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Message . . .

Like every year, PNoWB will be attending the World Bank Group/IMF Annual Meetings from 19-22 September 2011 in Washington D.C.

The highlight of this year's meetings will be PNoWB's change of name on 20 September 2011 to reflect the formalization of a closer collaboration with the IMF in the beginning of 2011. This will happen at an official meeting with Christine Lagarde, IMF Managing Director, and Robert Zoellick, World Bank President. PNoWB will then become 'The Parliamentary Network on the World Bank and International Monetary Fund' – or 'The Parliamentary Network' as a shorter form for communications. A work strategy with the IMF will be elaborated while maintaining a privileged relationship with the World Bank. PNoWB's membership is also evolving to reflect these changes, with a larger number of MPs specialised in macroeconomic aspects. The global economy worldwide remains rather unstable despite some signs of recovery. It is worthwhile noting that this crisis was particularly difficult for developed countries, which are still struggling to get their economies and financial systems back on track. This notion that no one is invulnerable to economic hardship should reinforce a system of solidarity across the globe in which MPs are an integral part of the solution to economic development.

This requires active participation in the international dialogue on development. The Network has been mobilising its members to hold their governments and International Financial Institutions to account by encouraging them to ask questions in their Parliaments. We encourage all members to take part in PNoWB's parliamentary questions program and report the results back so they can be shared with the entire membership.

The Fourth High-level Forum on Aid Effectiveness is happening at the end of November 2011. PNoWB continues to push for a strong parliamentary presence and several meetings are planned with partners in Washington to discuss preparations for the event. The 'Doing Business' Conference organised by PNoWB is planned for March 2012 and we hope this conference will encourage knowledge sharing that will lead to positive impact for the African private sector.

The Annual Meetings are also an occasion to define PNoWB's work strategy for the coming year to which all PNoWB members can contribute. We encourage you to send your input to secretariat@pnowb.org.

PNoWB has a new website!
www.pnowb.org

Alain Destexhe, MP
Chair, Parliamentary Network on the World Bank & IMF



Sweden's strategy for cooperation with the World Bank Group

By Gunilla Carlsson,
Minister for International Development Cooperation,
Sweden

I greatly appreciate the opportunity to engage with the Parliamentary Network for the World Bank and to share some remarks on Sweden's cooperation with the World Bank Group (WBG). It is my belief that a network of elected officials provides an excellent forum for discussing global development challenges, and for the increased transparency, efficiency and accountability of the WBG.

Sweden is part of the Nordic-Baltic Constituency of the Executive Board, which we currently chair, and we have recently adopted a strategy for Swedish cooperation with the WBG for the period 2011–2014. The strategy echoes the broader messages of Swedish development cooperation policy, and underscores the importance that we attach to gender equality, environmental sustainability, democracy and openness. Furthermore, it is clear to me that success in any of these areas depend on our and our partners' internal and collective efficiency. We must all work harder and more consistently to enhance transparency. We must be better at formulating results that are clear, meaningful and measurable, and we must strive to remove those barriers that prevent us from succeeding, such as corruption and inefficient bureaucracy.

Elements of the strategy derive from a bilateral assessment of the WBG, which Sweden conducted in 2008. The assessment demonstrated the high relevance of the WBG as a global development actor in terms of policy development and development financing. In particular, we noted how the strong internal and external effectiveness often generated better development results than other actors, and how the high analytical

and knowledge management capacities of the WBG gives it considerable influence on normative discussions on development issues.

We know that the WBG's global reach allows for synergies and accumulation of best practices, which can be shared across countries and regions, and that the WBG has the capacity to quickly attract and channel large financial resources to developing countries without abandoning its long-term development mandate.

These positive findings demonstrate that the WBG has the capacity to deliver results, and that it has taken important steps to further enhance efficiency and transparency. The overall objective of poverty reduction mirrors the importance Sweden attaches to placing the perspective of the poor at the centre of all discussions, and we see the potential of the WBG to strengthen its work in policy areas that are dear to Sweden. Consequently, our collaboration with the WBG is a pillar of Sweden's engagement in multilateral development cooperation.

Sweden has a close and far-reaching collaboration with the WBG. I want to use our good relations to advocate for an even stronger profile of the WBG in a number of areas. Gender equality is one such priority, and I am pleased that gender equality and development is the topic of the 2012 World Development Report. We must seize this opportunity to ensure that a stronger policy on gender equality also translates into operational capacities and concrete results on the ground. It is crucial that all such results are situated in, and have an impact on, the broader development process.

We must continue to take forward the work on environment and climate change. The transition to green economies including lower climate impact and their adaptation to a changing climate must be given concrete form and be speeded up. Furthermore, we must look at the findings of the 2011 World Development Report and ensure that the WBG is a relevant actor in post-crisis and fragile states.

Although the WBG's statutes do not mandate the explicit promotion of human rights, it is crucial that our investments contribute to democratic development and the realisation of such rights by supporting the economic and social rights in particular. It is therefore important to Sweden that the WBG continues to strengthen its capacity to systematically apply a rights perspective to its activities. Gender equality and equal opportunities for women, men, girls and boys are instrumental in this regard. Further on that note, I welcome the suggestion for greater support to civil society groups in their efforts for greater transparency and accountability of government and public sector in their service delivery, which was emphasized by the WBG President in his pre-spring meeting speech this year.

In the aftermath of the financial and economic crisis, there are some particular challenges that Sweden considers the WBG should help to meet over the next few years. These include the risk of lower capital and aid inflows to developing countries, vulnerability in the financial sector at local levels and weakened public finances.

As mentioned above, the internal and external effectiveness of the WBG is a key priority, and

I see room for further improvement in this regard, e.g. in terms of aid effectiveness. While the WBG has improved its cooperation with other key actors - such as other international and multilateral development financial institutions, bilateral donors and the European Commission - I would like to see further steps towards collaboration and coordination with such actors.

On the basis of these considerations, Sweden's priority areas for our cooperation with the WBG for the strategy period can be summarised as follows:

- gender equality,
- environment and climate,
- post-conflict countries and fragile situations,
- economic growth, and
- the WBG as effective institutions.

These areas will be the focus of our dialogue and cooperation with the WBG at all levels for the coming years. They will also guide Sweden's financing of the institutions. This was the case with IDA 16 which focused on all our target areas and in July this year Sweden subsequently decided to commit 7.6 billion Swedish kronor, making us the 9th largest contributor to IDA.

At the spring meeting we had the opportunity to focus on Conflict, Security and Development through the publication of the World Development Report 2011. At the upcoming Annual meeting I am looking forward to discussing the findings and implications for the World Bank of the World Development Report on Gender Equality and Development. Given the importance Sweden attaches to international development in general and Gender Equality in particular, my expectations for the meeting are high.



A green EU budget to support the transition towards a low-carbon EU society

By Connie Hedegaard,
European Commissioner for Climate Action

With a significant rise of climate-related spending, the budget proposal of the European Commission for the period 2014-2020 demonstrates a clear commitment to sustainable growth and to transforming Europe into a low-carbon society

How do we best spend tax-payers' money in the European Union? This has been the core question in the preparation of the proposal for a new multi-annual budget which the European Commission presented on 29 July 2011.

In a time where several Member States are struggling with severe fiscal challenges and tough austerity measures it is crucial that we focus the European co-operation on areas that bring benefits to most Member States and challenges that cannot be solved by individual countries alone – in other words where there is a clear EU added value.

Where is that? Well, if we ask the Europeans, they are in no doubt: a recent survey shows that almost nine out of ten Europeans favour allocating more EU funding for environmental and climate-related activities. In the current EU budget, funds have already been devoted to climate-related investments and activities such as erecting wind turbines, improving grid connections, making our cities more climate-friendly and the like. Still, however, only around 5-7 % of the current EU budget is climate-related today.

While keeping the overall budget for 2014-2020 stable in real terms, our proposal suggests boosting the share of climate-related spending to at least 20 percent of the total EU budget.

This significant increase reflects that it is a key political priority for Europe to tackle climate change by transforming Europe into a clean, competitive low-carbon economy. But it also marks a paradigm shift.

Although the benefits of the transition to a low-carbon society – such as reduced energy bills, improved energy security, cleaner cities, better health, and new jobs – will clearly outweigh the costs, substantial up-front investments are needed to get going. Also, the transition requires changes in all major economic sectors.

Using the EU budget to create a leveraging effect to generate these necessary upfront investments from the private sector in clean and climate-friendly technologies and projects will make the difference. Experience in working with the European Investment Bank (EIB) and international financial institutions has been positive and will be taken forward in the next budget. The increased use of innovative financial instruments is central to the next budget, in particular for research and external action funding as well as the new Connecting Europe facility.

To succeed we therefore have to integrate – or mainstream – climate aspects across the whole spectrum of policies and sectors, from energy, transport, and industry to agriculture, regional development, research, innovation and external action. This way we can maximise synergies between climate action and other European policies and ensure that the EU budget delivers real value for money.

With the current budget proposal we are taking important steps to do just that. Instead of parking climate spending in some distant corner of the budget, we are moving it into the big spending areas.

On agriculture, our proposal suggests that 30% of all direct payments to farmers be conditioned on environmentally sound and climate-friendly practices, for example reducing emissions from manure and use of fertilizer. And in addition, the new rural development policy will be more focused on supporting climate-friendly investments by farmers. In other words, farmers increasingly have to deliver public goods in order to receive public money. This is a significant step forward.

In the field of European regional policy, our proposal also has a clear climate mark as energy efficiency will be a key priority. In the so-called transitional and competitiveness regions – the ones with a GDP over 75 % of the European average – we propose that at least 20 % of the total envelope be spent on energy efficiency and renewable investments.

The new 'Connecting Europe' facility, which earmarks 40 billion for infrastructure projects within transport, energy and ICT, will also have a strong focus on climate-friendly investments. On the transport side, rail, inland waterways and maritime will have priority. And within energy, project plans include electricity grids for renewables and interconnections throughout Europe.

The climate focus is also evident in the budget for research and innovation which is considerably increased in our proposal – from 54 to EUR 80 billion. Climate change is one of the six societal challenges that are prioritised in the new research framework while increased funding for promoting industrial leadership in low-carbon and adaptation technologies will be granted.

Another important element of the proposed budget is that it recognises the need to significantly scale up external funds to meet our international commitment on climate finance. Our future development policy will place climate action at the centre of its priority and guarantee the right level of funds by 2020. And we aim to spend no less than 25% of the programme for “Global Public Goods” on climate change and environmental objectives.

Last but not least, we are almost tripling the budget for specific small-scale climate projects – from around 300 million today to 800 million under the next multi-annual perspectives. This money is key to support SMEs, NGOs and local/regional activities in the area of climate mitigation and adaptation but also awareness-raising activities.

How to ensure that we deliver down to the cent on what we promise for climate-related spending? We suggest a clear cross-cutting obligation to identify where EU programmes promote climate action or energy efficiency and that specific targets for climate are included in the measuring of their performance. Based on a robust method developed by the OECD, we will then be able to track and monitor the climate-related spending.

In sum, what the Commission has presented is a budget which strikes the right balance between lean and green. While curbing expenditure we show strong ambition and a clear commitment to delivering on our climate goals. On our side, we will continue working on the details of each of the specific policy instruments to ensure these adequately reflect the course we have set out. Now it is up to the Member States and the European Parliament to maintain the ambition.



The Implicit Links between the Food Crisis and Private Sector Financing in Africa

By Jaques Attali,
President PlaNet Finance

The images and figures of famine in the Horn of Africa are terrifying: the number of Somalis in need of humanitarian assistance has increased from 2.4 to 3.7 million over the last six months. Messages from the Director of FAO and those of the major NGOs are more than alarming, the flow of refugees intensifies every day and yet international aid and national policies have lagged and remain below requirements. Drought is considered the main cause of the food crisis in the Horn of Africa. The harshest drought since 1950, it currently affects over 12 million people, including two regions of southern Somalia, Kenya, Ethiopia, Djibouti, Sudan and Uganda. The consequences of this humanitarian crisis have certainly been exacerbated by armed conflict and volatile food prices.

However, the real problem for the victims of the current food crisis is their eternal state of dependency. Dependency on agriculture: approximately 80% of people in the Horn of Africa derive their livelihood mainly from agriculture (FAO, 2011) and suffer the consequences of climatic hazards. Dependency on state aid and the international community, i.e., the arrival of food and armed groups that control territory; essentially the delivery of humanitarian aid. In the acute phase of this state of physical dependency, humanitarian action is important because thousands of lives depend on its effectiveness. However, to break with food dependency and the overall economic and political dependency of people, relationships will necessarily be woven rather quickly to develop the local economy including employment, value creation and innovation.

In most countries in sub-Saharan Africa, the private sector consists mainly of large

companies specialising in energy, telecommunications and finance as well as numerous small informal businesses and unproductive subsistence farming. This means that there is great potential for the development of medium-sized agricultural or industrial businesses. However, numerous constraints explain why the business environment is not conducive to private sector development in Sub-Saharan Africa: the weakness of infrastructure (transport, electricity, telecommunications, etc.); the inappropriate regulatory and fiscal frameworks despite various reforms; harmful effects of corruption; lack of funding; and the precariousness of the education system.

Recognized internationally, microfinance is a response to the problem of financing because it gives access to microcredit and other financial services (savings, micro-insurance) to micro-entrepreneurs excluded from the traditional financial system. This area of activity is the subject of numerous development projects in Africa supported for over 30 years through international cooperation, the network of the World Bank through the IFC and CGAP, African states and increasingly by private donors.

- The key role of banks and microfinance institutions

As a first observation, high exclusion rates within the banking system in Africa inhibit any real economic development – in some countries, up to 90% of the population do not have access to banking. If large companies generally have access to various banking services and quality at a national level, the microbusinesses and very small companies

only have access to informal finance (lenders, family, tontine, etc.), which greatly limits their potential for growth. Indeed, banks are reluctant to fund activities that operate in the informal sector, although sometimes this can constitute more than 80% of the real economy, particularly in terms of employment.

In this sense, microfinance institutions (MFIs) play an important role in many African countries such as Senegal, Cameroon, Kenya, Ethiopia, Uganda, South Africa, because they offer local financial services to millions of micro-entrepreneurs. According to the Mix Market (2011), the loan portfolio of MFIs in Africa is estimated at 4.8 billion USD, the number of customers at 8 million, and the average loan at 335 USD. Microfinance relies on accurate analysis of the viability of the microbusiness and the ability and willingness to repay the lender. MFIs thus have a highly complementary role to banks – yet it is still necessary that they take over and fund small micro businesses, a sine qua non for real and sustainable economic growth.

Another complex economic issue surrounds the fact that small-scale peasant agriculture will have to become a political priority both nationally and internationally if we are to avoid further humanitarian disasters at the current magnitude. This priority has been reiterated at the recent G20 meeting of Ministers of Agriculture. To achieve the goal of food security, MFIs have an important role in financing the improvement of agricultural production and productivity. Beyond the problems of funding, we must rethink the whole system and simultaneously address

issues of food security, the volatility of raw materials, modernisation of agriculture, and land ownership, while making sure to include and integrate the often neglected environmental dimension.

Highly complementary to financial services, programmes for human capacity building are also implemented by the IMF and other local stakeholders to enhance the productivity growth of small enterprises. In many cases, access to vocational training and/or new technologies is leveraged to the beneficiaries. Similarly to actors such as Opportunity Microfinance and Freedom From Hunger, PlaNet Finance is developing Business Development Services programmes, designed to support micro-entrepreneurs in the creation or development of an income generating activity. Projects such as the ones in Morocco with female artisans and youth in precarious situations; in Ghana with women producing shea butter; with farmers in South-East Asia, and in South Africa with micro-entrepreneurs, confirm a real need exists to increase added value locally, from the production phase to the commercialization phase.

In conclusion, we must build programmes that link emergency and long-term development, that fight against hunger and achieve agricultural development. NGOs should offer assistance to the agricultural cooperatives in the neighbourhood and help them develop. To achieve this, the need for collaboration between different actors (public, private and civil society) should be highlighted both domestically and internationally.



Fight hunger: invest in agriculture and rural enterprise

By Kanayo F. Nwanze,
President,
International Fund for Agricultural Development (IFAD)

When international food prices doubled between 2006 and 2008 it shocked the world, rich and poor alike. Subsequent events have shown that this was not an isolated occurrence. It has been estimated that the current food price spike, which began in 2010, has pushed some 44 million people into poverty – the equivalent of the total population of a fairly large European country.

If these figures seem alarming, consider also that by 2050 the world's population is expected to top 9 billion and food production will need to grow by 70 per cent. Food security is indeed everybody's problem. Poor rural people in the developing world bear the brunt of our failure to address it, but they must also be frontline players in the solution.

The lack of agricultural investment in recent decades is one cause of the current food price crisis and persistently high rural poverty. In 1979, aid to agriculture comprised 18 per cent of total official development assistance (ODA). Thirty years later, it had shrunk to just 6 per cent. Developing country government investment in agriculture also fell – by one third in Africa, and by as much as two thirds in Asia and Latin America.

In the eye of the storm, and yet often ignored, is the rural smallholder. There are 500 million small farms worldwide; these smallholder operations support around 2 billion people and provide as much as 80 per cent of the food consumed in parts of Asia and sub-Saharan Africa. But there are also 1 billion people in rural areas who are living on less than US\$1.25 a day. IFAD, the organization I lead, is an international financial institution and a specialized United Nations agency based in

Rome. Its mandate is specifically to help poor rural people escape poverty. It is a unique partnership of 166 members from the Organization of the Petroleum Exporting Countries (OPEC), other developing countries and the Organisation for Economic Co-operation and Development (OECD). IFAD has invested about US\$12.9 billion in grants and low-interest loans to developing countries since 1978, supporting programmes and projects reaching more than 370 million people. IFAD has been very effective in leveraging finance in partnership with other international institutions, governments, small farmers and increasingly with the private sector.

Smallholder farmers mean business

Hunger – and at its worst, famine, as is happening currently in the Horn of Africa – ought to excite our compassion, outrage and swift action. But we should also remember that poor rural people are not just aid recipients; they are key players in meeting the world's food security needs. It is important to note that smallholders are by far the main investors in agriculture in most of the developing world, and that their farms, no matter how small, are businesses.

Smallholder agriculture can be an engine of economic growth. Research has shown that every dollar of value added in agriculture generates a further 30 to 80 cents of income gains in other parts of the economy. But smallholders often remain marginalized, and increasing their connection to markets is crucial. A large share of programmes and projects financed by IFAD have included components related to agricultural marketing.

When poor rural farmers are able to increase their yields and bring a surplus to market, this has a dramatic effect on their incomes and food security. However, there are a number of constraints. Smallholder farmers need secure access to land and water; roads and transportation to get their products to market; and better access to financial services in order to buy key inputs such as seed, tools and fertilizer. But this is still not enough, unless they are able to manage risk.

Building resilience

Poor farmers often can't afford to risk experimenting with different kinds of crops or new and more environmentally sustainable farming methods. For poor rural smallholders the price of failure is high: hunger for themselves and their families. They face ever-increasing uncertainty as a result of market forces that favour large producers, price shocks, the effects of climate change and serious environmental degradation.

Technology can help, providing farmers with up-to-date and reliable market information. So can innovative financial products such as weather insurance. Stronger farmers' organizations allow them to pool their resources and advocate for pro-poor policies and investments. These and other measures need to be embodied in a more systemic approach – which is to say that the interlocking causes of poverty need to be met by an interlocking set of responses. Demand for food and agricultural products is increasing and markets are changing profoundly. If poor people can access modern value chains they can gradually accumulate assets, improve their standard of living and protect themselves against risk.

This approach must include the rural non-farm sector as well, because non-farm income helps rural people diversify their income sources and manage risk. Agriculture will not provide a way out of poverty for every rural dweller, and the non-farm economy and opportunities will be extremely important, especially for young people. For rural agriculture to flourish, rural

communities will have to be vibrant places where young people want to live and where they can see a future. Small businesses can play a critical role in generating opportunities in the rural economy.

Sustainability and innovation

In the face of climate change, burgeoning populations and a limited resource base, agriculture needs to be both more productive and sustainable over the long term, through such practices as the use of drought- and stress-tolerant crop varieties and livestock breeds, integrated pest management, sparing use of fertilizers, conservation agriculture and agro-forestry, to name a few. Fostering innovation is essential.

Sustainable agricultural intensification is knowledge-intensive. Hence access to education and training is essential for rural people. Among the priorities we have set in the new IFAD Strategic Framework 2011-2015 is to increase education, empowerment of women and engagement with rural youth. Another priority is to foster improved relations between smallholders and private sector operators to enable poor producers to meet new demands in supply chains and to interact effectively with suppliers of inputs and services.

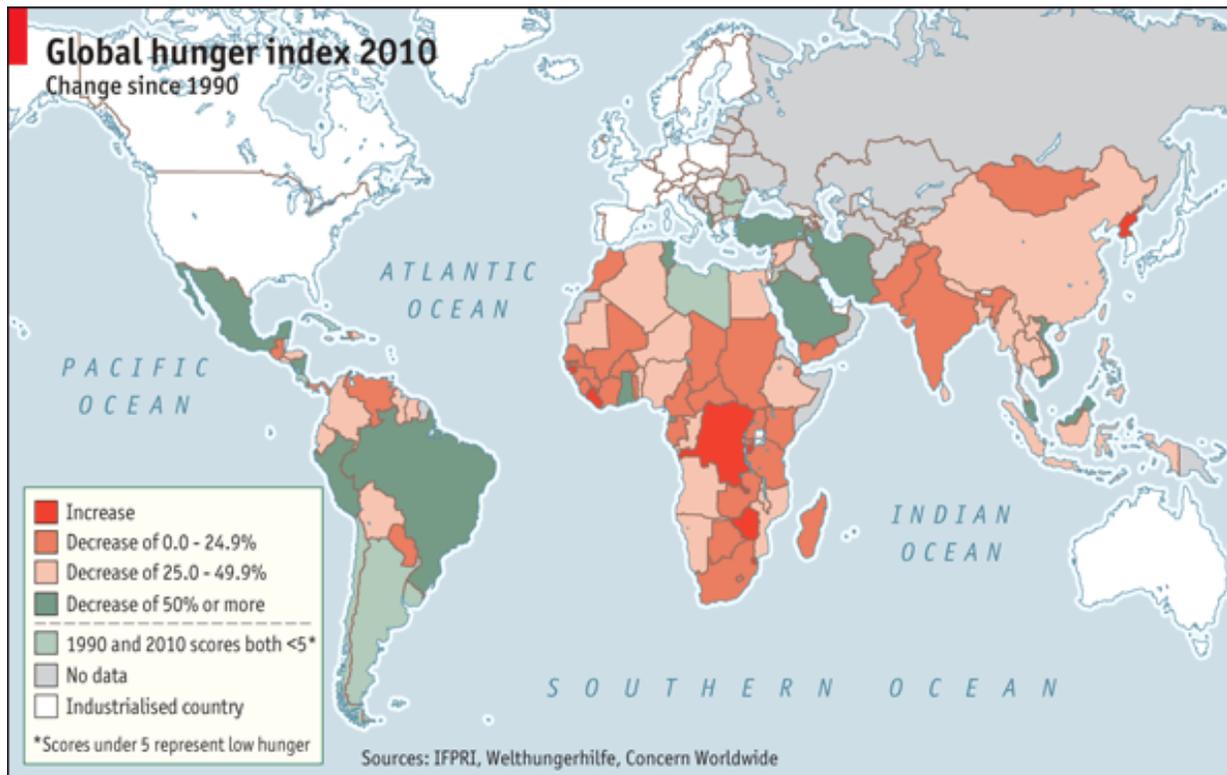
Long-term investment in the rural world

There are signs that the decline in agricultural investment is being reversed. Parliamentarians have a major role to play in seeing that the right measures are implemented under a coherent strategy that views the rural world holistically, taking both its challenges and potential into account. Components such as infrastructure, social protection schemes, agricultural research, training and education, trade and regulation will require governmental and institutional commitment, which parliamentarians can lend a hand in building.

It should be clear by now that the rural world cannot be transformed by piecemeal projects;

a long-term strategy covering 15 to 25 years is needed. After decades of neglect, changing the climate for investment in rural areas demands a blend of national policies (trade, labour, taxation, and others) conducive to development; the provision of public goods (infrastructure, utilities, telecommunications); and improvement of rural services (education, health care, finance). Governance issues such as corruption, crime and policy uncertainty also will play a role. The comprehensiveness of the approach to rural growth will determine

whether these areas attract investment and thrive, or continue to stagnate and wither. Any long-term strategy requires vision and persistence. Parliamentarians are well-positioned to draw the attention of the public and of policy- and decision-makers to the fact that without committed and long-term investment in smallholder agriculture and non-farm enterprise in the rural areas of developing countries, there will be no steady progress towards food security, condemning millions of men, women and children to hunger and poverty.





Food Crisis in the Horn of Africa

The Horn of Africa has been suffering from severe drought over the past months, which has escalated into acute shortages of food and conditions of malnutrition notably in the regions of southern Somalia, northern Kenya, south-eastern Ethiopia and Djibouti. The United Nations declared a state of famine in the Bakool and lower Shabelle regions of Somalia on Wednesday, 20 June, adding that 3.7 million people – half of the Somali population – were now “in crisis”. The World Food Programme (WFP) has declared the crisis in the Horn of Africa to be the highest global humanitarian priority.

The limited or no rainfall over two consecutive years has been exacerbated by rising food and fuel prices worldwide: in Kenya, the price of maize has tripled, whilst in Somalia, the price of the local staple food sorghum has risen by 240% in just the last ten months. Action Contre La Faim (ACF) quotes the price of a 50kg bag of maize to cost the equivalent of 40€ in Mogadishu – as opposed to 5€ before the crisis. As cattle and livestock have been the first to perish, the local population has found itself unable to trade or shop at the markets, where the asking price for any remaining food on sale is too high to afford.

In Somalia, on-going violent conflict has aggravated the food shortage and prevented the initiation of any development programmes or international investment to soften the effects of the drought. Humanitarian aid access has been banned by Al-Shabab, the militant Islamist group that controls much of southern Somalia since 2009. The World Food Programme (WFP) estimates that it cannot reach some 2.5 million people in need of urgent relief in Somalia, while UNHCR reports over 25% of Somalia’s 7.5 million

people to be displaced. The refugee migration has led to the establishment of several refugee camps along the borders of Kenya and Ethiopia, including the Dabaab camp, which has become the biggest refugee complex in the world. Mogadishu hosts Safety, one of the camps for internally displaced persons (IDPs) within Somalia.

How did the situation develop this far in the Horn of Africa? UN agencies and international aid agencies monitoring the region, such as Oxfam and ACF, have issued alerts and appealed to the international community for increased emergency funding ever since last year. Yet the response is only coming now. The current conditions are not solely the result of a spell of drought that calls for international relief mobilisation. Structural deficiency and lack of long-term, integrated development projects and investments in the region are the underlying reasons for the inability of these communities to protect themselves against a crisis of this character: a crisis that emerged as an outcome of climate change, inflation, shortage of crops and livestock, high transport and fuel costs, immense poverty, corruption, bad governance and in many parts of the region, violent conflict.

The key to addressing the current crisis and possible future crises to come is adopting an integrated and sustainable approach to food security, poverty and climate change. This cannot be realised without improved governance, reduced levels of conflict and increased levels of investment in the region. As highlighted by Robert B. Zoellick, President of the World Bank, “immediate relief and recovery is the first priority(-). But ... long term solutions of economic recovery and drought

resilience ... are key to re-establishing livelihoods and ensuring that droughts don't take such a heavy human toll in the future". The first ever G20 agriculture ministers' meeting was held in June and an action plan was set out for improving information sharing and data collection, in order to provide early warning systems and better international cooperation to deal with future food crises. This is a welcome step forward. A focus on developing strong regional capacities in disaster risk reduction and resilience is also crucial. More focus should in addition be placed on reducing deforestation and overgrazing, and on improving water conservation and irrigation systems. Support should be targeted for small farmers, providing them with tools, seeds, fertilisers and knowledge on how to boost and sustain rural livelihoods. On Monday 25 July, the World Bank pledged more than \$500 million towards long-term projects targeting drought resilience, as well as \$12 million in immediate assistance to drought victims. The Bank is also boosting its overall agriculture-related investment by almost double, reaching \$8 billion a year.

Emergency relief must continue, but action on a longer term approach can no longer be left on stand-by. In its 2011 focus, the Parliamentary Network on the World Bank (PNoWB) has been raising awareness on precisely the interlinking issues that are now relevant to the crisis in East Africa: climate change, food security and good governance. Instead of treating these issues as separate, their interlinked nature should be recognised. Fortunately, from a global perspective, signs of optimism can be found in the current political focus on food security and agricultural development (as highlighted in the World Development Report of 2011, focusing on conflict, development and security).

What role can parliamentarians play in improving the current crisis and ensuring the ability to better prepare for such conditions in the future? This year, PNoWB has launched a new programme of Parliamentary Questions, by which parliamentarians worldwide are provided with one topical question to be put forward to their respective governments each month. So far, the questions have addressed the global rise in food prices, private sector development in Sub-Saharan Africa, and good governance. This is one way for parliamentarians to remain active on issues of utmost relevance and ensure that their governments react appropriately. This will hopefully also create a greater demand for increased transparency and accountability from the government. Members of parliament should also push for better and more climate-aware agricultural policies. The agricultural sector is more vulnerable to climate change than any other sector, and constitutes one third of GDP and three thirds of employment in Sub-Saharan Africa, where the regions prone to climate related crises often constitute the poorest as well. Members of parliament should actively lobby for increased awareness and cooperation with international organisations such as the World Bank, G20, and the UN.

Evidently, more investment in the region is necessary to successfully sustain long-term development. This necessitates increased attention towards improving the business climate and developing the private sector – a well-operating private sector can serve as a far better catalyst for poverty reduction and raising people's standards of living than public programmes. In this context, MPs should also focus their efforts on ensuring their respective governments take steps towards improving their business climates and facilitating greater investments into local infrastructure sectors such as transport and electricity.



The Road to Busan: Preparing for the Fourth High-Level Forum on Aid Effectiveness

In November 2011, the global community will meet in Busan, Korea, not only to review progress on implementing the Paris Declaration on Aid Effectiveness (PD) and the Accra Agenda for Action (AAA) but, more importantly, to build on the foundations of these commitments and actions.

The changes in the global economic environment, especially in the aftermath of the global financial crisis and economic recession, demand that we critically review existing structures for managing aid, and that we work with all our global partners to lay the foundations for a new international development co-operation architecture. This new architecture would take cognizance of and internalize the global community's achievements in aid effectiveness, as well as allow the unfinished aid agenda to be addressed.

PNoWB, together with the Association of European Parliaments with Africa (AWEPA), the Inter-Parliamentary Union (IPU), and the Network of African Parliamentarians (NAP) is preparing for the High Level Forum on Aid Effectiveness (HLF4) to be held in Busan, South Korea, from 29 November to 1 December 2011. PNoWB, AWEPA IPU, and NAP are joining forces with the South Korean Parliament to organize a Parliamentary Meeting on the first day of HLF4 in Busan to encourage debate and ensure the contribution of Parliamentarians during the forum and in the final outcome document. The Parliamentary coalition on HLF4 has produced a detailed list of Legislative Principles for Development Effectiveness to be integrated in the Busan outcome document, for which there is an extensive and ongoing

consultation process. PNoWB has been working in collaboration with the Organisation for Economic Cooperation and Development (OECD) in order to bring as many Parliamentarians as possible from across the globe to Busan this November. As elected policy makers, with knowledge of regional and national budgets, Parliamentarians are in the perfect position to contribute to their country's development strategies and initiatives that improve the implementation of international aid. International aid has contributed to economic growth, improved social services, funded projects in education, health and livelihoods and provided humanitarian relief in times of crisis. However, there is still much to be done if we are to achieve our global commitment to the Millennium Development Goals (MDGs).

In 2010 PNoWB launched a campaign on aid effectiveness and calling on the World Bank to engage more with donor and partner country Parliamentarians throughout the IDA16 replenishment and implementation cycle in order to build stronger alliances for positive change. To help reach the MDGs in 2015 four key areas should be addressed throughout IDA16: country ownership, strengthening statistical systems, peer review and leading by example in population, health and nutrition programs. PNoWB calls on Parliamentarians to engage with their respective governments to encourage debate, policy analysis and bring forward specific country strategies on improving aid effectiveness in preparation for the HLF4 2011. For their part Parliamentarians should become familiar with the previous High Level Forum outcomes - Accra Agenda for Action and the Paris Declaration - in preparation for the HLF4 2011.

LEGISLATIVE PRINCIPLES FOR DEVELOPMENT EFFECTIVENESS

1. Recognize the Role of the Legislature as Key Actors in Development Effectiveness: The most significant innovation toward aid and development effectiveness in the context of the new aid architecture should be the elevation of the legislative branch of government to ensure domestic accountability as part of a system of governance which includes clear separation of powers. Towards these ends:

1.1 There must be recognition that development effectiveness will always be significantly enhanced by oversight of development expenditures, including aid, by the existing, constitutionally mandated, institutions in each country;

1.2 Generally, legislatures are charged with debating and approving national development plans and budgets and with monitoring and holding government to account for the delivery of development results;

1.3 Specifically, legislatures are responsible for:

1.3.1 Scrutinizing, debating, and passing legislation;

1.3.2 Creating legal frameworks for development activities;

1.3.3 Deliberating on and approving national budget (ex ante);

1.3.4 Exercising effective budget oversight (ex post);

1.3.5 Scrutinizing and approving foreign loans and conditions attached to them;

1.3.6 Monitoring executive branch implementation of budgets;

1.3.7 Engaging with constituents on development issues and community level monitoring;

1.3.8 Representing citizens' interests in policy preparation and formation;

1.3.9 Accessing executive branch progress reports and reviewing these in committees;

1.3.10 Contributing to the formulation of aid policies and overseeing their implementation;

1.3.11 Approving, where relevant, poverty reduction strategies and country strategy papers.

2. Recognizing the Legislative Stake in Country Ownership: The legislature is the pre-eminent forum for inclusive political dialogue and national debate. As such, the development agenda can be said to be owned by a country's legislature. Legislatures can distill citizen preferences and provide a broad assessment of a country's needs with inputs from political parties and civil society. Therefore:

2.1 Legislators, including those from the opposition, must be systematically incorporated into policy dialogues with national and international institutions on issues of development assistance, priorities, and use in order to insure donor alignment with recipient country policies;

2.2 Legislators, from a broad spectrum of committees should have a seat in all existing aid effectiveness structures at country level as a prerequisite for the scrutiny of expenditures and oversight of development results;

2.3 Legislators must be informed in advance of relevant meetings both in terms of timing and content;

2.4 CSOs should channel their interests more effectively through national and decentralized assemblies;

2.5 Donors should demand that the legislature debates/and adopts development plans and strategies.

3. Recognizing the Role of Legislatures in Accountability: It should be acknowledged that domestically, there needs to be accountability for the use of development revenues, including aid; this encompasses interactions between executive branches, national and decentralized assemblies and CSOs. Internationally, there needs to be accountability for the promises made by donors; this should include interactions between national legislatures, donor country legislators and CSOs. These feedback loops have the potential to help strengthen the confidence of donor taxpayers in the successes of ODA, including at the regional level, where serious oversight gaps often exist. For this reason:

3.1 On domestic accountability: Donor country executives should enlist the support of recipient country legislatures to hold recipient country executives to account for the appropriate, effective and timely use of development aid;

3.2 On mutual accountability: Recipient country executives should enlist the support of *donor* country legislatures to hold donor country executives to account for promises made on disbursement priorities, modalities, amounts, and timing;

3.3 National legislatures in recipient countries should take the lead in facilitating in-country coordination amongst the decentralized assemblies, local governments and itself;

3.4 Regional legislatures in regions receiving aid should oversee ODA entering the areas within their remit and coordinate on development priorities and strategies with national parliaments of the regional community;

3.5 Donor and recipient country legislators should regularly engage with one another and share best practices on how to enhance oversight of their respective executives.

4. Strengthen the Capacity and Legal Authority of Legislatures: Given the reality that most legislatures in developing countries lack basic capacities to execute their mandates fully, or do not have sufficient legal authority to hold governments to account, donors must provide assistance for legislative capacity development, at the local, national, regional and continental levels. This is in recognition of the reality that partner country governments and executive bodies may not always do so with sufficient zeal to enable the change needed to scrutinize all development expenditures, including those of donors via budget support and off-budget donor and CSO channels. Therefore:

4.1 Donors should provide support to strengthen legislative oversight capacity, including in relation to scrutiny of donor contract expenditures, on the basis of the legislatures' own capacity development plans;

4.2 Donors should make use of the expertise of inter-parliamentary organizations in providing such support;

4.3 Capacity building should be extended to other stakeholders on how best to engage with legislatures;

4.4 Capacity development should include support for parliamentary staff/secretariat;

4.5 South-South and Triangular Cooperation amongst parliamentarians should be supported by development partners.

5. Aid Modalities, Transparency and the Budget Process: Because a legislature's ability to conduct effective oversight is highly dependent on an environment conducive to such oversight and the cooperation in support of relevant budgetary principles and structures:

5.1 Donors should opt for general budget support, where possible;

5.2 Donors must provide aid in a manner that allows the executive to put aid on budget if support is not channeled via direct budget support to enable legislative oversight;

5.3 All information on aid flows and use must be made accessible to, and usable by, the legislature to allow for oversight;

5.4 Budget calendars must allow enough time for relevant parliamentary committees to analyze budget proposals before approving them;

5.5 Parliaments should have the authority to demand and review government reports, budget analyses, audits and other documents not normally available to the public, as well as the authority to review all budget re-allocations and amendments.

6. Indicators: It must be recognized that the role of the legislature requires performance measurements and assessments. For this reason:

6.1 Legislative capacity should be adopted as an indicator of aid and development effectiveness and measured over time, so that a strong legislature will be understood as one element of an exit strategy that donors will leave behind in the knowledge that it contributes to sound financial management, sustainable political stability, and economic success.



Women and Conflict

According to the 2011 World Development Report on Conflict, Security and Development more than 1.5 billion people worldwide live in areas affected by violent conflict and high criminal activity. Additionally not one country suffering from repeated cycles of violence has achieved a single Millennium Development Goal. While there has been progress across the board it is clear that violence and civil unrest represent significant barriers to universal healthcare, universal education, the end of poverty and hunger, gender equality, child health, maternal health, combating of HIV/AIDS, achieving environmental sustainability and maintaining global partnerships to finance development. With a number of the MDGs specifically geared towards women it is not surprising to see a relationship between the vulnerability of women in times of conflict and the state of progress in development.

Armed conflict leads to the breakdown of political systems and economic stability which heightens women's vulnerability. This is not to say that men are not also in danger during conflict, however traditionally the role of men as soldiers has been the face of war and therefore received more public attention. Today the conflict zones colouring African's landscape alone are reminders that the battle field and the village have little or no boundaries in modern warfare. While the suffering of men in conflict is extremely important to consider what often renders women's suffering apart is the invisibility of it in the public domain. Even the most direct violence towards women including rape and sexual slavery, physical violations that carry extreme consequences, such as the passing on of HIV, carry social stigmas that may pressure women into suffering in silence. A woman often faces the threat of losing her social network if her rape is made public, unable to marry or perhaps rejected by a husband. According to UNIFEM an estimated 20,000 to 50,000 women

and girls were raped during the war in Former Yugoslavia. During the 1994 Rwandan genocide between 250,000 to 500,000 women and girls were raped in Rwanda. Yet the most disturbing figure is that recently estimated by researchers at the World Bank, the International Food Policy research Institute and Stony Brook University; in the Democratic Republic of Congo alone 400,000 women were raped in a 12 month period in 2006-07 - that is 48 women raped every hour. While these sexual crimes are committed mostly by Rebels and Soldiers, they are also being committed by husbands and men in the villages. Michael Van Rooyen, Director of Harvard's Humanitarian Initiative, said "rape is becoming part of the culture". Rape can no longer be considered an unfortunate bi-product of war; it is a targeted crime and weapon of war that will have severe consequences on culture and development at large if it is not addressed.

However, direct violence against women is just one part of a too often untold story; The World Health Organisation says that conflict exacerbates existing inequalities experienced globally by women and more over may lead to new forms of discrimination against them. Women are more likely to suffer from hunger and exploitation within refugee camps after being displaced, as men take control of the distribution of food. Women suffer more from malnutrition during conflict when food aid neglects women's and children's special nutritional requirements. Women are more likely to suffer culturally inappropriate and inadequate access to health services, including mental and reproductive health services. Often health services available in emergency situations are dominated by men, therefore many women and girls, for cultural or religious reasons, underutilize these services despite their need of them.

Additionally, mothers are particularly vulnerable as they often prioritize the wellbeing of their children and a tragic consequence of conflict is that far more children die as a result of disease and malnutrition, more even than from direct attack. UNICEF says in countries where children are already vulnerable to disease, the onset of armed conflict may increase death rates by 24-fold. For example, the war in Mozambique between 1981 and 1988, caused an estimated 454,000 excess childhood deaths, above what would have normally been expected. And during the conflict in Somalia, half the deaths in some places were caused by measles. The WHO estimates that half the world's refugees may be infected with tuberculosis, coinciding with a breakdown of health services for women, girls and the children in their charge.

Yet another gender biased result of recurrent violence is a drop in female education levels. This is due to a number of factors, notably the route to school becoming unsafe, as was often the case in during the conflict Somalia. Also, women suffer an increased workload if there is an absence of males, which discourages schooling. Young girls are also given family responsibilities in the absence of parents. In some wars, particularly religious or cultural, as was the case in Afghanistan, certain factions may enforce a curtailment on female education. The World Bank has released reports that suggest a lack of female education during conflict has drastic implications for a nation's recovery. The World Bank has described education as the single most important factor contributing to a nation's economic growth.

Those acting to help Women in conflict

In the spring of this year the IMF and the World Bank held their Development Committee Communiqué, where they announced they would “intensify [their] efforts to achieve results by 2015, especially in lagging regions, fragile states and for vulnerable and historically excluded populations, including women and girls...” The World Bank is currently funding a number of initiatives with a gender focus, from economic empowerment programs in Liberia to health care initiatives in the DRC and Afghanistan partly or entirely geared towards women's healthcare needs and social restrictions. There are also various education programmes geared towards female circumstances and needs particularly in rural areas. The World Development Report 2012 will be devoted to the concerns and issues surrounding gender in development. That said gender groups, such as Gender in Action, encourage IFIs to consider gender in all aspects of their programming in order to avoid perpetuating and intensifying gender inequalities, particularly in food and agricultural investments, which are particularly vulnerable in times of conflict.

A role for Parliamentarians

WDR 2011 is a useful resource currently available for Parliamentarians and should be considered, especially in light of societies' most vulnerable, in policy making. PNoWB encourages Parliamentarians, particularly in areas of conflict, to contribute to peaceful objectives, national and regionally, through the buildup of stable institutions, job creation, health care and education, each with a clear imperative of the social advancement and safety of women.

Understanding the Gender Equality MDG

- **Poverty is a major barrier to education, especially among older girls**
- **In every developing region except the CIS, men outnumber women in paid employment**
- **Women are largely relegated to more vulnerable forms of employment**
- **Women are over-represented in informal employment, with its lack of benefits and security**
- **Top-level jobs still go to men — to an overwhelming degree**
- **Women are slowly rising to political power, but mainly when boosted by quotas and other special measures**



The role of parliamentarians in international development is still widely overlooked when it comes to decisions on a country's development priorities for as well as on how international aid should be distributed in their country. While parliamentarians might be informed about aid-funded projects or loans to their country, they are still not involved in the negotiation and final decision process.

In certain cases, legislatures in developing countries lack basic capacities to execute their mandates fully, or do not have sufficient legal authority to hold governments to account. There is a clear need for legislative capacity development, at the local, national, regional and continental levels to enable the change needed to scrutinize all development expenditures. It should be acknowledged that domestically, there needs to be accountability for the use of development revenues, including aid; this encompasses interactions between executive branches, national and decentralized assemblies and CSOs.

In 2011 PNoWB decided to mobilize parliamentarians to use their scrutinising function through a series of parliamentary questions. By encouraging parliamentarians to ask their government questions on current problems in international development, parliamentarians act at the heart of policy-making by encouraging reflection on possible solutions. Parliamentary questions are a way for MPs to oblige their governments to respond to unclear areas in legislation or to pinpoint issues that were not previously addressed. In international development finance, parliamentary questions permit MPs to hold their governments – and through them International Financial Institutions – accountable as to what happens in the project financing and loan negotiations. As

the direct representatives of their constituency, MPs are often better aware of the needs of their populations. Therefore, they can bring up previously unaddressed issues into the discussions.

As the legislative branch of a government, Parliamentarians are responsible for translating international agreements into actions via planning, legislation and budget allocation. Parliaments are behind the legislation which will affect the activities in areas ranging from private sector development to climate change mitigation, and, therefore, play a key role in translating commitments into action.

The parliamentary questions programme is still an imperfect way for Parliaments to hold International Financial Institutions (IFIs) like the World Bank and the International Monetary Fund accountable through their governments. PNoWB's ultimate goal is for IFIs to officially include work with MPs when determining project financing and loans to their countries.

Parliaments PNoWB will provide parliamentarians worldwide with one question to ask their governments each month. These parliamentary questions, based on the key policy themes, will be suggested by PNoWB Board and members, and distributed to parliamentarians by the Secretariat. Under this programme, Parliamentarians can also ask peers to pose questions in their respective parliaments, so that MPs from one country can pose a question in the parliament of another.

PNoWB members will send their feedback to the Secretariat, which will share the results with the Network for comments and possible follow-up activities.

Example of Parliamentary Question on Rising Food Prices

Global food prices have been steadily increasing for the past couple of years. The World Bank's food price index has increased by 15% between October 2010 and January 2011 and is only 3% below its 2008 peak. The food price increases have affected staple foods such as wheat, maize, sugar, edible oils, and rice prices. This situation is aggravated by growing world population, which puts additional strains on agricultural commodities, as well as by climate change, which leads to droughts or floods in various parts of the world. Increasing food prices are at the top of the G20 agenda. In the Communiqué from the last G20 meeting in February 2011, the Group called for long-term investment in the agricultural sector in developing countries. Senior Economists from the Food and Agriculture Organisation (FAO) have also highlighted the need for public and private sector investment to establish the basic conditions for productivity growth to reverse the decline in aid flows to agriculture.

The FAO has also recently updated its 'Guide for Policy and Programmatic Actions at Country Level to Address High Food Prices', and is holding seminars designed to raise awareness of the various policy options and to design country-specific immediate actions in response to rising food prices in Africa, Asia and the Pacific, Central Asia, Europe, Latin America, and the Near East. The World Bank has undertaken various measures to alleviate the negative consequences of increased food prices on the poorest countries, including continued investment in the Global Food Crisis Response Program (GFRP) – as of early September 2010, GFRP projects from Bank funds amounted to \$1.24 billion in 35 countries. Despite the fact that the Bank is also working to help countries develop risk management products to increase capacity to respond to future price increases, the Bank continues to promote a market-led approach to stabilizing food price volatility, while the UN's Conference on Trade and Development (UNCTAD) sees more room for international management of food markets, including "taxation measures to reduce speculation in global commodity markets", "innovative commodity price stabilization schemes" and "emergency finance to protect poor countries during commodity price shocks". What will be the approach of this government to reducing food prices? What policies will be undertaken, in cooperation with International Financial Institutions, to encourage investments in agriculture to help prevent chronic insecurity, in particular in Least Developed Countries (LDCs)?

Example of Parliamentary Question on Private Sector Development in Sub-Saharan Africa

It has long been said that in order to lessen their dependence on international aid, developing countries need to establish a favourable environment for private sector-led development. Indeed, a well-operating private sector can be a catalyst for poverty reduction and raising people's standards of living. A functioning private sector in emerging markets, however, requires a large amount of investment to first build a modern economy's infrastructure. Looking at Sub-Saharan Africa, one of the poorest regions in the world, there has been substantial progress in attracting funds. A 2010 Report entitled 'McKinsey on Africa: A continent on the move' highlights the enormous potential of the continent and the improvements achieved so far. Sub-Saharan Africa has made substantial advances in its business environment to attract new investment. In the last Doing Business 2011 rankings, there are three Sub-Saharan Africa countries among the 10 most-improved economies—Rwanda, Cape Verde, and Zambia.

Many governments have made substantial efforts to introduce private sector reforms and suppress civil unrest, which in addition to recent increases in oil and commodity prices, has helped to increase Sub-Saharan Africa's overall GDP. Nevertheless, it remains to be seen if the current economic growth will be sustainable, once commodity prices stop rising. Many countries on the continent are struggling to attract capital due to problems related to poor governance, weak institutions, and civil unrest, among other reasons. In the World Bank Doing Business 2011 Report, under the ease of doing business rankings, 32 out of the 50 lowest-ranked countries are in Sub-Saharan Africa. Twenty-three of these countries also ranked poorly in starting a new business and protecting investors. Clearly, there is still room for progress in establishing vibrant and diversified domestic economies in Africa. In this context, how is this government, in cooperation with International Financial Institutions, planning to support improvements in the business climate in Sub-Saharan Africa, including facilitating business establishment and operations? What investments have been allocated to strengthening local infrastructure in sectors such as transport and electricity? How is this government improving the climate for private agricultural investment in Sub-Saharan Africa? Finally, what steps will the government take to ensure an educated and well trained labour force to sustain the development of the private sector?



PNoWB's Ghana Chapter

The Ghana Chapter of the Parliamentary Network on the World Bank (PNoWB) was officially launched on 14 July 2007 by a group of Ghanaian Parliamentarians, led by Honorary Kwabena Appiah-Pinkrah, Interim Chairman. The creation of the Ghana Chapter of PNoWB was a natural next step taken by local parliamentarians wishing to render local and global politics in Ghana more transparent and accountable, notably in the field of aid delivery and donor funds' monitoring. In attendance of the launch meeting were 12 founding members of the Chapter, as well as representatives from the Ghana Audit Service, non-governmental organisation Transparency International, and the World Bank (WB) Country Office, including the WB's Country Manager.

The objectives of the Ghana Chapter of PNoWB are as follows:

- To facilitate relations between Parliamentarians, the World Bank and other multilateral organisations present in the country;
- To deepen Parliamentarians' understanding of poverty reduction strategies and the Millennium Development Goals;
- To deepen Parliamentarians' understanding of the workings of multilateral financial organisations and development partners;
- To involve Parliamentarians in World Bank country programmes, and to support the WB and the International Monetary Fund (IMF) in knowledge-sharing;
- To engage in and provide advocacy, oversight and research from a local perspective, and towards realising those aspects of Ghana's development goals which depend on its relationship with the World Bank and the IMF; -To encourage and mobilise Parliamentarians to take concrete actions to

challenge the present lack of transparency in the use of public funds;

- To seek to support Parliament leadership to compliment the workings of the both the Finance Committee and the Public Accounts Committee in concretising the role of Parliament in ensuring effective utilisation of public funds;
- To provide a platform for fostering good governance and transparency in development cooperation in Ghana, World Bank-funded programmes in the country, and within the Ghanaian legislature itself.

The Network's Ghana Chapter currently has 24 members – representing parliamentarians from across party lines and from across Ghana. The Chapter Secretariat is currently housed in temporary facilities in the Parliament in Accra, with a view to attaining their own office space for the purposeful use of PNoWB Ghana. PNoWB Ghana members are resolute in working together as a non-partisan entity.

Activities

Since its launch in July 2011, PNoWB Ghana has actively engaged its members in the planning of its next steps, which include:

Organising a 'sensitisation workshop' in September 2011 to ensure PNoWB Ghana members have a thorough understanding of the dynamics of multilateral institutions and their relationship with the government of Ghana. Representatives of the World Bank country office in Accra will participate in a series of parliamentary dialogues on good governance and development during the workshop;

Prepare a delegation to attend and participate in the Annual Meetings of the World Bank and the IMF in Washington D.C., September 2011;

and set up their own office space, independent from the Parliament of Ghana.

Relationship with the World Bank Country Office

PNoWB's Ghana Chapter finds its relationship and communications with the World Bank Country Office in Accra to be exceptionally good, and sees the local WB representatives as partners for cooperation in dialogue and knowledge-sharing. The current Chair of PNoWB's Ghana Chapter, Hon. Kwabena Appiah-Pinkrah, has a thorough understanding of the workings of the local World Bank office, having served as a consultant for the organisation for many years.

In his speech at the launch of the PNoWB Ghana, the World Bank Country Manager stressed the importance of continuous dialogue and transparency in the execution of development projects. He urged the Ghana Chapter of PNoWB to act as social auditors and provide the constructive feedback on its various projects.

Following the launch event on 14 July 2011, the PNoWB Ghana Chapter has also secured the participation of World Bank representatives at their sensitisation workshop to be held in September. Additionally, PNoWB Ghana has requested financial assistance from the WB Country Office towards covering the transport costs for its delegation to the WB-IMF Annual Meetings in Washington D.C. in September 2011.

Demanding Increased Parliamentary Oversight and Increased Transparency in the Distribution of Aid in Ghana

The Ghana Chapter of PNoWB has identified the need for greater transparency in aid distribution and improved monitoring of public funds as its principal challenges. Parliamentarians in Ghana currently exercise

no oversight or scrutiny over the use of public funds, and members of the Ghana Chapter quote high levels of corruption as an undermining the legitimate and effective implementation of development programmes. As a first initiative, PNoWB Ghana seeks to mobilise parliamentarians to take concrete actions to challenge the current lack of transparency in the Government's use of public funds through knowledge-sharing. It also means concretising Parliament's role alongside the Government's Finance Committee and Public Accounts Committee and rendering the Government more accountable to Parliament. Following its founding meeting in July 2011, PNoWB's Ghana Chapter will commence its work to overcome these challenges by holding a sensitisation workshop in September 2011 for its new members, representatives of the Government and representatives of international development organisations.

The PNoWB International Secretariat will continue to support its Ghana Chapter to ensure that its members can fulfil their role as Parliamentarians and create a strong legislative framework for managing the transparent and efficient distribution of aid funding in Ghana.

Concluding remark

PNoWB Ghana has identified two key requirements for continued successful and robust dialogue between the Ghanaian parliament and the local World Bank country office. First, members of parliament must be more proactive in demanding engagement with the Bank. Second, the World Bank and other development partners should take full advantage of the opportunity that PNoWB Ghana presents to involve MPs in development cooperation.



Survey Story on the situation in East Africa

In an interview, IMF African Department Director Antoinette Sayeh said that there is also room to boost disaster-relief aid effectiveness. Sayeh was speaking ahead of an August 25 pledging conference in Addis Ababa, Ethiopia, convened by the African Union to raise financing for drought relief in East Africa. In a separate statement, IMF Managing Director Christine Lagarde welcomed support from the international community that has been pledged so far in a twin-track approach to provide immediate relief and ensure food security in the long term.

Full story:

<http://www.imf.org/external/pubs/ft/survey/so/2011/CAR082411A.htm>

Recent Lagarde Op-ed on “Don’t Let Fiscal Brakes Stall Global Recovery”

The current market turmoil, marked by a huge spike in uncertainty, has shaken confidence across the global economy and prompted many to conclude all policy options have been exhausted. That impression is wrong – and could lead to paralysis. After the crisis unfolded in late 2008, global policymakers came together to act with common purpose. Their efforts saved us from a second Great Depression, by supporting growth, attacking sclerosis of the financial arteries, rejecting protectionism and providing resources to the International Monetary Fund. It is time to rekindle that, not only to avoid the risk of a double-dip recession, but also to put the world on the path of solid, sustained and balanced growth.

Full story:

<http://www.imf.org/external/np/vc/2011/081611.htm>

Blog on Social Spending

The results of an IMF study suggest that IMF-supported programs are compatible with the efforts of countries to boost critical social spending to improve social outcomes. But, it will be equally important, as many scholars have emphasized, to improve the targeting and efficiency of public spending to make it a more powerful instrument for bettering the lives of the poor.

Full story: <http://blog-imfdirect.imf.org/2011/08/31/misconceptions-about-the-imf-and-social-spending/>

Staff Discussion Note on “What Happens to Social Spending in IMF Programs”

This Staff Discussion Note finds that education and health spending have risen during IMF-supported programs at a faster pace than in developing countries as a whole. The analysis is based on the most comprehensive dataset assembled thus far for this purpose, with data covering 1985–2009 for 140 countries. Controlling for other determinants of education and health spending, including macroeconomic conditions, the results confirm that IMF-supported programs have a positive and significant effect on social spending in low-income countries. Over a five-year period with IMF-supported programs, spending for education increases by about ¾ percentage point of GDP; and for health, by about 1 percentage point of GDP. IMF-supported programs are also associated with increases in the share of government spending allocated to education and health.

Full story:

<http://www.imf.org/external/pubs/cat/longres.aspx?sk=25190.0>



Op-ed by World Bank President Robert Zoellick on China

The world's economic leaders need to "rebalance" their thinking as well as their economies. Fiscal and monetary policies have dominated. That makes sense to a degree: decisions on deficits, debt and the eurozone this autumn may well determine whether the global economy slides deeper into danger, or begins the long climb back. But these policies are insufficient for sustained growth: we need action on the structural dynamics to generate jobs, higher productivity, and a sustainable long-term rebalancing. What happens in China is as important as Europe, Japan, or the United States.

Full story:

<http://www.worldbank.org/en/news/2011/09/02/the-big-questions-china-still-has-to-answer>

World Bank to tap Singapore's expertise to boost support for developing countries

World Bank Group President Robert B. Zoellick and Singapore Deputy Prime Minister Tharman Shanmugaratnam today signed an agreement marking a new partnership to offer development solutions around the globe. The agreement allows the World Bank Group to leverage Singapore's development expertise with Singapore becoming the site of a new World Bank Group-Singapore hub for knowledge and financial activities for Asia and beyond. The expansion builds on the successful experience of the World Bank-Singapore Urban-Hub and Infrastructure Center of Excellence (IFCOE) – a strategic partnership for integrated urban development and infrastructure financing solutions.

Full story:

<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:22993952~pagePK:>

Sustaining Achievements in Palestinian Institution-Building and Economic Growth

The September 2011 meeting of the Ad Hoc Liaison Committee coincides with the completion the Palestinian Authority's ambitious two-year program "Palestine: Ending the Occupation, Establishing the State", presented on August 25, 2009. There has been substantial progress in implementing the program's goals and policies, centering on the objective of building strong state institutions. However, the onset of an acute fiscal crisis, accompanied by declining economic growth, may undermine the promise of these institution-building achievements.

Full story:

<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:22995969~pagePK:34370~piPK:34424~theSitePK:4607,00.html>

Colombia: Healthier People, A Stronger Economy Through Better Environmental Management

With the support of the World Bank, Colombia introduced a number of reforms that reduced air pollution levels in large cities and introduced new instruments for improved environmental management, potentially benefitting both the health of its people and also its economy. The Government increased public participation in environmental decision-making, and prepared critical policies and laws related to sustainable development, air quality, water quality, solid waste management, and environmental licensing.

Full story:

<http://go.worldbank.org/C5CGR5B100>.

Join the Network!

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Please return your membership form
by e-mail to secretariat@pnowb.org

World Bank Nominations

External Relations Vice President **Caroline Anstey** is becoming **Managing Director for Operational Services**, Policy & Systems. A UK national, Caroline Anstey holds a PhD from the London School of Economics and a Post-Doctoral Fellowship from Nuffield College, Oxford. Before joining the World Bank, Anstey worked as Political Assistant to the Rt. Hon. James Callaghan MP, and as Editor of the BBC weekly current affairs program "Analysis". Within the bank Anstey has worked in various positions including: World Bank Chief of Staff to President Robert B. Zoellick; and Vice President, External Affairs, since July 2010.

Inger Andersen, currently Vice President of the Sustainable Development Network is the new Vice President for the **Middle East and North Africa (MENA) region**. Andersen, a Danish national and Arabic-speaker, joined the Bank in 1999. Prior to joining the Bank, she worked at the United Nations for 12 years. Her country experience is extensive, including five years in Sudan. She received her Master's Degree in Development Economics and African Politics from the University of London, School of Oriental and African Studies.

International Monetary Fund Nominations

Christine Lagarde was elected **Managing Director of the IMF** by the organization's 24-member Executive Board at the end of June 2011. Before taking over as France's Minister of Economy, Industry and Employment, Ms. Lagarde has also acted as the country's Trade Minister from 2005 to 2007, and has also served as Chairwoman of the international law firm Baker & McKenzie.

First Deputy Managing Director David Lipton has replaced **John Lipsky**, whose term ended on August 31. Before coming to the Fund, Mr. Lipton was special assistant to the President and served as Senior Director for International Economic Affairs at the National Security Council at the White House. He was also a Managing Director at Citi after working for 5 years at Moore Capital Management. Lipton earned Ph.D. and M.A. from Harvard University in 1982 and a B.A. from Wesleyan University in 1975.

Min Zhu who used to be Special Advisor to the Managing Director is now **Deputy Managing Director**. Mr. Zhu, a native of China was a Deputy Governor of the People's Bank of China. Mr. Zhu also worked at the World Bank and taught economics at both John Hopkins University and Fudan University. Mr. Zhu received a Ph.D. and an M.A. in economics from John Hopkins University, an M.P.A. from Woodrow Wilson School of Public and International Affairs at Princeton University and a B.A. in economics from Fudan University.

Gerry Rice will be replacing **Caroline Atkinson** as **Acting Director for External Relations**. Rice has served as Director of Internal Communications, Speechwriter to Presidents Preston and Wolfensohn, Assistant to the Managing Directors, and as Senior External Affairs Officer for the Africa Region. Gerry Rice holds a PhD in Modern History from Glasgow University and was a Kennedy Scholar at Harvard University.

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