

THE PARLIAMENTARY NETWORK

On The World Bank & International Monetary Fund

2023 GLOBAL PARLIAMENTARY FORUM

AT THE WORLD BANK & IMF ANNUAL MEETINGS

09 OCTOBER 2023

On 09 October 2023, the Parliamentary Network on the World Bank & IMF (PN) jointly organized with the World Bank Group (WBG) and the IMF the 2023 Global Parliamentary Forum. The Forum comprised sessions spanning a single day, providing a platform for discussing public policies aimed at achieving a more resilient and sustainable future. Topics of focus included inclusive digital transformation, economic stability, a low-carbon economy, and effective migration management. The selection of Morocco as the host country showcased the Kingdom's capacity to host such an important international conference. The event brought together parliamentarians from various countries for a one-day conference in Marrakech, Morocco.

Opening Session



*THE HON. MARLENE MALAHOO
QC, MP, JAMAICA*

The Hon. Marlene Malahoo Forte QC, MP, JP, Minister of Legal and Constitutional Affairs, Jamaica; Vice-Chair of the Parliamentary Network opened the Global Parliamentary Forum 2023 with a keen awareness of the significance of the forum in today's ever-evolving global context. She acknowledged the importance of these discussions for paving the way towards sustainable digitalization, economic stabilities, socio-economic development, and highlighted the imperative need for enhanced international cooperation. She commended Morocco's remarkable disaster resilience, a testament to their preparedness in the face of adversity. In a moment of reflection, she invited all attendees to join her in a moment of silence to remember and pay tribute to the victims of the devastating earthquake that occurred in Marrakech in September.

The Hon. Enaam Mayara, President of the House of Councillors of Morocco highlighted the contemporary challenges the world faces, which encompass high inflation, health crises, and the intricate web of factors contributing to stagflation, thereby endangering multiple nations. He also underscored the repercussions of the Ukraine war, energy crises, trade conflicts, and climate issues, all of which necessitate cooperative efforts among stakeholders. In addressing these issues, he emphasized the paramount importance of multilateral collaboration involving international institutions like the World Bank and IMF, as well as policymakers. He urged the adoption of best practices from parliamentary experiences to address various economic



*THE HON. ENAAM MAYARA MP,
MOROCCO*



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challenges, including AI utilization, cybercrime prevention, food security, and the strengthening of the position of the global south.

In a video message to the forum, **The Rt Hon. Liam Byrne MP, Chair of the Parliamentary Network on the World Bank and IMF, United Kingdom** acknowledged the critical juncture at which the international economy currently stands, marked by the profound impact of the COVID-19 pandemic and the uncertain terrain of geopolitics and geoeconomics. Highlighting the need to address these multifaceted challenges, he emphasized the forum's role in formulating solutions and strategies. He encouraged participants to recognize various global challenges, foster solidarity, and harness their collective capabilities to navigate this pivotal moment effectively. His message underscored the forum's significance in uniting efforts towards a brighter and more sustainable future.



ANTOINETTE SAYEH, IMF

Antoinette Sayeh, Deputy Managing Director, IMF offered insights into the latest economic outlook, which indicates a sluggish recovery amidst a backdrop of multiple shocks and mounting inflation. This has resulted in an unequal distribution of wealth and accelerated economic instability. She underscored the paramount importance of addressing the needs of the most vulnerable, who bear the brunt of macro-instability, economic upheaval, climate change, and socio-economic transformations.. She emphasized the IMF's unwavering commitment to strengthening collaboration with policymakers to bridge subsidy gaps, enhance economic resilience, and foster international cooperation.

Axel van Trotsenburg, Senior Managing Director of Development Policy and Partnerships, World Bank astutely highlighted that progress in addressing climate change has come to a standstill in several countries, as evidenced by indicators like the United Nations' midterm Climate Report. He emphasized that, despite increased poverty, economic insecurities, and developmental challenges, the vulnerable are being left behind in the midst of the sweeping socio-economic transformation driven by digitalization and the introduction of artificial intelligence. The World Bank remains committed to substantial investments, particularly in the African region, currently estimated at 33-34 billion USD, aimed at mitigating development challenges and enhancing resilience.



AXEL VAN TROTSENBURG, WB



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Climate Finance and Transition to a Low-Carbon Economy

The Hon. Marlene Malahoo Forte QC, MP, Jamaica and **moderator of the session**, welcomed participants and speakers by highlighting the importance of climate change and its impacts in all of our lives.



JAMIE FERGUSSON, IFC

Jamie Fergusson, Director, Climate Business Director, International Finance Corporation (IFC), commenced the session by highlighting his role in IFC. Mr. Fergusson emphasised the urgency of climate action, asserting that a 43% reduction in carbon emissions by 2030 is imperative to avert catastrophic outcomes. He underscored the need for a complete overhaul of the global economy within a mere seven years. To emphasise the rapid pace of this transformation, he noted, "for those of you who have 7-year-old children, you know that 7 years go fast." Fergusson also stressed the exponential growth required in investment for adaptation and resilience. He cited insights from the IMF suggesting that private financing should contribute significantly.

Furthermore, he highlighted the World Bank's commitment of \$38.6 billion in climate finance for developing countries, signifying a 22% increase from the previous year. However, he acknowledged that the numbers alone do not convey the complete picture and called for increased ambition in tackling the climate crisis. Fergusson's vision for IFC includes expanding their project portfolio to encompass green and hard-to-abate sectors, exemplified by battery storage. He also highlighted the importance of financing initiatives in green, blue, and biodiversity sectors.

Fabio Natalucci, Deputy-Director, Monetary and Capital Markets Department, IMF, explains that in a recently published report, the pressing need for substantial investment in public finance was underscored as a critical step. By 2030, an annual investment of \$5 trillion will be necessary to achieve the vital goal of reaching net zero emissions by 2050. This transformative shift will require the private sector's contribution to increase from its current 40% to an ambitious 80% or even 90%. Mr. Natalucci noted that the path to mobilising such substantial financial resources involves a multifaceted approach. On the policy front, addressing barriers is essential, with a particular focus on improving investment grade ratings for emerging markets, as currently only 50% of developing countries meet this standard. Challenges also exist at the project level, where the availability of investable projects remains insufficient. The report highlights the critical role of Environmental, Social, and Governance (ESG) factors, especially the "E" (Environmental) aspect, being incorporated into credit ratings as a means of driving sustainable investments. To tackle these issues, the report calls for policies that can dismantle these barriers. This includes measures like carbon pricing, climate information architecture, the development of taxonomies, and comprehensive disclosure requirements, alongside refining ESG corporate scores.



FABIO NATALUCCI, IMF



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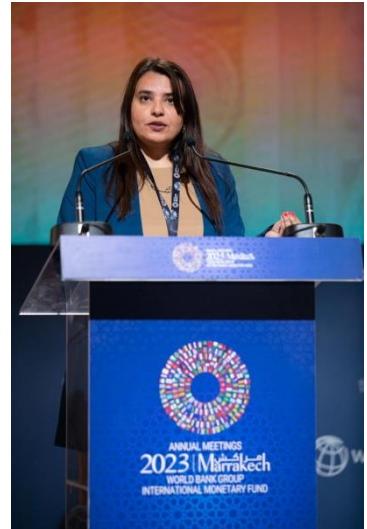
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*THE HON. LORD FATAFEHI
FAKAFAUNA MP, TONGA*

Hon. Lord Fatafehi Fakafanua MP, Speaker of Parliament, Kingdom of Tonga, introduced his country's plight in the battle against climate change and especially rising sea levels. Lord Fakafanua, the world's youngest serving Speaker of Parliament and a three-term MP in Tonga, discussed the nation's extreme vulnerability to climate change, ranking as the third most susceptible globally. Tonga has faced a series of challenges, including COVID-19, a volcanic eruption, and a tsunami, resulting in an 18% GDP drop. Inflation hit 13.8% due to global factors like OPEC and the Ukraine conflict. Despite ambitious energy goals, Tonga has fallen short, aiming for 100% renewable energy by 2045. They also focus on Nationally Determined Contributions (NDCs) and climate adaptation, with a significant gap in green finance for a \$1 billion infrastructure need. The Pacific region faces a \$12 billion infrastructure deficit. Challenges include securing funding, lengthy project initiation, a lack of technical expertise, high debt ratios, limited local capacity, and skill shortages. Global financial goals fall short of meeting these vulnerable regions' needs.

Hon. Sahar Albazar, MP, Deputy Chair, Committee for Foreign Relations, Egypt, stressed the heavy foreign debt burden hindering effective climate action. She highlighted Africa's need for \$50 billion annually for climate adaptation, contrasting it with over 60 nations prioritizing debt service this year. Albazar called for more debt swaps for climate adaptation, immediate suspension and eventual elimination of the IMF surcharge policy, and a common debt relief framework. She concluded by asking how many lives must be lost and how many cities need to be destroyed before we come together to address these urgent issues.



*THE HON. SAHAR ALBAZAR MP,
EGYPT*



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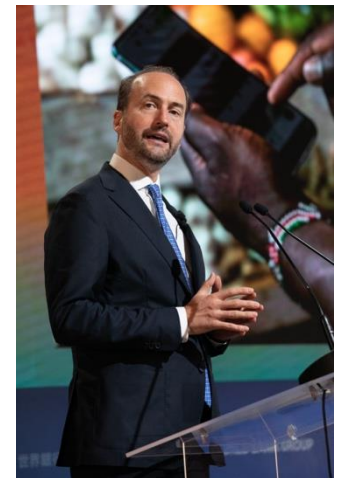
IMF Session: The Digital Opportunity - in our Economies, Currencies and Taxation



THE HON. YUNUS CARRIM, SOUTH AFRICA

The Hon. Yunus Carrim, Chair, NCOP Select Committee on Finance, South Africa and moderator of the session, extended a warm welcome to the participants and speakers, introducing the context and significance of this session, emphasizing the pivotal role of digital transformation in addressing pressing global challenges. In today's interconnected world, digital innovation has become a powerful tool for mitigating economic fragmentation, navigating a polarized international arena, and overcoming complex development challenges, as he summarizes.

Tommaso Mancini-Griffoli, Division Chief, Payments, Currencies, & Infrastructure Division, Monetary and Capital Markets Department, IMF commenced the session with a concise presentation on the transformation of digital payments and payment infrastructure. He outlined the three cornerstones of payment transformation: Identity, Payments, and Data, which serve as the foundation for significant advancements. Focusing on digital payments, Tommaso noted their rapid growth, especially in middle-income countries, leading to increased financial inclusion. He emphasized that digital payments have the potential to lower financial barriers and increase GDP, particularly benefiting micro and small enterprises by addressing issues like incomplete financial data and high unit costs. Tommaso highlighted the role of legislative bodies in expediting digital payments through infrastructure development, especially advocating the importance of providing a package as a unified public approach for regulatory framework. After introducing the expected challenges such as capacity gap among countries for transformation, he concluded by emphasizing the IMF's role in supporting countries on their journey towards safe and efficient digital payments through policy advice, financial assistance, and capacity development.



*TOMMASO MANCINI-GRIFFOLI,
IMF*



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*THE HON. MOHAMED CHAOUKI
MP, MOROCCO*

Hon. Mohamed Chaouki MP, Chair, Committee for Finance and Economic Development, Morocco provided valuable insights into Morocco's digital transformation journey, underlining the essential role of legislative participation in this transformative process. The Moroccan government has been proactive in advocating for expanded digitalization to enhance efficiency, including the widespread deployment of high-speed connectivity across the nation. This digital shift has not only generated new job opportunities and industries but has also prompted necessary legal adjustments to accommodate these profound changes. Morocco has achieved a significant milestone by digitizing approximately 45% of all administrative documents. This initiative is accelerating the nation's transition towards a more environmentally friendly society through dematerialization, while simultaneously facilitating the adaptation of individuals to digital administrative processes. Tax administration has also undergone a notable evolution, enabling online payments and significantly enhancing overall efficiency. The tangible fiscal benefits of this digitalization have become evident, leading to increased revenues.

Hon. Mohamed Chaouki concluded by emphasizing that a continued commitment to digitalization will yield even higher fiscal revenues. He reiterated the government's dedication to fostering inclusive and transparent reforms in the digitalization process. Additionally, he acknowledged the invaluable support provided by the World Bank in facilitating Morocco's policy implementation and highlighted the promising prospects for refining the current framework with the World Bank's continued assistance.

Hon. Neema Lugangira MP, Committee for Foreign Affairs, Defence & Security, Tanzania delved into the impact of the digital economy on Tanzania, explaining that while digitalization brings opportunities, it also raises concerns related to accessibility, affordability, and connectivity. Digital skills are essential, but there are disparities between urban and rural areas, and the transition to digital payments is still considered informal in Tanzania. Building trust in digital payments and addressing issues like fraud are critical challenges. In the realm of taxation, there's a need to regulate digital service tax and digital businesses.



THE HON. NEEMA LUGANGIRA MP, TANZANIA

Hon. Neema expressed the need for legislation and adjustments to accommodate the rise of non-physical shops and ensure they pay taxes. She highlighted the potential of artificial intelligence but also recognized the challenges, such as artificial intelligence being used for criminal activities. Regulatory frameworks are required to address these issues. Additionally, she mentioned the monetization of freely collected data by tech companies, calling for negotiations on data ownership. Tanzania is taking efforts to create a digital Tanzania project, partnering with the World Bank. Hon. Neema concluded by advocating for strong collaboration between the World Bank and IMF to create a robust regulatory framework for sustainable and attainable digital transformation.



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*THE HON. GIULIO CENTEMERO MP,
ITALY*

Hon. Giulio Centemero MP, Italy, President of the 2nd Standing Committee on Socio-economic and environmental affairs, Parliamentary Assembly for the Mediterranean (PAM) addressed the debates and concerns surrounding artificial intelligence, particularly regarding potential job losses, inadequate regulations, and policy frameworks. He debunked the myth of job losses, pointing out that it often results from a mismatch between job demand and supply, as seen in Italy's experience that it experienced 38 million euros of economic damages recently. Emergence of Fintech's activities have played a crucial role in bringing financial services to previously excluded individuals. He emphasized the need for effective regulation of this global phenomenon, which, when harnessed properly, can create policy solutions, digital identities, and innovative methods. He cited the success of Italy's creation of a forum for analyzing digital phenomena, enhancing entrepreneurship, and establishing regulatory practices for businesses and civil society. This platform has been instrumental in connecting the dots and addressing the challenges associated with artificial intelligence and digitalization on a global scale.

World Bank Session: World Development Report 2023: Migration, Refugees, and Societies



THE HON. NEILA TAZI SENATOR, MOROCCO

The Hon. Neila Tazi, Senator, Chair, Committee for Foreign Affairs, National Defence, and Moroccans Foreign Residents opened the discussion by introducing the speakers. She also highlighted that migration is an essential developmental challenge, and there is a need to better manage migration as well as fight xenophobia.

Indermit Gill, Chief Economist and Senior Vice President for Development Economics, World Bank, discussed global migration dynamics, with around 200 million people living outside their home countries. He noted that 80% are economic migrants and 20% refugees, with many residing in middle, low, or newly high-income countries like the GCC. Demographic changes, including ageing populations in high-income countries, make global competition for workers a pressing concern. High-income countries will need workers, while low-income countries have booming populations. Gill highlighted the two perspectives of labour economics and international law, which inform the "Match and Motive Matrix" for migration. This matrix emphasises



INDERMIT GILL, WB



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shared responsibility and tailored strategies based on the motive and match of migration, depending on economic or refugee motives and the strength of the match. Gill underscored the growing challenges in managing migration effectively, despite its potential benefits.

Hon. Oana-Silva Toiu, MP, Chair, President of the Committee for Youth and Sport, Romania, emphasised the need for responsible parliamentary members to align with scientific findings, but reminded the forum that MPs respond to their constituents. She highlighted that her country, within the EU, boasts some of the highest number of citizens working abroad, with a significant diaspora, particularly outside Syria. Interestingly, the nation has transitioned from being a source of migrants to becoming a destination. This shift underscores the two-way nature of migration, leading to labour shortages that have economic implications. She also shared that the Romanian introduction of Nomad Visas and easier diploma recognition reflects a proactive approach to harnessing the potential of migration and facilitating human capital mobility.



*THE HON. OANA-SILVA TOIU MP,
ROMANIA*



*THE HON. MADJARA COULIBALY, MP,
CÔTE D'IVOIRE*

Hon. Madjara Coulibaly, MP, Member of the Commission on Defense and Security, Board Member of the Parliamentary Network, explained that there is an exacerbation of migration challenges by climate change, particularly the acceleration of migration due to climate risks. She noted that such migration has been localised thus far but emphasised the potential for change. In Côte d'Ivoire, the government is actively seeking solutions to this issue. In March 2023, there was a significant shift in public policy, with a focus on prioritising the youth and the construction of high schools to invest in human capital. The World Bank extended an invitation to invest in human capital, underlining the importance of this aspect in addressing migration and climate-related issues.