

THE PARLIAMENTARY NETWORK

On The World Bank & International Monetary Fund

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Chairman's Foreword



The International Development Association (IDA) was created by the World Bank in 1960 to provide additional financial assistance to the poorest developing countries. IDA is the concessional arm of the World Bank Group (WBG), which plays a central role in the development of finance systems, provides a framework for performance, and financial and credit discipline in developing countries. Global poverty has reached a record low. However, inequalities are rising within countries, and between the richest and poorest. That is why the Parliamentary Network continues to focus on the importance of fighting inequalities and, therefore, endorses the 19th replenishment of IDA (IDA19) replenishment as well as its priorities.

Every three years, donors meet to replenish IDA resources and review its policy framework. In addition to officials from donor governments, representatives of borrowing member countries are invited to participate to help ensure that IDA's policy and financing frameworks are responsive to each country's needs.

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The 18th replenishment of IDA (IDA18) was finalized in December 2016, resulting in a record replenishment size of Special Drawing Rights (SDR) 53.5 billion (\$75 billion) to finance projects over the three-year period. Since its establishment, annual commitments have increased steadily and averaged about \$22 billion over the last three years.

In 2015, following the adoption of the United Nations' 17 Sustainable Development Goals (SDGs), there was growing recognition that existing financing mechanisms for development would be insufficient to deliver the aforementioned goals. As a response, the World Bank decided to tap the capital markets for additional funds in order to complement donor resources. In April 2018, the IDA successfully launched its first bond and raised US\$1.5 billion to address some of the most demanding development issues. As World Bank Vice President for Development Finance Axel van Trotsenburg said “[the first issuance of an IDA bond] represents a transformational shift responding to shareholder ambitions, development needs, and investor requirements”.

During the 2019 Annual Meetings, World Bank Group President David Malpass announced that “Since 2010, IDA funding has helped 769 million people receive essential health, nutrition, and population services, including immunizations for over 300 million children. It has improved access to water services for nearly 100 million people. It has helped to recruit or train 13 million teachers. And it has helped to build or improve more than 146,000 kilometers of roads”.

This year, the IDA19 overarching theme is “Ten years to 2030: Growth, People and Resilience”. The IDA19 replenishment is based on five special themes: jobs and economic transformation; fragility, conflict and violence; climate change; gender and development; and governance and institutions. Furthermore, the Jobs and Economic Transformation (JET) Special Theme in particular, will require a step up in efforts to mobilize the private sector, supported by a “Whole-of-WBG” approach that includes Private Sector Window (PSW) to develop greater synergies and impact across IDA, IFC and MIGA.

Countries with strong institutions prosper by creating an environment that facilitates private sector growth, reduces poverty, delivers valuable services to its citizens. Parliamentarians can play a key role in building capable, accountable and inclusive governance, all of which are fundamental goals to ending extreme poverty and promoting shared prosperity. Parliamentary support to build political will for IDA19 and its goals is essential.

With this strong focus on growth, people, resilience and collaboration with a wide coalition of partners, IDA aims to eradicate extreme poverty over the next decade, create opportunities for the world's poorest, and help IDA countries reach the SDGs.

The Rt. Hon. Liam Byrne MP and Shadow Minister of Digital, Culture, Media and Sport is the current chair of the Parliamentary Network. He is a Member of Parliament for Birmingham Hodge Hill since 2004. He currently serves as Shadow Minister of Digital, Culture, Media and Sport, and Digital Economy at the House of Commons, and Chairs the All-Party Parliamentary Group on Inclusive Growth. Previously, he was Shadow Minister for Business, Innovation and Skills, and Shadow Secretary of State for Work and Pensions. He served as Chief Secretary to the Treasury from 2009-2010.

My time with the Parliamentary Network on the World Bank & IMF

Hon. Jeremy Lefroy, Former Chair of the Parliamentary Network



I knew little about the Parliamentary Network before I joined it in 2013. Since then, I have grown to appreciate its significance both for parliamentarians, and for the World Bank (WB) and the IMF.

It is only by working closely together that we can face up to the challenges which confront us; and our Network brings parliamentarians together, from across the world and with different political backgrounds.

We have at the very least one thing in common, and that is the desire to support our constituents in improving their lives - which is also the aim of the work of the WB and the IMF.

The WB and the IMF are organisations which are rightly accountable to their member - national governments. However relatively few governments, in my experience, keep their parliaments closely informed of their dealings with the WB/IMF. Yet it is parliamentarians whose constituents are affected by the work by their work; and it is parliamentarians who can champion this work by encouraging greater support for it from their governments.

Our Network is therefore an essential link between parliamentarians and the WB/IMF. It helps to keep us informed about their work, including showing examples of it on the ground through field visits. It also provides opportunities both to challenge and encourage their work.

The Network has, for instance, regularly argued that the WB/IMF should do more to support jobs and livelihoods globally, especially for young people. There are others making the same arguments. Given the scale of the challenge with more than one billion unemployed or without decent livelihoods globally, that is not surprising. But the voice of members of parliament in our Network is powerful when it is our constituents who are out of work. I am glad to see the WB/IMF responding to the challenge and encouraging their member governments to do more.

Our members have been active in many other areas - gender equality, climate change, universal health coverage, the future of work, education and good governance. The annual meetings and workshops, as well as the field visits and regional chapters, provide opportunities to learn, exchange ideas and develop relationships.

For me, to Chair the Network has been one of the great privileges of my life. I am most grateful to our members for the confidence they have placed in me. Now that I am stepping down from the UK Parliament and therefore from the board, I pledge to support the work of the Network and Board in whatever way I can.

Thank you for all you do for your countries and constituents.

A handwritten signature in blue ink that reads "Jeremy Lefroy". The signature is written in a cursive, slightly slanted style.

Hon. Jeremy Lefroy, Former MP, UK

Why we need to support the IDA19 replenishment

Hon. Jeremy Lefroy, Former Chair of the Parliamentary Network

Next month, countries will announce their contributions to the International Development Association (IDA) for the three years from 1st July 2020.

The aim of the IDA is to “reduce poverty by providing loans (called ‘credits’) and grants for programmes which increase economic growth, reduce inequalities and improve people’s living conditions.”

The IDA is the part of the World Bank Group which provides finance to low income countries. In the year to 30 June 2017, this totalled \$19.5 billion, of which 17% were grants and the balance loans. Loans typically have either zero or very low interest rates with repayments spread over between 25 and 38 years, including a 5 to 10-year grace period.

The activities which the IDA supports include primary, basic health services, clean water and sanitation, agriculture, infrastructure, improvement of the business climate and reform of institutions.

Infrastructure, business and institutional reform are critical. The strong economic growth which depends on these both creates much-needed jobs and livelihoods, and generates the taxes which pay for public services in the medium and long-term. In Pakistan, for instance, 1.3 million jobs were supported by the IDA- funded Pakistan Poverty Alleviation Fund’s project activities between 2009 and 2016.

The current three-year period from 2017-2020 (known as IDA 18) places an emphasis on five themes:

- Climate change;
- Gender and development;
- Fragility, conflict and violence;
- Jobs and economic transformation; and
- Governance and institutions.

Specifically, it aims to support:

- Essential health and nutrition services for up to 400 million people;
- Immunisations for at least 130 million children;
- Safe childbirth for up to 20 million women through the provision of skilled health staff;

- Access to clean water for 45 million people;
- Training of at least 9 million teachers.

There are several reasons why the IDA is important. Firstly, it is available to all low-income countries; it does not depend on the preferences of an individual donor. Secondly, it supports what people need – access to health, education, water and sanitation, work and infrastructure as well as conflict prevention and resolution. Thirdly, it can do so at scale: no single country can commit this amount of money, supplemented by careful borrowing backed by the IDA's top credit rating. So, for instance, in six years (2011-2017), the IDA financed – among much else- the vaccination of 250 million children, the training of 8 million teachers and access to better water for 72 million people. Fourthly, its support is long-term and does not depend on how much money is available at the time from just a few donors.

But all this would not count for much if the IDA itself was ineffective or inefficient. That is not the case. In the latest (2016) highly-respected Multilateral Aid Review by the UK's Department of International Development, the IDA – and indeed all the work of the World Bank Group – was assessed as 'very good' for organisational effectiveness, the highest category.

I was a Member of the UK Parliament for nine years (stepping down when the election was called earlier this month) and your Parliamentary Network Chair from May 2013-April 2019. I had no hesitation in championing IDA 17 (2014-107) and IDA18 (2017-2020) because of the importance, scale and general effectiveness of its work for those on the lowest incomes. I was delighted that the UK Government listened to my parliamentary colleagues and me, and made the largest contributions of any nation to the IDA.

Likewise, I am now encouraging my Government to continue its strong support for the IDA and ask members of the Network to do the same. At the same time, I urge the IDA (and indeed the whole of the World Bank Group) to meet parliamentarians regularly both to keep them updated on its work and to discuss how it can be improved. Parliaments everywhere are increasingly interested in the effectiveness of international organisations. Those which take members of parliament seriously are likely to receive the strongest support.

The Honourable Jeremy Lefroy was until recently a British Conservative Party Member of Parliament. He was successively a member of the Committee on International Development, the Human Rights Committee, the Health and Social Care Bill Committee, and the Committee for Exiting the European Union. He also served as the Prime Minister's Trade Envoy to Ethiopia. Prior to that, he worked for ten years in Tanzania's coffee industry, and later returned to the UK where he worked assisting smallholder farmers in East Africa until his election in 2010. He co-founded Equity for Africa, a social investment business which supports small enterprises, and Stafford Works, a charity which promotes job creation and entrepreneurship in his constituency.

Why we should empower women and youth for Africa's development

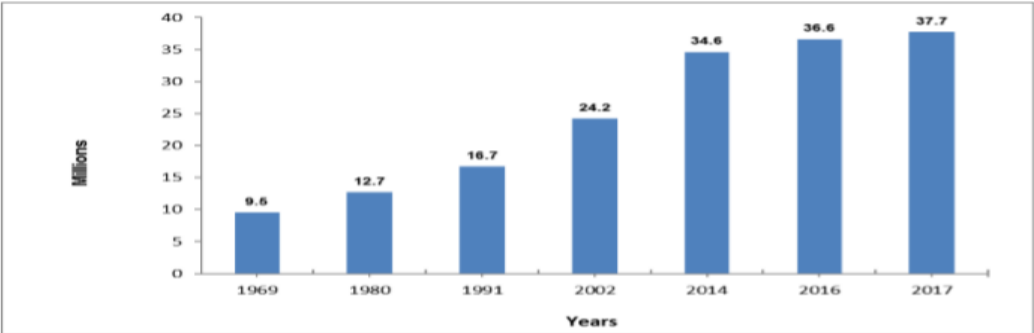
Hon. Nathan Nandala-Mafabi, MP, Uganda, Board Member of the Parliamentary Network



Many governments on the African continent have been consistent in their response to women and youth challenges. In the face of that response, the population continues to grow. According to the 2017 statistical abstract of Uganda Bureau of Statistics, Uganda's population estimate stands at 37.7 million. Of that, 19.5 million are female while 18.2 million are male.

Additionally, the highest proportion of Uganda's population is young (under 18 years) thus constituting more than half (55 percent) of the population in 2014, up from 51 percent in 1969. The population growth trends are clearly shown in Figure 1 below:

Figure 1: Census population, 1969-2014 and projected mid-year population, 2016 and 2017



Source: UBOS 2017:13

These statistics present critical points for reflection on why it is important to empower women and youth for a country like Uganda, which is the focus of this article.

Like most countries, Uganda has tried to adopt women friendly policies right from our 1995 Constitution to some gender specific policies and creation of institutions such as the Equal Opportunities Commission (EOC) in addition to the Ministry of Gender, Labour and Social Development.

Much has happened since the 1980s which indicate progress for women and to some extent the youth. For example, we established a Women's Fund and Youth Livelihood Fund, with the hope of empowering these groups. We

adopted affirmative action in higher education and politics at both national and local government levels. We have also signed treaties supporting human rights and specifically women's rights on the international scene.

However, the challenges that women and youth face remain enormous. Reports of the performance of these funds is dismal with almost non-existent real impact. The implementation of domestic policies on gender are wanting. The adherence to these international protocols signed remains largely in theory.

As such, more women and youth are disillusioned. This can be seen from different angles of rural and urban women and youth. Issues emerging from land acquisition show that more women and youth are disenfranchised and lack ownership rights. Most poor women and youth live in rural areas with limited access to social services like health care and education. The marginalisation of youth in urban centres is severe, many without meaningful employment.

Besides the statistical differentials that make the case for focus on women and youth empowerment, there are several other reasons to reflect on for action. Focusing on women and youth brings a number of benefits and need to be prioritised:

Influencing government to do the right thing

History has many examples of women and youth forcing governments to rethink their strategies or unpopular policies. In Uganda, there have been voices of reason coming from women, demanding for equity in development outcomes. The youth have also come out to demand for accountability from the government. The most memorable examples being the women of Apaa in northern Uganda protesting the land question before some ministers. The youth have been part of the multitude of citizens engaging political leaders on social media, asking questions. Some youth have become parts of various political activism and social change advocacy.

However, these remain far too few to cause real change in communities. Majority of the women with voices are in urban centres or sitting in government where they momentarily lose their voices and become insensitive to the actual needs and challenges their sisters face. Some are in politics but blinded to the realities facing women while some are in Non-Governmental Organisations where too many interests and loyalties affect their effectiveness. Many of the opportunities for affirmative action have been captured by rich or powerful women who do not give younger women a chance to actively participate in the governance of their country. Commercialisation of politics further undercuts both women and youth with talent from joining the service of their country.

It is therefore important that efforts are made to increase the critical mass of women and youth who can have the courage and commitment to demand from government and also influence it to do the right thing. The numbers are important. While in Tunisia, it was the death of one young man, twenty-six-year-old Mohamed Bousazizi that triggered a revolution, its success as a revolution depended on millions of youth relating with his plight and how this single event represented the struggles of many young women and men in that generation.

Addressing gender inequality in the labour market and social services

In terms of gender, the aforementioned statistical abstract (UBOS 2017) presents disparities in the world of work with 82.5 percent of the estimated nine million men in the working age group actually working but with 56.7 percent in actual employment. For women, 75.5 percent of the estimated 10.1 million are actually working. Only 39.7 percent of the women in the working age group are into employment. This means that the potential of women and youth remains largely untapped. This must be harnessed through a more focused approach to increased economic productivity and job creating without neglecting social services rather than financial handouts disguised as livelihood funds.

Part of this disparity is a result of government's failure to adequately spend on and prioritise social services in Uganda. This has aggravated gender inequality in wealth through division of labour. There is no doubt that educating young women improves the quality of life of the family. And, it is clear that health is an important indicator of our national progress. Women have a higher long life expectancy in Uganda. One can imagine if maternal health and reproductive health were essential in service provision to reduce on maternal mortality, how much higher this would be.

Harnessing the contribution of women and youth for the economy and society

Increasingly, more young women are involved in small businesses, engaging in mobile money activities in the financial sector and getting educated in Science, Technology, Engineering and Maths (STEM). More youth are participating in creating social change around them, demanding for fairness in distribution of resources, even though their voices may be ignored by their governments. But they are resisting political excesses in many ways. Many are active citizens we have worked with who withstand incredible pressure from the Ugandan government.

It is our duty to ensure that women and youth make their contribution to the economy and society. There are many ways we can improve on what we have done so far. We must set up effective institutions that allow for women and youth to individually seek out their potential and live it while contributing

to national development. Given their numbers, they are the force with which we shall move our country forward and need adequate attention.

Concluding thoughts

Every election cycle, we make promises to our citizens. Most often, there are specific promises for women and youth. The National Resistance Movement Organization (NRMO) ruling party in Uganda, tends to ride on these groups through various means, including co-opting and buying out, but ultimately do little to really empower them. Both groups, have special representation in Uganda's parliament, a recognition of their role. But their importance at that level remains within the electoral promises. It is important that the potential and promises for women and youth become a reality if our country is to move forward with the rest of the world in terms of changing communities. Those of us who have been privileged enough to succeed, must look back with compassion and do something sincere about empowering women and youth, not only using them for political ends.

Empower a woman then you are sure of good health and education of the family. Empower the youth then crime in the society will be reduced. These two groups are an engine to economic growth of a country and the world in general.

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

Urgently Needed – A Canadian Energy Strategy

Hon. Doug Black, Q.C., Senator, Canada



The fragmented approach by government towards Canada's energy sector has been tumultuous. The result, two federal government bills with negative consequences for the industry being the tanker ban (C-48) and no more pipelines (C-69) and, the future of the Trans Mountain pipeline (TMX) remains uncertain. Capital, optimism and people have taken flight.

It didn't need to come to this. Yes, on environmental protection there may have room for improvement, but the process wasn't broken as the Liberals said during the 2015 election. That process had approved four pipelines during the time of the previous government and GHG reduction targets were developed, which have since been adopted by the current government.

There is no need for a tanker ban off any of Canada's three coasts, particularly the Northern B.C. coast and no need to replace the NEB and its accumulated knowledge and precedents dealing with the energy sector. A straightforward amendment package to the NEB legislation could have addressed any issues with the Board's jurisdiction or method of operation. C-48 has killed the Indigenous backed Eagle Spirit pipeline proposal, and any hope of reviving either Energy East or construction of any new interprovincial energy project under C-69.

There was also no need for Canada to buy TMX to de-risk it. Government could have passed Bill S-245 which I sponsored declaring the pipeline to be a work for the general advantage of Canada. This legislation was passed by the Senate but blocked by the government in the House of Commons. This simple legislation would have removed the need to buy the pipeline. With TMX threatened again with legal action, a new version of this bill may be needed.

The courts are available, and Premier Kenney has stated that the constitutionality of both C-48 and C-69 will be challenged as attempting to legislate within provincial jurisdiction. But the courts are also available to those who oppose TMX and legal action by Indigenous and environmental groups has already been promised. Litigation does not get projects built.

And then there is the ballot box in the coming federal election with what should be a clear choice on the role natural resource development will play in Canada.

Neither the courts nor the coming election will provide the coast-to-coast-to-coast dialogue among Canadians needed to address the future of Canada's energy sector. So how do we move forward, now that both the tanker ban and the new environmental process for reviewing projects are in place?

We need to find a better way. We don't have, and events have shown we need, a policy platform dealing with Canada's energy sector. And let's be clear, sound bites or aspirational statements are no substitute for a clear and coherent policy framework.

A few years ago, I worked with stakeholders developing an energy framework for Canada. What is needed now is a much broader straightforward dialogue among Canadians about our energy future. This must include all forms of energy, renewable and non-renewable; Canada's Indigenous Peoples; views on environment and climate change; Canada's economy; and the natural resource industries. This dialogue among and with Canadians must be devoid of preaching, hectoring and drama, on all sides.

As I said in the Senate "we need a plan that involves all interests. We need to understand what is in the national interest and work collectively towards it." The goal: clarity of purpose and a plan to achieve it.

We have the opportunity to lead the world in the development of all forms of energy, GHG reduction and environmental protection all with meaningful participation by Canada's Indigenous peoples.

Developing a Canadian energy framework will be transformational and will illustrate that Canada has a rational approach to natural resource development, is open for business again, and can achieve results while including Indigenous engagement and protecting our precious environment.

The Honourable Doug Black, Q.C. is a Senator from Alberta elected by Albertans and appointed to the Senate on January 25, 2013. Senator Black is the Chair of the Senate Banking, Trade and Commerce Committee and participated extensively on the Senate Committees which dealt with Bills C-48 and C-69.

IMF and Heavily Indebted Countries: Policy Measures out of the Main Stream Approaches

Hon. Dimitris Mardas, MP, Greece



During the World Parliamentary Conference in Washington, D.C. from 16 to 17 April 2018, the Managing Director of IMF Madame Christine Lagarde pointed out the increase in overall debt by approximately 40% from 2007 to 2018. Taking into account this note and the experience of heavily indebted countries, some interesting points are raised:

Since the policy mix that IMF imposes on countries facing increased deficits of External Transactions Balances and/or Budget Deficits does not produce in many cases the appropriate results, why doesn't IMF change this policy, by introducing, alternative solutions?

In general, IMF policy measures introduced in the case of heavily indebted countries, give emphasis to these issues: structural measures, the digitalization of the economy, and tax evasion measures.

All these operate in conjunction with a restricted austerity policy. The later policy is the result of financial constraints faced by indebted countries. The main goal of the policies mentioned above is the reduction of the double deficit, i.e. the Current Account Balance deficit and/or budget deficit.

A restricted austerity policy pursues a dramatic reduction of wages and public expenses, which in turn lead to the decrease of public and private consumption and of imports. However, a restricted austerity policy provokes social tensions and policy instability. These effects may threaten even the creditor's loans.

Instead of this pattern of policy mix, IMF could introduce another series of policy measures, which could reduce social tensions, policy instability, and consequently country risk.

More precisely, IMF could apply a soft austerity policy in conjunction with a selective and a short run (max five years) protection policy. These two changes can have an equivalent impact on the deficits under consideration. Analytically, a short run protection policy in favor of domestic production will reduce the Current Account Balance deficit. Besides, increase in domestic

production, due to protection, will create direct and indirect taxes. All these will have the same impact. Consequently, instead of launching drastic reduction of public expenses and hence recession, IMF could simply introduce a soft public expenses reduction in conjunction with the aforementioned protection policy.

So far as the suggested protection policy is concerned, "Buy National" in the frame of public procurement policy, could be a main instrument of the suggested measures. This policy consists of a preferential policy following the old-fashioned policy practices. A "Buy National" policy of this pattern would reduce imports of goods and services produced domestically. Even so, the domestic producer will know in advance that this is a short-term policy, having positive impact on its production. Through this proposition IMF could provide a credit of time to entrepreneurs, which in turn can prepare themselves in order to follow rules dealing with the international competition.

Against this proposal IMF points out, inter alia, the following:

a) Such protection measures are a pit of fallacy. Regarding the EU member-states more precisely, that protection measures are against the basic principles of the EC Treaty. However, there are provisions for such policy, met in an explicit way to EC Treaty (Article 115) and implicitly in Article 3 of the Treaty of the European Union and in Articles 107-108 and 347 of the Treaty on the Functioning of the European Union. Besides such provisions exist in other Agreements (e.g. under GATT rules Article XII). Finally, it is mentioned that an expression of a short run violation of EU basic rules (i.e. of free movement of capital) is the capital controls, a process which has an end.

b) It is also noticed the difficulty of limiting a deadline to provisory protection measures. Nevertheless, an end to this process can easily take place. A representative example is given by the "Voluntary Exports Restrictions" (VER's). VER's are based on the same way of thinking, through time-limited exports restrictions, which results from a conciliation process. Consequently, the main determinant of this proposal is the conciliation process and not the unilateral decisions about import restrictions and their timetable.

c) Besides, it is supported that such type of selective protection would create multiple problems. Indeed, it is well known, that protection measures provoke sectoral distortions on the national level. This can happen under a long-term protection process. In contrast, a series of a short run protection measures constitutes an interesting incentive in favor of modernization process. Furthermore, if firms fail to exploit this provisory advantage will interrupt their activity by the end of protection measures. This proposal simply provides an opportunity to protected firms to increase their competitive position via

investment to human and physical capital before the ending period of protection measures.

An IMF type restricted austerity policy is probably a preferential choice on behalf of the creditors. Meanwhile, we know that restricted austerity policies insert political instability and social tensions. All these operate against foreign investors, following the existing empirical investigations. Indebted countries could avoid the discussed trends by introducing an alternative policy, which combines budget cuts and provisory protection reducing consequent risks and instability.

The promotion of dialogue, which can lead to best practices in framing policies aiming at reducing either the Current Account Balance deficit or the double deficit of heavily indebted countries, remains a main goal of the IMF's policy. The suggested policy seems more complicated of course, but it could promote social cohesion, policy stability and steady growth, through more effective policy measures.

The Honourable Dimitrios Mardas is a member of the Greek Parliament and the Secretary of the Standing Committee on Economic Affairs. He is also a member of the Sub-committee on Dept Reduction of the Standing Committee on Economic Affairs, as well as a member of the Special Standing Committee on the Financial Statement and the General Balance Sheet. Mr. Mardas was Minister of Finance from January to August 2015 and Minister of Foreign Affairs from October 2015- November 2016.

Euro-Mediterranean Challenges

Hon. Giulio Centemero, MP, Italy, Member of the Italian delegation to PAM



The Euro-Mediterranean is currently facing many challenges. Security issues stemming from instability and conflicts in Syria, Libya and other parts of Middle East are affecting the region as are socio-economic problems like demographic growth, unprecedented unemployment, difficult access to credit and deteriorating standards of living. The financial crisis is still hampering growth and a new recession is affecting several Mediterranean countries. In addition to impacting people and the environment, climate change is also affecting the economy.

Political and social stability are strongly related to economic growth. A thriving and sustainable economy is the best way to avoid radicalisation and instability. Coordinated strategies are therefore needed to develop resilient and complementary economies in order to achieve true regional stability. Members of Parliaments have a key legislative role to play in achieving this goal. PAM continues to work toward this end through its unique Economic Panel on Trade and Investment in the Mediterranean and offshoot sectorial groups that cooperate with a number of partners such as the World Bank, WTO, EBRD, UNECA, UN ESCWA, UNECE and UNCTAD, amongst others.

As mentioned in the previous contribution of PAM to the Parliamentary Network Review, a special meeting of the PAM Economic Panel, which I have the honour to chair, was convened and focused on “Alternative Capital Markets for Economic Growth in the Mediterranean – The Critical Role of Parliamentarians”. The conference, held in Milan on 4–5 July 2019, gathered more than 150 delegates from 30 countries, representing national and international parliaments, chambers of commerce, the private sector, industries, stock exchange networks, the UN economic cluster, international financial and academic institutions.

SMEs, start-ups, young entrepreneurs and disruptive technologies were identified as Mediterranean economic engines able to re-launch strong trends in growth. Their capacity to create jobs, unlock technologies and consequently increase the purchasing power of citizens is crucial. In order to stimulate SMEs, we agreed on the need to increase efforts to facilitate access to credit, to determine a set of common rules for establishing enterprise and to develop a shared tax facilitation system. The Assembly adopted a resolution regarding the latter during the 13th Plenary Session held in Belgrade (February 2019).

We devised three targeted projects to help SMEs, start-ups and young entrepreneurs through specific channels of investment and dedicated training programs. The first project is the development and launch of a start-up market, a digital platform that enables entrepreneurs to meet with investors. The second is the creation of a social impact investing fund, an investment vehicle that pursues social scopes alongside financial ones. The third concerns the activation of a macro regional fund of funds that can operate in the Mediterranean through affiliated entities. A special task force within the framework of the PAM Panel on Trade and Investments in the Mediterranean will work on the legislative and operative aspects needed to implement these projects, and will draft a dedicated report with recommendations to be discussed and tentatively adopted during the 14th PAM Plenary Session in Athens (February 2020).

Sessions dedicated to creating strategies to attract more investment, particularly FDIs and domestic individual savings, in order to generate employment and increase family and consumer purchasing power were also planned for. Market requested regulatory and financial reforms needed to achieve a peaceful, inclusive and sustainable economic environment in the Mediterranean basin were also analysed.

We agreed to organize workshops, seminars and additional technical meetings in order to concretely follow up, coordinate and prioritize on subjects that were both addressed during the Milan meeting and recommended by the World Bank during the 2019 Spring Session. A full list of topics will be added to the agenda of the PAM panel side event planned to take place on the margins of the next Plenary Session.

PAM expanded its cooperative network and strengthened its ties with key partners across the Mediterranean in order to implement more impactful economic policies and work towards a sustainable future. In May 2019, PAM and the OECD signed a strategic bilateral agreement focusing on essential issues to promote lasting, sustainable and inclusive growth in the Euro-Mediterranean region. Our organizations will continue to co-operate by various means, including the exchange and dissemination of information, the organization of joint events and the development of dedicated analysis. The strategic role of PAM parliamentarians in the OECD's Global Parliamentary Network activities was emphasised as a key element of the MoU.

In order to follow up on recommendations and plans of action, I recently visited the UK LEBANON TECH HUB, an incubator for high-tech start-ups (August 2019). Since its foundation, the TECH HUB has already raised 63 million dollars in

investments, backed 81 start-ups, created two thousand jobs and, at present, holds 224 million dollars per portfolio. I had the pleasure of meeting Mr. Nadim Zaazaa, CEO of the TECH HUB, and discuss many key issues to help foster a stable and thriving regional economy. I am also in constant contact with Other Dots Foundation, a non-profit organization working towards financial inclusion by incubating and accelerating start-ups in developing countries, and other similar organizations.

Overall, the Milan meeting resulted in approved projects to implement in addition “food for thought” to be included in future PAM Economic Panel activities. The first PAM/WTO Parliamentary Forum on Trade Facilitation will be held at the WTO HQ in Geneva in June 2020. A co-organized PAM/PABSEC follow-up meeting on issues addressed in Milan will also convene next year. Furthermore, PAM Economic Panel sectoral group meetings will be hosted by the Parliaments of Algeria, Malta, Morocco, San Marino and the United Arab Emirates, as well as the Union of Chambers and Commodity Exchanges of Turkey.

The Honourable Giulio Centemero is assistant to Vice-Prime Minister and Minister of Interior Matteo Salvini. He manages the funding for the political party Lega (one of the members of the ruling coalition) and is the representative of Lega to the Finance Commission of the Chamber of Deputies. He is highly regarded in the Lega party as one of the so-called “new generation” supporting the political party’s transformation from a primarily regional support base to a sovereign populist one. He is a member of the Italian delegation to Parliamentary Assembly of the Mediterranean (PAM). He serves as the Chairman of the PAM Panel on Trade and Investments in the Mediterranean.

NOTE FROM THE EDITOR

I thank the authors of this issue for their valuable contributions. If you have suggestions for improving the publication, please contact me at jpo1@parlnet.org.

Claudia Quintana, Editor, the Parliamentary Network Review

CALL FOR SUBMISSIONS

If you would like to contribute an article to the Parliamentary Network Review, or have any other questions regarding the Network, please contact Coordinator Gergana Ivanova at givanova@parlnet.org.

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