



THE PARLIAMENTARY NETWORK

On The World Bank & International Monetary Fund

Virtual Policy Roundtable European Parliament Research Services (EPRS) 10 January 2021

The Parliamentary Network on the World Bank and IMF took part in a virtual policy roundtable hosted by the European Parliament Research Services (EPRS) on 20 January 2021. Around 125 parliamentarians and experts attended the event. The event focused on the current global economic prospects and the COVID-19 response featuring **Carmen Reinhart, Chief Economist of the World Bank Group**.

Hon. Pedro Silva Pereira MEP, Vice-President of the European Parliament presented the meeting as an opportunity to reaffirm the strong partnership between European Union institutions and the World Bank Group. He highlighted the need for an increased alignment between expansionist monetary and fiscal policies to achieve sustainable and equitable growth. Hon. Silva stressed the importance of human capital in tackling inequalities.

Ms. Reinhart opened her statement by presenting some of the cross-cutting issues of the world economic outlook. She established that the world economy is expected to grow 4% in 2021 depending on the distribution of vaccines. She then spoke about the macroeconomic and fiscal policies established by central banks and governments to mitigate the negative effects of the pandemic. She highlighted that financial fragility varies across countries and sectors such as tourism or entertainment.



Ms. Carmen Reinhart, Chief Economist, WBG

Ms. Reinhart expressed her concerns about the impact of the crisis on debt solvency, poverty and inequality. She highlighted the need for more economic stimulus and a fast deployment of vaccines. She then explained the work of the World Bank concerning the building back better agenda, which incorporates new strategies for green investment. Ms. Reinhart closed her statement by highlighting the importance of financial transparency and accountability in public policy and the deliverance of vaccines.



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Maria Demertzis, Deputy Director at Bruegel spoke about inequalities and vaccination. She explained that the richest countries are the ones that are responding the better. She stressed the importance of evaluating risks and building preparedness amidst the global situation of uncertainty. Ms. Demertzis highlighted the role of fast deployment the vaccines in accelerating economic and health recovery. She also stressed the need for building public trust, while providing financial support to households.

Ms. Maria Demertzis, Deputy Director, Bruegel

During the discussion session, Members of Parliament and experts expressed their concerns about the importance getting buy-in from citizens to render vaccination campaigns successful, as well as embedding anticipatory governance in policy-making to make countries more resilient to shocks. They also discussed financial fragility and the need to leverage legal tools used in previous crisis by sovereign actors and international organizations, stressing the need to raise the political will to put in place such policies.