

ARRIVAL OF DELEGATES AND BADGE PICK-UP

Venue: World Bank I Building - 1850 I Street NW

The Registration Office is open for badge pickup daily from 8:00 a.m. to 5:30 p.m., from Monday, October 3 — Sunday, October 9

TUESDAY, 4 OCTOBER 2016

08:00 - 08:45

LATE BADGE PICK-UP FOR PARTICIPANTS

Venue: World Bank I Building - 1850 I Street NW

09:00 - 09:30

WELCOME REMARKS BY

Venue: IMF HQI, 3rd floor, Meeting Halls A&B

- **Jeremy Lefroy**, MP, UK, Chairman, The Parliamentary Network on the World Bank and IMF
- **Sheila Redzepi**, Vice President, External and Corporate Relations, WBG
- **Gerry Rice**, Director, IMF Communications Department

09:30 - 10:30

JOBS AND GROWTH: THE GLOBAL OUTLOOK

Venue: IMF HQI, 3rd floor, Meeting Halls A&B

The outcome of the U.K. vote in favor of leaving the EU, which surprised global financial markets, signals an important downside risk for the world economy. As a result, the global outlook for 2016-17 has worsened, reflecting the expected macroeconomic consequences of a sizable increase in uncertainty, including on the political front. This uncertainty is projected to take a toll on confidence and investment, including through its repercussions on financial conditions and market sentiment more generally.

PARLIAMENTARY WORKSHOP AT THE ANNUAL MEETINGS 2016

October 3-5, 2016

This session will present the current outlook faced by advanced, emerging, and developing economies, and identify the tools governments can use to boost jobs and economic growth.

Speaker: **Prakash Loungani**, Division Chief, Development Macroeconomics Division, IMF Research Department

Moderator: **Olfa Soukri Cherif**, MP, Tunisia, Vice Chair of the Parliamentary Network on the World Bank & IMF, Member of the Committee of Anti-Corruption, Rapporteur of the Finance Committee

Discussion

10:30 - 10:45

COFFEE BREAK

10:45 - 11:45

IMF COUNTRY ENGAGEMENT - A LOOK INSIDE THE IMF'S PROGRAM DESIGN TO SUPPORT MEMBER COUNTRIES

Venue: IMF HQI, 3rd floor, Meeting Halls A&B

The session will take a look at the IMF's country engagement, its policy advice, and program design to support member countries in dealing with macroeconomic challenges and financial crises. Based on the personal experience of an IMF mission chief, practical examples will shed light on best practices and the evolution of the Fund's approach over time. The session will also touch on issues related to the recent refugee crisis, increased political uncertainty, and challenges related to protracted low growth and inequality.

Speaker: **Jeff Franks**, Director, IMF Europe Offices

Moderator: **Teresa Coelho**, MP, Portugal, Chairwoman of the Committee on Budget, Finance and Administrative Modernization Committee

Discussion

PARLIAMENTARY WORKSHOP AT THE ANNUAL MEETINGS 2016

October 3-5, 2016

11:45 - 12:45

ENERGY SUBSIDIES - WHAT ROLE FOR MPS?

Venue: IMF HQ1, 3rd floor, Meeting Halls A&B

This session looks at the many benefits to countries that choose to move ahead unilaterally with energy subsidy reform. Top subsidizers in percent of GDP and in per capita subsidies stand to gain the most. The benefits will mostly accrue at the local level, by reducing local pollution and generating much needed revenues. Taxing fuels to reflect environmental costs is also straightforward administratively, as it can build off road fuel excises which are well established in most countries. Energy subsidy reform can also contribute to carbon emissions reduction. To achieve significant carbon emissions cuts at the global level, it would be essential for top subsidizers in dollar terms to play a leading role.

Speaker: **Sanjeev Gupta**, Deputy Director, IMF Fiscal Affairs Dept.

Moderator: **Bilal Ahmed Virk**, MP, Pakistan, Chairperson of the Standing Committee on Petroleum and Natural Resources, Committee on Rules of Procedure and Privileges

Discussion

13:00 - 14:00

LUNCH

Venue: IMF HQ1, 1st floor, Room 713

14:15 - 15:45

REGIONAL ECONOMIC OUTLOOKS

Venue: IMF HQ1, 3rd floor, Meeting Halls A&B

During this session, IMF representatives from regional departments will present the latest economic analysis and developments in the regions and engage MPs in a discussion on the economic outlook for specific countries and regions.

Speakers:

- **Mumtaz Hussain**, Senior Economist, IMF African Department

PARLIAMENTARY WORKSHOP AT THE ANNUAL MEETINGS 2016

October 3-5, 2016

- **Roberto Guimaraes-Filho**, Deputy Division Chief, IMF Asia and Pacific Department
- **Emil Stavrev**, Deputy Division Chief and **James John**, Deputy Division Chief, IMF European Department
- **Pritha Mitra**, Senior Economist, IMF Middle East and Central Asia Department
- **Pelin Berkmen**, Deputy Division Chief, IMF Western Hemisphere Department

Moderator: **Mansour Sy**, MP, Senegal, Vice President of the National Assembly, Committee on Finance, Committee on Development

Discussion

15:45 - 17:00

ANTI-CORRUPTION & GOOD GOVERNANCE - OVERVIEW OF IMF EFFORTS

Venue: IMF HQI, 3rd floor, Meeting Halls A&B

Corruption is a major challenge to achieving both development goals and a prosperous global economy. In addition, reducing corruption stands at the heart of the recently established Sustainable Development Goals and achieving the ambitious targets set for Financing for Development. Economic activity is similarly harmed by corruption – with corruption operating as a strong disincentive to foreign investment. A parliament is a country's central institution, in its capacity as the primary expression of the people's will and, therefore, has a paramount responsibility for combating corruption in all its forms, especially in public life but increasingly also in the wider economy.

Speakers: **Ceda Ogada**, Deputy Director, IMF Legal Department

Moderator: **Joy Gwendo**, Senator, Kenya, PN Board Member, Committee on ICT, Labour and Social Welfare, Delegated Legislation

Discussion

PARLIAMENTARY WORKSHOP AT THE ANNUAL MEETINGS 2016

October 3-5, 2016

WEDNESDAY, 5 OCTOBER 2016

08:00 - 08:30

WELCOME REMARKS

Venue: WB HQ, Room MC4-800

- **Sabina Bhatia**, Division Chief, Public Affairs, IMF Communications Department
- **Jill Wilkins**, Manager, Global Engagement, External Affairs, World Bank Group

08:30 - 09:30

THE UPCOMING WDR 2017: GOVERNANCE & THE LAW

Venue: WB HQ, Room MC4-800

The upcoming WDR 2017 on Governance and the Law will examine the institutional foundations of a well-functioning state, and address two sets of issues facing the development community: The challenging interaction between economic development and the quality of governance; and the persistence of gaps between intended governance reforms and the reality on the ground. As legislators, MPs are at the center of governance processes, and have the mandate to significantly influence development outcomes. Building on the findings of the WDR, this session seeks to shed light on how a better understanding of governance can bring about more effective policy interventions to achieve sustainable improvements in welfare. To do so, the session focuses on two guiding questions: in a given governance environment, how can policies be more effectively designed and implemented to improve welfare? What are the channels through which the governance environment can be changed to improve welfare?

Speaker: **Luis-Felipe Lopez-Calva**, Co-author, WDR, WBG

Moderator: **Pana Merchant**, Senator, Canada, PN Board Member, Committee on Agriculture and Forestry, Scrutiny of Regulations (Joint Chair), Social Affairs, Science and Technology

Discussion

PARLIAMENTARY WORKSHOP AT THE ANNUAL MEETINGS 2016

October 3-5, 2016

09:30 - 11:00

WORLD BANK REGIONAL SESSION

Venue: WB HQ, Room MC4-800

During this session World Bank representatives from Africa, Europe, Middle East and North Africa and Asia will present the latest developments in their region and engage MPs in a discussion.

Speakers:

- **Shanta Devarajan**, Chief Economist, Middle East & North Africa
- **Steven Shalita**, Manager, Africa External Communications & Partnerships (AFREC) unit, Africa Region, WBG
- **Karin Kemper**, Senior Regional Advisor, Office of the Vice President for the Latin America & Caribbean Region, WBG
- **Hans Timmer**, Chief Economist, Europe & Central Asia, WBG

Moderator: **Nathan Nandala-Mafabi**, MP, Uganda, PN Board Member, Committee on Appointments

Discussion

11:00 - 11:15

COFFEE BREAK

11:15 - 12:15

CITIZEN ENGAGEMENT - WHAT ROLE FOR PARLIAMENTARIANS?

Venue: WB HQ, Room MC4-800

Long-term development and prosperity require effective, trustworthy, and transparent public sector institutions that sustain citizen confidence. Citizen engagement is indispensable to the honest give-and-take that shapes effective project planning. An appropriate strategy and effective tools are crucial to this endeavor, but also to encourage governments and citizens to engage regularly. In 2014, the World Bank launched the Strategic Framework for Mainstreaming Citizen Engagement (CE) in World Bank Group Operations with the aim of improving the way the Bank listens to beneficiaries.

PARLIAMENTARY WORKSHOP AT THE ANNUAL MEETINGS 2016

October 3-5, 2016

The Institution's goal is to mainstream citizen engagement in WBG operations by incorporating beneficiary feedback in 100% of Investment Project Financing (IPF) operations with clearly identifiable beneficiaries by FY18. This session will review how CE is measured, share examples of successful CE, and explore how parliamentarians, as elected representatives, can contribute to enhancing development results by acting as a liaison between citizens and the World Bank.

Speaker: **Jeff Thindwa**, Manager, Global Partnership for Social Accountability, WBG

Discussant: **Yunus Carrim**, MP, South Africa, Chairperson of the Standing Committee on Finance

Moderator: **László Borbély**, MP, Romania, Chair of Committee on Foreign Policy

Discussion

12:30 - 13:45

LUNCH

Venue: WB HQ, Room MC1-200

14:00 - 15:00

MIGRATION, CONFLICT, AND DISPLACEMENT

Venue: WB HQ, Room MC4-800

In recent decades, the Middle East and North Africa region has experienced more frequent and severe conflicts than in any other region of the world, exacting a devastating human toll. The region now faces unprecedented challenges, including a refugee crisis bigger than any since World War II. The economic costs of conflicts on the countries directly involved and on their neighbors are massive, but appropriate macroeconomic policies can help reduce the impact of conflicts in the short term. The session will look at how higher and more inclusive growth can help address some of the root causes of conflicts, as well as the impact of displacement on destination countries and the developmental challenges faced by host communities.

PARLIAMENTARY WORKSHOP AT THE ANNUAL MEETINGS 2016

October 3-5, 2016

Speakers:

- **Adnan Mazarei**, Deputy Director, Middle East and Central Asia Department, IMF
- **Ferid Belhaj**, Director, Middle East, Middle East and North Africa (covering Lebanon, Syria, Jordan, Iraq and Iran), WBG

Moderator: **Taha Özhan**, MP, Turkey, Chairman of The Committee on The Foreign Affairs

Discussion

15:00 - 16:00

HEALTHCARE SYSTEMS (IN PARTNERSHIP WITH RESULTS)

Venue: WB HQ, Room MC4-800

Governments, legislators and development partners have to work together to strengthen health systems, which involves providing quality, affordable care without financial hardship for patients. Better health and development outcomes are in line with the Sustainable Development Goals (SDGs). SDG 3 includes a target to “achieve universal health coverage (UHC), including financial risk protection, access to quality essential health care services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all.” This session will review policy advices to help countries expand access to quality, affordable health care; protect people from falling into poverty due to illness; and promote investments in all sectors that form the foundation of healthy societies. The session will have a special focus on ECD (Early Childhood Development).

Speaker: **Hannah Bowen**, Director of ACTION

Moderator: **Bekono Ebah epse Ndoumou**, MP, Cameroun, Committee on Social, Family and Cultural Affairs

Discussion

PARLIAMENTARY WORKSHOP AT THE ANNUAL MEETINGS 2016

October 3-5, 2016

16:00 - 17:00

IDA18

Venue: WB HQ, Room MC4-800

Every three years, donors meet to replenish the resources and review the policy framework of the International Development Association (IDA). IDA is one of the world's most effective platforms for development. No other international institution has the mandate, knowledge, and resources to respond as effectively to complex global challenges with a focus on the world's poorest countries. Currently in its 18th round of replenishment, IDA is critical to helping the World Bank Group and its clients deliver on the pressing global development agenda. In donor countries, MPs approve development assistance budgets and often appropriate IDA contributions. In many developing countries, not only do parliamentarians ratify World Bank loans, but the constituencies that elect MPs to office are also IDA's primary beneficiaries. This session will provide an update on the IDA18 replenishment and explore how parliamentarians can help ensure that IDA continues to achieve good results for the benefit of the poor.

Speaker: **Axel van Trotsenburg**, Vice President, Development Finance (DFI), WBG

Moderator: **Ane Halsboe-Jørgensen**, MP, Denmark, Chairwoman of the Foreign Affairs Committee

Discussion

PARLIAMENTARY WORKSHOP AT THE ANNUAL MEETINGS 2016

October 3-5, 2016

17:00 - 17:15

CONCLUSION

Venue: WB HQ, Room MC4-800

- **Jeremy Lefroy**, MP, UK, Chairman, The Parliamentary Network on the World Bank and IMF

17:30 - 19:00

COCKTAIL RECEPTION

Venue: Restaurant Boqueria, 1837 M Street North West

Hosted by Action Against Hunger and Global Health Advocates



THE PARLIAMENTARY NETWORK
On The World Bank & International Monetary Fund



WORLD BANK GROUP

LIST OF PARTICIPANTS

PARLIAMENTARY WORKSHOP OF THE ANNUAL MEETINGS 2016

4-5 OCTOBER 2016 | WASHINGTON DC

Kindly note that the list is classified by alphabetical order (per country and per last name). List as of September 30, 2016. Total number of participants: 113 from 36 countries

I. Members of Parliament (85)

Country	First Name	Last Name	Title
Albania	Klodiana	Spahiu	MP, Vice Chair of the Committee on Health and Social Affairs
Belgium	Gwenaëlle	Grovonius	MP, Committee for Petitions
Belgium	Vincent	Van Quickenborne	MP, Chair of the Committee on Social Affairs; Mayor of the City of Kortrijk
Bosnia and Herzegovina	Predrag	Kozul	MP, Chairman of the Committee on Finance and Budget
Bosnia and Herzegovina	Ognjen	Tadic	Speaker and Deputy Speaker of the House of Peoples
Burkina Faso	Dissan Boureima	Gnoumou	MP
Burkina Faso	Oumarou	Idani	MP, Vice Chair of the Committee on Economic Development, Environment and Climate Change
Burkina Faso	Alassane Bala	Sakande	MP, Committee on General and Institutional Affaires, and on Human Rights
Cameroon	Fadil	Aliyoum	MP, Committee on Foreign Affairs

Cameroon	Pauline	Bekono Ebah epse Ndoumou	MP, Quaestor of The National Assembly
Cameroon	Paul Eric	Djomgoue	MP, Committee on Constitutional Law, Committee on Human Rights and Justice, Legislations and Regulation of Administration
Cameroon	Francis Abi	Enwe	MP, Committee on Finance and Budget
Cameroon	Marie-Rose	Nguini Effa	MP, Committee on Social, Family and Cultural Affairs
Cameroon	Musa Mbutho	Njingum	MP, Quaestor of The National Assembly, Chairman of the Committee on Monetary and Financial Affairs for the Pan-African Parliament
Cameroon	Martin	Oyono	MP, Committee on Production
Canada	Pana	Merchant	Senator, Board Member of the Parliamentary Network on the World Bank and IMF (PN)
Canada	Victor	Oh	Senator, Standing Senate Committees on Foreign Affairs and International Trade, Agriculture and Forestry, and Aboriginal Peoples
Chad	Ahmat Saleh	Rakhis	MP, Vice Chair of the Committee on Rural Development and Environment
Cote d'Ivoire	Nossamba Mondény	Diomande Fofana	MP, Committee on Social and Cultural Affairs
Denmark	Ane	Halsboe-Jørgensen	MP, Chair of the Foreign Affairs Committee
Denmark	Peter	Hummelgaard Thomsen	MP, Fiscal Affairs Committee
Denmark	Eva	Kjer Hansen	MP, Finance Committee
Djibouti	Mahdi	Moumin Abdi	MP, Committee on Social Development and Environmental Protection
Democratic Republic of the Congo (DRC)	Léon	Kengo wa Dondo	MP, Speaker of the Senate
Estonia	Remo	Holsmer	MP, Chair of the Finance Committee
Guinea	Alpha Ibrahima	Bah	MP, Chair of the Committee for Information, Communication, Telecom, Arts and Culture
Italy	Paolo	Guerrieri Paleotti	Senator, Committee on Budget and Economic Planning, Committee on European Affairs
Kenya	Shakeel Shabbir	Ahmed	MP, Committee on Finance, Budget; Chairman

			of African Parliamentarians Against Corruption (APNAC) Kenya chapter
Kenya	Mary	Emaase Otucho	MP
Kenya	Ekwee	Ethruo	Speaker of the Senate
Kenya	Joy	Gwendo	Senator, Board Member of the Parliamentary Network on the World Bank and IMF (PN), Committee on ICT, Labour and Social Welfare, Delegated Legislation
Kenya	Adan	Keynan Wehliye	MP, Chairperson of Public Investments Committee; Committee on Defense and Foreign Relations
Kenya	Charles	Muriuki Njagagua	MP, Chairman of the Sub-committee on Basic Education; Committee on Budget and Appropriation; Committee on Education, Information, Communication & Technology
Liberia	Edward B.	Dagoseh	Senator, Chairman on the Committee on Ways, Means, Finance and Budget; Committee on Public Accounts
Liberia	Geraldine	Doe-Sherif	Senator, Chair of the Committee on Executive; Member Committee on Ways, Means, Finance and Budget
Liberia	Josephine	Francis George	Senator, Chair of the Committee on the Sustainable Development Goals of Liberia
Liberia	Jewel	Howard Taylor	Senator, Chair of the Committee on Education and Public Administration; Member Committee on Internal Affairs, Good Governance and Reconciliation; Member Committee on Ways, Means, Finance and Budget
Lithuania	Kestutis	Glaveckas	MP, Deputy Chair of the Committee on Budget and Finance
Madagascar	Maminaiaina Solondraibe (Mamy)	Rabenirina	MP, Committee on Internal affairs and Decentralization

Madagascar	Gerry	Randriambolaina	MP, Committee on Finance, Education, and Public Works
Madagascar	Constance	Razafamily	MP, Chair of the Committee on Finance and Budget; Committee on Public Works
Madagascar	Lova	Razafindrafito	MP, Committee on Commerce and Consumption, Economy and Strategic Resource Planning
Malawi	Clement T.	Chiwaya	MP, Second Deputy Speaker
Moldova	Andrian	Candu	MP, Speaker of Parliament
Nigeria	Aruwa Philip	Gyunka	Senator, Committee on Drugs and Narcotics; Local and Foreign Debt; Banking and Financial Institutions
Nigeria	Rafiu	Ibrahim	Senator, Chairman of the Senate Committee on Banking, Insurance and other Financial Institutions
Nigeria	Tijjani Yahaya	Kaura	Senator, Committee on Banking and Financial Institutions ; Tertiary Institutions
Nigeria	Umaru Ibrahim	Kurfi	Senator, Committee on Banking and Financial Institutions
Nigeria	Evelyn	Oboro	MP, Chair of the Committee on Women in Parliament of the House of Representatives
Nigeria	Olusegun	Odebunmi	MP, Committee on Banking and Currency
Nigeria	Jones Chukwudi Victor	Onyereri	MP, Chairman House of the Committee on Banking and Currency
Nigeria	Salisu	Zakari	MP, Committee on Banking and Currency
Pakistan	Bilal Ahmed	Virk	MP, Chair of the Standing Committee on Parliament and Natural Resources; Committee on Rules of Procedure and Privileges

Portugal	Teresa	Coelho	MP, Chairwoman of the Committee on Budget, Finance and Administrative Modernization Committee
Portugal (PAM)	Pedro	Roque	MP, Vice-President of the Parliamentary Assembly of the Mediterranean
Romania	László	Borbely	MP
Saudi Arabia	Saleh Eid H.	Alhousseini	MP, Chair of the Committee on Economic Affairs and Energy
Saudi Arabia	Mohammed Amin Ahmad	Aljefri	MP, Deputy Speaker of the House of Peoples; Committee on Economic Affairs and Energy
Saudi Arabia	Said bin Abdullah Bin Issa	Alshaikh	MP, Committee on Finance
Senegal	Magatte	Mbodj	MP, Executive director of the national alliance against AIDS
Senegal	Mansour	Sy	MP, Deputy-Speaker; Committee on Finance; Committee on Development
Senegal	Moussa	Thiam	MP, Vice-President of the Commission on Cooperation and Development of the APF
South Africa	Yunus	Carrim	MP, Chairperson of the Standing Committee on Finance
South Africa	Cedric Thomas	Frolick	MP, Chairperson of the Committees on Oversight & ICT
Sweden	Jan Richard	Andersson	MP, Committee on Defense
Sweden	Jörgen	Andersson	MP, Committee on Finance, Deputy Member of the Committee on Transport and Communications
Sweden	Maria	Andersson Willner	MP, Regular Member of the Committee on Foreign Affairs, Deputy Member of the Committee on Transport and Communications

Sweden	Sofia	Damm	MP, Regular Member of the Committee on Foreign Affairs, Deputy Member of the Committee on Environment and Agriculture, Deputy Member of the Committee on Education
Sweden	Dennis	Dioukarev	MP, Committee on Finance, Deputy Member of the Committee on Taxation and the Swedish Delegation to the Nordic Council
Sweden	Anna Charlotta	Olsson	MP, Committee on Defense
Sweden	Maria	Plass	MP, Committee on Finance; Committee on EU Affairs
Sweden	Håkan	Svenneling	MP, Deputy Member of the Committee on Finance, as well as the Committee on Industry and Trade and the Committee on Defense
Tunisia	Mohamed Fadhel	Ben Omrane	MP, Committee on Finance
Tunisia	Myriam	Boujbel	MP, Chair of the Committee on Regional Agriculture
Tunisia	Moncef	Sellami	MP, Committee on Finance
Tunisia	Olfa	Soukri Cherif	MP, Vice Chair of the Parliamentary Network on the World Bank and IMF (PN)
Turkey	Taha	Özhan	MP, Chair of The Committee on Foreign Affairs
Uganda	Nathan	Nandala-Mafabi	MP, Board Member of the Parliamentary Network on the World Bank and IMF (PN)
United Kingdom	Rosena	Allin-Khan	MP
United Kingdom	Fiona	Bruce	MP, Member of the International Development Select Committee

United Kingdom	Jeremy	Lefroy	MP, Chairman of the Parliamentary Network on the World Bank and IMF (PN), Member of the International Development Select Committee
United Republic of Tanzania	Esther	Matiko	MP, Public Investments Committee
Yemen	Najeeb Ghanem	Aldobai	MP

II. Members of Parliamentary Organizations (2)

Organization	First name	Last name	Title
Commonwealth Parliamentary Assembly (CPA)	Akbar	Khan	Secretary General of the Commonwealth Parliamentary Association (CPA)
ParlAmericas	Alisha	Todd	Director General of ParlAmericas

III. Staff (25)

Country/Organization	First name	Last name	Title
Bosnia and Herzegovina	Tea	Mandilovic	Department for International Relations
Bosnia and Herzegovina	Bojan	Ninkovic	Secretary of the House of Peoples
Bosnia and Herzegovina	Amila	Zujo	Interpreter
Canada (Action Contre la Faim)	Christelle	Huré	Nutrition Security Advocacy Adviser
DRC	Gaston	Mutamba Lukusa	Advisor, Senate of DRC
France (Action Contre la Faim)	Aurore	Gary	Advocacy Officer, ACF
France (Global Health Action)	Pauline	Pruvost	Advocacy Officer, GHA

Italy (Global Health Action)	Gian Marco	Grindatto	European Advocacy Officer
Kenya	Serah	Kioko	Director, Legislative and Procedural Services, Senate
Malawi	Dauddih	Mandala	Parliamentary Staff
Moldova	Nicolai	CebotariI	Press corps correspondent
Moldova	Gheorghe	Saghin	Counselor to the Speaker of the Parliament of the Republic of Moldova
Saudi Arabia	Metab	Alanazi	Adviser, Deputy Speaker's Office
Saudi Arabia	Fahad	Almusaind	Deputy Manager, Protocol
Saudi Arabia	Anas	Alsaeed	Deputy Manager, International Orgs. Dept
Saudi Arabia	Abdulaziz	Bin humeid	Protocol
Saudi Arabia	Abdullah	Flattah	Secretary, Deputy Speaker's Office
Senegal (APF)	Bachir	Dieye	Adviser to the Commission of Cooperation and Development, Assemblée Parlementaire de la Francophonie
South Africa	Belinda	Trout	Parliamentary staff
Sweden	Britt-Marie	Hartvig	Secretary to the Standing Committee on Foreign Affairs
Switzerland (Scaling Up Nutrition)	Edwyn	Shiell	Counsellor, Committee on Cooperation and Development
Turkey	Arda	Zengin	Secretary, Committee on the Foreign Affairs
UK (RESULTS)	Benjamin Ali	Sadek	Advocacy Officer, RESULTS

USA (ACTION)	Nandini	Pillai	Advocacy and Impact Manager
USA (ACTION)	Xochitl	Sanchez	Senior Associate, ACTION
USA (National Democratic Institute)	Greg	Brown	Program Officer, Governance



THE PARLIAMENTARY NETWORK

On The World Bank & International Monetary Fund

■ MISSION

The Parliamentary Network on the World Bank & IMF is the only parliamentary organization principally focused on increasing transparency and accountability in International Financial Institutions – notably the World Bank Group and the International Monetary Fund. One of the main goals is to encourage parliamentarians to be more proactive in their countries and in international forums when it comes to decisions on aid and development financing.

■ FUNDING

Over the past 10 years, the Parliamentary Network has received funding from the governments of Belgium, Greece, Finland, France, the Netherlands, South Africa, Switzerland and the United Kingdom. Since 2011 the Network receives activities-based funding from the World Bank Group and the International Monetary Fund.

■ BACKGROUND

The Parliamentary Network on the World Bank & IMF was initially founded in 2000 as an independent, non-governmental organization providing a platform for advocacy for Parliamentarians from IMF and World Bank member countries. The Network has members in Africa, Asia, Europe and the Americas, supported by its International Secretariat and guided by its Board.

■ GLOBAL PARLIAMENTARY CONFERENCE

The Global Parliamentary Conference (GPC) is the Parliamentary Network's flagship event co-organised by the Parliamentary Network on the World Bank & IMF (PN), World Bank Group (WBG), and International Monetary Fund (IMF), providing parliamentarians, members of civil society, and international organizations the opportunity to interact with senior representatives from the

THE PARLIAMENTARY NETWORK

On The World Bank & International Monetary Fund

World Bank and the International Monetary Fund. The Conference serves as an informative meeting point for lawmakers and development institutions, an occasion for Members of the PN to highlight objectives for the coming years, and a place to elect new Members to the Board, when applicable.

■ FIELD VISITS

The Parliamentarians Field Visit program gives MPs unique access to a World Bank/IMF country office and its development programs and affiliates, including the host country's parliament. During visits, delegates are briefed on the Bank's or the Fund's in-country activities by the local field office. Visiting MPs meet with the host-country's parliament, local NGOs, civil society organizations, and small business owners to discuss development priorities. The visit is concluded by the publication of a comprehensive report on a host country's development program

and the local World Bank country office. More than 175 MPs from 50 countries have participated in over 20 visits to countries in Africa, Asia, the Balkans, Latin America and the Middle East since the program's inception in 2001. For donor-country Parliamentarians, the program represents an opportunity to see development cooperation in practice. Borrowing-country MPs can use field visits as a benchmarking exercise and opportunity to exchange views and experiences.

■ JOIN THE NETWORK

Membership is free of charge and open to all elected Parliamentarians from World Bank and IMF member states who currently hold a mandate. Members represent themselves and their constituents, not their countries, parliaments or governments. To join the Network, please visit our website.

www.parlnet.org - secretariat@parlnet.org



