



THE PARLIAMENTARY NETWORK  
On The World Bank & International Monetary Fund



WORLD BANK GROUP

## SECOND MEETING OF THE MIDDLE EAST AND NORTH AFRICA REGIONAL CHAPTER OF THE PARLIAMENTARY NETWORK ON THE WORLD BANK & IMF

Following the successful launch of the Middle East and North Africa Regional Chapter of the Parliamentary Network on 1–2 December 2016 in Tunis, its second Meeting took place on 7–8 November 2017 in Rabat, Morocco, at the invitation of the Moroccan House of Councillors and its President, H.E. Abdelhakim Benchamach. This event reconvened the members of the regional chapter, as well as new parliamentarians from MENA countries, in order to report on the progress made, discuss the new challenges facing the region, and come up with an action plan for the next year which the participants would be able to bring to their home parliaments.

*"The PN Chapter gives parliamentarians the opportunity for a dialogue with donors. I invite you all to have discussions with World Bank and IMF experts in your countries."*



*Hon. Olfa Soukri Cherif, MP Tunisia,  
President of the MENA Chapter, Vice-  
President of the Parliamentary Network on  
the World Bank & IMF*

The three main topics of the MENA Chapter's Second Meeting, chosen in order to reflect the main common challenges facing countries throughout the region, were: economic reforms and governance; migration; and education.

This Meeting was the occasion to launch a PN National Chapter in Morocco, chaired by Hon. **Neila Tazi**, Vice-President of the House of Councillors at the Moroccan Parliament. One of the primary foci of this Chapter will be youth job creation - one of the main topics for Moroccan policymakers, as its young population faces high unemployment and lacks trust in public institutions to provide them with opportunities.

**Date** 7-8 November 2017

**Location** House of Councillors, Rabat, Morocco

**Speakers** H.E. **Abdelhakim Benchamach**, President of the House of Councillors, Morocco

**Marie-Françoise Marie Nelly**, Country Director for Maghreb and Malta, World Bank Group

**Jihad Azour**, Director of the Middle East and Central Asia Department, IMF

Hon. **Olfa Soukri Cherif**, MP Tunisia, President of the MENA Chapter

Hon. **Iqbal AlMadhy**, MP Iraq

**Nayé A. Bathily**, Head, Parliamentary Engagement, World Bank Group

**Fadila Caillaud**, Program Leader, Human Development Global Practice, World Bank Group

Hon. **May ElBatan**, MP Egypt

**Jason Gagnon**, Economist, Migration and Skills Unit, OECD

**Gergana Ivanova**, Coordinator, Parliamentary Network

**El Habib Nadir**, Secretary General of the Ministry in charge of the Moroccan Residents Overseas and Migration

**Christoph Rosenberg**, Assistant Director, Communications Department, IMF

**Renaud Seligmann**, Practice Manager, Governance Global Practice, World Bank Group

Hon. **Neila Tazi**, Vice-President, House of Councillors, Morocco

Hon. **Gholamreza Tajgardoan**, MP Iran

The second Meeting of the Middle-East and North Africa Regional Chapter of the Parliamentary Network on the World Bank & IMF was opened by a welcome address from **H.E. Abdelhakim Benchamach**, President of the House of Councillors of Morocco, who stressed that the goals and aspirations of citizens are changing - especially younger citizens, who grew up in the digital age. Institutions need to convince the people that they are ready to act on their behalf, and create a positive dynamic which will bring about the renewal of the social contract. He expressed his confidence that the MENA Chapter presents all parliamentarians an opportunity to share experiences and best practices from their countries, and to deepen the exchanges in the region in order to implement effective reforms.

**Marie-Françoise Marie Nelly** underlined the role parliamentarians have to play in achieving the Sustainable development goals, especially in the MENA region, which is the youngest region in the world. Ms. Nelly called for a focus on increased accountability and fight against corruption, and reiterated the importance of education to create a base for a new society and social peace. She also accentuated challenges related to migration in the region where some people seek refuge from conflict, while others look for a better future. She applauded Jordan and Lebanon for their humanitarian efforts in settling the refugees, and called all participants gathered in the hemicycle to work together to bring forward best practices and provide inspiration for a more transparent and inclusive society.

**Jihad Azour** affirmed that the elements on top of the Meeting's agenda are crucial for improving economic growth and youth employment. He pointed out that, despite considerable improvement, economic growth in the MENA region is still not strong enough to resolve structural problems related to changing demographics and the drop in oil prices, and stressed the urgent need to reform the labour market to accommodate over 25 million young people who will enter the workforce in the next 5 years.

*"The gap between aspirations and reality creates deep frustrations. Our collective action should create the conditions for improvement based on trust between population and state in order to draw up a new social contract."*

*Marie-Françoise Marie Nelly,  
Country Director for Maghreb  
and Malta, World Bank Group*



*"We share the same ambition: to create a solid basis for exchange of knowledge and experiences between parliamentarians of the region and the international financial institutions regarding solutions to the challenges of development, and identify priority reforms in the areas of education and migration in the service of development."*

*– H.E. Abdelhakim Benchamach, President of the House of Councillors, Morocco*

## OBJECTIVES AND ACHIEVEMENTS OF THE MENA CHAPTER

During the presentation of the objectives of the MENA Chapter, the moderator **Nayé A. Bathily**, Head of Global Parliamentary Engagement, World Bank Group, emphasized that the MENA Chapter was created as an action-oriented platform for knowledge and experience-sharing. The speakers called for the elaboration of a common regional action plan, as well as of a separate action plan for each country, which would complement the regional plan by taking into account specific needs and challenges of each country of the MENA region. The leaders of Parliamentary Network local chapters reported back about their activities and expressed their commitment to expanding the MENA chapter.

Hon. **Olfa Soukri Cherif** presented the Parliamentary Network on the World Bank & IMF to the participants, and underlined the main objective of the MENA Chapter, which is bringing together legislators from across the region to reflect on common objectives of good governance and poverty alleviation. She called for more collective regional projects, citing the MENA region's common history and culture and its shared challenges.

Hon. **Iqbal AlMadhy**, Rapporteur of the Foreign Relations Committee at the Iraqi Parliament, spoke about the creation of the Iraqi National Chapter of the Parliamentary Network in September 2017. This chapter's current primary focus is on tax policy. Dr. AlMadhy, who chairs the Chapter, invited the parliamentarians to hold a meeting next year in the Iraqi Parliament.

Hon. **Neila Tazi**, Vice-President of the House of Councillors, announced the creation of the Moroccan National chapter of the Parliamentary Network. As its Chair, she declared that this chapter will be primarily focused on youth job creation.

Hon. **May ElBattran**, Member of the Egyptian Parliament, outlined Egypt's economic development plan, and emphasized the role the World Bank and IMF are playing in the country's recovery. She recognized the importance of reinforcing the parliamentary engagement, and invited the MENA Regional chapter to hold its next meeting in the Egyptian parliament.





## REGIONAL ECONOMIC REFORM PRIORITIES

*"To enhance regional growth prospects, policies should ensure fiscal sustainability while allowing for higher investment and social spending, reform labor markets and educational systems, improve governance, and promote the use of technology and access to finance."*

*Jihad Azour, Director of the Middle East and Central Asia Department, IMF*



As **Jihad Azour** underlined in the opening session, the five main goals the MENA region needs to achieve are: (1) Stability, (2) Inclusivity, (3) Integration, (4) Technology, and (5) Working together to solve migration-related issues. He stressed that all economic policies should focus on these priorities, improving both economic and social conditions and boosting trust between state and society to ensure equal chances of success for everyone. Small and medium enterprises are the ones who should receive improved grants and subsidies and enjoy facilitated access to financing for private sector, in order to create more jobs.

**Christoph Rosenberg**, Assistant Director at the Communications Department, IMF, emphasized that the IMF is strongly engaged in the MENA region, citing the recent publication of the Regional Economic Outlook for MENA. The IMF not only provides loans, but helps catalyze funds from other donors, and provides expert policy advice and technical assistance in financial management, monetary and tax policy, statistics, and related areas.

In the context of low oil prices and regional conflicts, growth in the MENA region remains subdued. While in some countries of the region the growth rate is good (4%), current demographic situation requires a minimum of 6-7% growth rate to provide enough jobs. Inclusive growth - one that reaches youth, women, SMEs and middle class - is crucial to achieve prosperity.

Mr. Rosenberg identified four main economic priorities for the MENA region:

- ❖ Fiscal policy
- ❖ Financial inclusion
- ❖ Fight against corruption
- ❖ Resilience and ability to deal with immediate crises.

He underlined that legislators can play a key role in creating more transparency and boosting investor confidence. The traditional social model based on the public sector providing a large share of jobs has become unsustainable; it is now up to the parliaments and the governments of the region to cooperate in order to create a favorable business climate and generate employment.

**Five “dilemmas”** all MENA countries are facing, according to **Renaud Seligmann**, Practice Manager, Governance Global Practice, World Bank Group:

- + *Subsidies.* The subsidies are recognized as a very expensive and inefficient policy. Nevertheless, while mostly benefitting the rich, subsidies are the only way of survival for a vast part of the populations, and they cannot be simply removed without introducing a viable alternative. Mr. Seligmann proposed a system of targeted transfers to vulnerable layers of the population as a solution to this problem; however, this initiative is likely to be strongly opposed to by the main beneficiaries of subsidies who are often rich and influential.
- + *Public service.* Clientelism in public service is a serious problem in the region, as it prevents the population (and the civil servants themselves) to cultivate a culture of performance and deliver efficient services to the citizens.
- + *Public enterprises.* Direct interventions of governments in the management of such enterprises cause a lack of responsibility on the part of its directors and senior managers. This type of relationship with the state is unhealthy, but the political nature of the problem makes it difficult to change.
- + *Culture of secret.* The openness and transparency that come with the integration of new technologies contradict the traditional ways of governance in MENA countries, which need to be adjusted and adapted to today’s needs of their populations. Such a change would greatly reinforce the lacking trust in state institutions.
- + *Social and cultural fallout of conflict.* In countries tortured by conflicts such as Syria, Libya, and Yemen, people try to affirm their identity by looking at differences instead of common factors between different groups, which creates tensions and leads to more conflicts. It is important to reinforce the culture of respect and multicultural tolerance to avoid grave consequences for generations to come.

IMF’s 2017 Regional Economic Outlook for Middle East, North Africa, Afghanistan, Pakistan, Caucasus, and Central Asia available [here](#)

*“All countries in the MENA region need to modernize their economy. Today, Iran has reduced youth unemployment to 11%, managed to boost its economic growth, and decreased its reliance on petroleum from 70 to 30%. However, it is still confronted with the problem of unemployment among graduates, and learning from other countries’ best practices while providing quality education and healthcare for all is crucial for the progress to continue despite the fluctuations of oil prices.”*

*- Hon. Gholamreza Tajgardoost, Chair of the Budget and Planning Committee, Parliament of Iran*

During the rest of the session participants explored how the main priorities and dilemmas identified by the speakers are applicable to their own countries, notably comparing different approaches and ways in which their governments address the question of subsidies.

- ❖ In Tunisia, the government has been trying to reduce petrol and bread subsidies since 2010; however, it is impossible due to the rise of real prices and a heavy psychological effect of having to pay several times more for basic staples.
- ❖ Algeria envisions implementing a new system of targeting subsidies to certain groups of beneficiaries, but needs better communication with citizens to increase awareness of the ways in which subsidies affect development, and why the old system needs to change.
- ❖ Morocco, in its turn, has almost entirely eliminated fuel subsidies by gradually reducing them.

**Olfa Soukri Cherif** concluded the session by summing up the participants' contributions and indicating that the solutions for the region's economic challenges already exist, along with the institutions ready to provide support and assistance to countries in transition.



# MANAGING MIGRATORY FLOWS IN THE MENA REGION

Since 1960s, world migration has increased by 60%, and a big part of migrating populations are refugees. However, this number is very small compared to the increase in the world population. The trends in this area are very diverse: since 1990s, the percentage of migrants born in developing countries going to developed countries has increased. Another situation is immigration caused by conflict, such as in Jordan and Lebanon, where refugees constitute around 30% of the population today. During this session, participants were presented with the new data on the migration trends in the MENA region by **Jason Gagnon**, Economist, OECD Development Centre, who provided them with policy recommendations on how to integrate migration in their countries' development strategies, adopt relevant sectoral policies, and strengthen international cooperation on migration in order to enhance the development impact of migration.

*"Public policies should not aim at curbing migration, but rather give people the option to migrate by choice, and not by force. This implies generating more opportunities and strengthening public policies in origin and destination countries"*

Jason Gagnon, Economist,  
OECD Development Centre



## How does economic development affect emigration?

- The axiom "Economic development and increase in the population's income in one country translates into decrease in emigration" is false. More income means higher migration rate.
- If we increase trade and development aid in one country, emigration will increase up to a certain point and then stop. The factors influencing it include country and language characteristics, presence of an existing network (diaspora), etc.
- All public policies influence the decision to migrate: agriculture, labour, social protection, education, pension policy, etc. There is a direct link between the level of public policies and the desire to leave the country. Higher public social expenditures reduce the rate of emigration.
- Migration contributes to the development of countries of origin (notably through remittances) and destination (helping reduce skill mismatches and expanding domestic market). However, policymakers still lack a coherent agenda in their respective policy areas to realize the development potential of migration.

## POLICY RECOMMENDATIONS

- Expand the territorial coverage and awareness of government employment agencies
- Adjust vocational training programmes to reflect demand in labour market and better match demand with supply
- Include, enforce and increase the conditionality of agricultural aid programmes and in cash-transfer programmes
- Strengthen compliance with labour regulations to ensure decent working conditions
- Improve co-ordination mechanisms among national, local authorities and non-state actors
- Invest in human capital; help reduce remittance costs; fund diaspora projects; develop return programmes in origin countries
- Support education and invest in social protection and health services to foster the integration of immigrants in destination countries



**El Habib Nadir**, Secretary General of the Ministry in charge of the Moroccan Residents Overseas and the Migration Affairs, underlined that migration suffers from unfair stereotypes: in reality, three per cent of the world population who are migrants contribute to ten per cent of the world's economic growth. Remittances play a very important role in the budgets of many countries, often exceeding official development aid. He stressed that Morocco has now become a destination country due to its attractive public policies, such as vast school integration programmes.

**Characteristics of migration in the MENA region:**

- ❖ Its complexity due to existence of various dangerous migration routes, such as Sahara and the Mediterranean.
- ❖ Lack of coherence between the countries' migration policies. Regional cooperation is required urgently.



*“Students leave school and find themselves unemployed, especially women. We need to promote professional education and training instead of giving out general university diplomas.”*

*– Hon. Abdelkader Chenini, Algeria*



# THE ROLE OF PARLIAMENT TO ENHANCE EDUCATION IN THE MENA REGION

The WDR 2018, presented at the session by **Fadila Caillaud**, Program Leader at the World Bank Group's Human Development Global Practice, is the first World Development Report devoted entirely to education. In today's world, human development is essential to the development of economy and society, and education has consequences in all areas of social life.

*The World Development Report 2018 "Learning to realize education's promise" available [here](#)*

The main message delivered in this Report is that going to school does not mean that children are learning necessary skills to become fully-fledged members of society. Today, the world is facing a **learning crisis**, and low-income countries are the ones most affected by it. However, in all countries the education system does not deliver on its promises.

According to the report, the level of human capital in every country can explain the economic differences between them: the more a country is developed, the more it relies on human capital, while the poorest countries rely mostly on natural capital.

**How to invest?** - The most efficient way to gain human capital is to invest in crucial moments of life cycle such as early childhood and adolescence.

**How to overcome the learning crisis?** - Evaluate learning to make it a serious goal. Act on evidence, to make schools work for learners. Align actors, to make the system work for learning.

WORLD DEVELOPMENT REPORT 2018



LEARNING

TO REALIZE EDUCATION'S PROMISE

WORLD BANK GROUP

The underlying causes of the learning crisis are twofold:

**Immediate causes:** children arrive to school unprepared to learn; teachers often lack skills and motivations for efficient learning; resources assigned to education often fail to reach the classroom; and poor management undermines education quality.

**Profound causes:** education is a complex system with many beneficiaries extended to a vast geographical space. The variety of actors and different interests implicated in this process cause incoherence in the system, and result in a status quo favoring low learning, low responsibility, and a high level of inequality.

*"Members of parliament should always take into account investment in human capital, as it yields an incredibly high return in terms of overall development. Moreover, parliamentarians need to consider that in 20-30 years the world will change, and the most important qualities in it will be non-cognitive: critical skills, analysis skills, teamwork, and capacity to learn."*

*Fadila Caillaud, Program Leader, Human Development Global Practice, World Bank Group*



In the MENA region, investment in education is substantial in most countries. However, the development of quality learning is often stalled due to bureaucracy. Parliamentarians need to assert their oversight role and demand results in this area. Ms. Caillaud suggested putting in place a new evaluation system to measure these results with the help of indicators allowing to evaluate real progress in learning.

During the discussion, parliamentarians identified a number of main points in regard to education in the MENA region.

- The education systems are often archaic and do not prepare the children for life in the modern world;
- Inequality increases as privileged layers of population opt for private schools;
- Good education does not guarantee employment, as education's misalignment with the labour market increases;
- Other policies such as defense and security often get priority before education.

*"We cannot deliver on any other economic promises without boosting human capital: we need to align means, teaching and outcomes. In Tunisia, education is in crisis, despite the fact that 18-20 per cent of state budget is allocated to it. Tunisia is a laboratory to experiment with systems brought from abroad, but they are not adapted to our needs and not aligned to local culture. Programmes have changed, but teachers have not, and they are not being retrained to fit the new reality."*

*– Hon. Hedi Ben Brahem, Tunisia*

# THE MENA REGIONAL CHAPTER

## Objectives

*“The MENA Parliamentary Network Chapter represents a platform for dialogue, exchange and action among regional parliamentarians and World Bank and IMF regional staff. The objective of the platform is to provide members with the space, network and resources to reflect and share experiences on best practices for tackling the region’s common and most challenging issues. This creation of the MENA Parliamentary Network will strengthen the relationship between regional parliaments and the WB and the IMF by facilitating a continuous exchange regarding their respective engagements within the region.”*

**- Declaration by the founding members of the Middle East and North Africa Chapter of the Parliamentary Network on the World Bank & IMF**

In the working session with the members of the regional network, facilitated by **Gergana Ivanova**, Coordinator of the Parliamentary Network on the World Bank & IMF, participants explored the opportunities to expand the MENA Regional Chapter, and involve it more in the decision-making process along with the governments and the development partners.

The MENA Regional Chapter consists of 12 countries - Algeria, Bahrain, Djibouti, Egypt, Iraq, Iran, Jordan, Lebanon, Malta, Morocco, Saudi Arabia, and Tunisia. The parliamentarians unanimously acknowledged the need for it to become more action-oriented, developing a realistic work agenda both on regional and national levels. Parliamentarians from numerous countries expressed the desire to follow the example of Tunisia, Iraq, and Morocco by launching national chapters. Several countries also volunteered to host the next annual meeting of the Regional Chapter in their home parliaments, as well as smaller gatherings between the large meetings in the end of each year.

**Second edition**  
**of the Middle-East and North Africa Chapter**  
**of the Parliamentary Network on the World Bank & IMF**  
07 - 08 November 2017, Rabat





The President of the MENA Chapter Hon. **Oifa Soukri Cherif** reminded the participants of the reasons behind the creation of this Chapter in December 2016. She underlined the importance of bringing these initiatives back to the regions as they share common history and culture, as well as modern challenges such as unemployment, uncertainty, and conflict.

The event concluded with a few words from H.E. Abdelhakim Benchamach, in which he saluted the high level of discussions that took place during the two days of the meetings, and invited the MENA Chapter to continue working on bringing more countries in its family, assuring all present of the Moroccan House of Councillors' continued support of this initiative. While the MENA region is still far from curbing uncertainty, security threats, and lack of opportunities for youth, governments are aware of their responsibility to respond to their citizens' demands and to provide them with healthcare, quality education, and confidence in their future.



The intense policy discussions that took place in Rabat helped members of the Chapter to come up with a common action plan based on the main points highlighted during the Meeting to bring to their home parliaments. All participants of this event committed to find solutions to the regional development challenges, and forge partnerships to work on better policies and improve development outcomes. Both World Bank and IMF representatives expressed their readiness to support the members of parliament in their work to establish a new social contract based on trust, openness, and shared prosperity.



## ACTION PLAN FOR PARLIAMENTARIANS

- Establish the MENA Chapter as a platform for dialogue between parliamentarians and the World Bank and IMF teams;
- Initiate informative meetings, seminars, and training courses at respective parliaments;
- Stay informed about the World Bank / IMF projects and policies, and be involved in the project cycle from early on;
- Push respective governments for more transparency in the projects that are being negotiated;
- Focus on the Sustainable Development Goals and how the World Bank/ IMF can help put in place structures to achieve them;
- Focus on subjects such as human capital, education, agriculture, reforms of administration, subsidies, gender equality, and early childhood development;
- Organize visits to local World Bank projects to witness the work on the ground;
- Enhance engagement with IMF representatives in respective countries on economic policies;
- Organize thematic videoconferences within the Chapter with the help of local World Bank and IMF offices;
- Inform the citizens and change perceptions of the work of the World Bank and IMF worldwide.

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