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### Chairman's Foreword

One of the main reasons for the 62% fall in global deaths from malaria between 2000 and 2015 – and its elimination in 17 countries, including most recently Sri Lanka - has been close international cooperation. We have seen this especially in research, development and deployment of new drugs, insecticide-treated bed nets and rapid diagnostic tests.

The Medicines for Malaria Venture (MMV) is a fine example of how this international cooperation works. It supports pharmaceutical companies to develop new medicines for malaria which would otherwise be difficult or impossible to produce commercially.

By 2000, the efficacy of the standard treatments for malaria was poor. Resistance to chloroquine was high almost everywhere.



**Sulfadoxine-pyrimethamine** (SP - which had replaced chloroquine as the main drug in several countries) was also becoming less effective. While there were new drugs emerging based on extracts from the *Artemisia annua* plant, they needed much more work done on them.

MMV was therefore set up with the specific aim of working with companies to bring potential drugs through research and development to the market. From 1999, the largest donor has been the Bill and Melinda Gates Foundation (\$538m – 54.8%) followed by the United Kingdom (total \$201m – 20.5%)

MMV's 2016 report shows how far we have come since 2000.

*MMVs portfolio since 2000 (number of products by stage)*

	<i>Research</i>	<i>Translational</i>	<i>Product Development</i>	<i>Access (on the market)</i>
<i>2000</i>	<i>6</i>	<i>4</i>	<i>0</i>	<i>0</i>
<i>2010</i>	<i>19</i>	<i>4</i>	<i>5</i>	<i>3</i>
<i>2016</i>	<i>21</i>	<i>9</i>	<i>7</i>	<i>10</i>

With MMV's support, companies are now developing drugs to tackle specific problems in malaria. For instance, there has been no new medicine for relapsing malaria (*vivax*) for 60 years. This is most common in South and East Asia and Latin America. It is not as deadly a *falciparum* malaria (which mainly occurs in sub-Saharan Africa), but is very debilitating. GlaxoSmith-Kline is now in phase 3 trials with its single-dose treatment Tafenoquine. If approved, this medicine would bring a great improvement to the quality of life for tens of millions of people.

At least 200,000 babies and 10,000 women die every year from malaria contracted around pregnancy. MMV is both supporting work to improve the coverage of interventions to protect pregnant women with the current treatment and to check the safety of a potentially more effective alternative.

As with many diseases which require the patient to take drugs over a period of time, there is a problem with compliance – as I know myself, having had a number of courses of treatment. This can result in the parasite developing resistance to the drug. So MMV is working with partners on cures which are easier to take.

If someone develops severe malaria, until recently the only hope was treatment with quinine. Now we also have injectable artesunate (thanks to MMV's work with Guilin Pharma). More than 75 million vials have been delivered to date. It is estimated that an additional 450,000 lives have been saved as a result.



In much of the Sahel, malaria is a seasonal, but deadly, problem. So prevention work has started with at least 18 million children being protected through prophylactic use of SP+AQ, another collaboration between Guilin Pharma and MMV.

If international cooperation on malaria - and indeed other diseases such as HIV/AIDS, TB and the neglected tropical diseases - has achieved such results in less than 20 years, can we not apply a similar model to other global challenges? Anti-microbial resistance is an obvious candidate – and work has already started on that, with the UK again taking a lead. But I wish to suggest another – the creation of jobs and livelihoods for young people.

It is estimated that we will need at least one billion new jobs and livelihoods in the next 10-15 years to meet the demand of a growing population. The potential consequences of failing to create them are clear – increased poverty, forced migration and conflict.

I have seen much work around the world which is trying to tackle this problem: public works programmes; better access to micro and small business finance; technical training and apprenticeships; teaching of work readiness in schools; improved infrastructure; and business-friendly policies. Some are successful, some less so.

What we do not yet have is a systematic way of enabling countries and their governments to learn from the experience of others, or to try out new approaches which are worthwhile but have the risk of failure.

The development banks, including the World Bank, as well as the ILO are doing good work in this area. But it tends still to be focused on individual countries.

I propose a public private partnership, similar to MMV. It could act both as a clearing-house for information on what works (and does not work) for the creation of jobs and livelihoods, and as a sponsor and risk-sharer in new projects which governments, businesses or NGOs wish to set up in this field.

As with MMV, I believe that the majority of funding for such a partnership would not come from the taxpayer, but from businesses, foundations and individuals who are already doing a great deal of work in this area. It would not stop what they already do; it would simply make it more effective and help to achieve what we all wish for – a world in which everyone can have a decent job or livelihood.

*Jeremy Lefroy is Chair of the All Party Parliamentary Group for Malaria and Neglected Tropical Diseases, a Board Member of the Liverpool School of Tropical Medicine and the Innovative Vector Control Consortium. He also chairs the global Parliamentary Network on the World Bank and IMF.*



# Innovative Ways of Financing Development in regard to the Sustainable Development Goals: a Focus on Education

Shamsul Iskandar Mohd Akin, MP Malaysia

PN Board Member

As stated in the 2030 Agenda for Sustainable Development, *“This Agenda is a plan of action for people, planet and prosperity. It also seeks to strengthen universal peace in larger freedom. We recognize that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development. All countries and all stakeholders, acting in collaborative partnership, will implement this plan.”*

The 17 goals are:

- No poverty
- Zero hunger
- Health and well-being
- Quality education
- Gender equality
- Clean water and sanitation
- Affordable and clean energy
- Decent work and economic growth
- Industry, Innovation and Infrastructure
- Reducing Inequalities
- Sustainable Cities and Communities
- Responsible Consumption and Production
- Climate Action
- Life below water
- Life on land
- Peace, justice and strong institutions
- Establishing a global partnership for sustainable development.

Education is a gateway for social mobility. Without it, many will be left behind and marginalised, which is why it is very important to invest in education to ensure that this so-called “gateway” is enlarged and strengthened. The agenda for today includes attracting the private sector as one of the principal actors of education, and exploring ways to overcome market inefficiencies and other constraints to said objectives.



## Background

“Education, including higher education, is considered by many as a public good and a citizen's basic right. UNESCO, for example, views education as a fundamental human right essential for the exercise of all other human rights.

Unfortunately, the reality is that in many developing countries governments cannot afford to meet the increasing demand for higher education, leaving the excess demand to be met by private higher education institutions. The impact of private provision is hotly debated as these for-profit enterprises are often challenged on the quality and substance of the education they provide, quite apart from the philosophical debate on the public-good nature of higher education and the appropriateness of private provision.”<sup>1</sup>

In 2010, there were 45 private educational establishments with university status in Malaysia. Out of these, slightly fewer than a half are private universities, while slightly more than a half are universities or private colleges that have been upgraded to the status of universities, based on criteria determined by the Ministry of Higher Education (MOHE).<sup>2</sup>

The greater role accorded to the private sector in the economic development of the country, after the first economic recession in 1985/86, also led to a more utilitarian stand on educational policy, whereby the private sector has been harnessed to meet the increasing demand for more qualified human capital due to Malaysia's industrialization.

There were also political reasons for widening access to education, such as the New Economic Policy (NEP). More recently, Mahathir Mohamad, a former Prime Minister of Malaysia, introduced his Vision 2020 plan, which envisaged Malaysia achieving an advanced economy status and a developed civil society by 2020. This required increasing access to higher education and thus an increased role for private providers, leading to the envisioning of Malaysia as a regional hub for higher education. This vision would also help reduce loss of funds associated with student outflows and concurrently increase export revenue through inflows of international students. In line with this vision, the Private Higher Education Institutional (PHEI) Act entered into force in 1996, allowing private providers to award degrees instead of conducting twinning and franchise programs. This Act was subsequently amended in 2003, to allow for the establishment and upgrade of private universities, university colleges, and branch campuses in Malaysia.

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<sup>1</sup> Siew Yean THam, ADBI Working Paper Series, Exploring Access and Equity in Malaysia's Private Higher Education, April 2011.

<sup>2</sup> *ibid*



## Innovative Financing

Innovative financing is the manifestation of two important trends in international development: an increased focus on programs that deliver results, and a desire to support collaboration between the public and private sector. Innovative financing instruments complement traditional international resource flows—such as aid, foreign direct investment, and remittances—to mobilize additional resources for development and address specific market failures and institutional barriers. Innovative financing is an essential tool as the development community strives to eliminate poverty, raise living standards, and protect the environment.<sup>3</sup>

It cannot be ignored that the Malaysian government made important investments in education, and steps were already taken to ensure the role of the private sector as its principal actor. However, it must be noted that major players like Khazanah, CIMB and Petronas are still essentially government-related corporations and companies. Further steps must be taken in order to ensure that main stakeholders, such as companies and citizens, participate in safeguarding the quality of education. At the same time, investing in education should not be viewed as strictly building schools, private colleges, and giving out scholarships. In the Malaysian context, I would like to see built more museums, galleries, arts schools, music academies, etc.: such open public institutions, financed by the private sector, or built by congregations of visionary citizens, will surely “create capabilities.”<sup>4</sup>

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<sup>3</sup> Innovative Financing for Development: Scalable Business Models that Produce Economic, Social, and Environmental Outcome, CITI Foundation, September 2014.

<sup>4</sup> Idea propelled by Martha Nussbaum, who argues that we need to refocus our ideas about development on the scale of individuals: on concrete human lives and the way they actually unfold. Quantitative measures like GDP per capita, she writes, are poor measures of development, as they cannot capture the shape and texture of individual lives, even though it is individual lives that matter the most. Development is not about how rich a nation is, but about whether people can live in it in a way ‘worthy of human dignity.’



## Transparency Strengthens Ukraine's Energy Security

Olga Bielkova, MP Ukraine  
PN Board Member

Energy independence is within Ukraine's reach, but it is only achievable with enlightened policy-making, support of international community, and, most importantly, unwavering political will from all three branches of our government. We must keep the momentum, and perhaps our immediate priority should be to leverage an existing mechanism known as Extractive Industries Transparency Initiative (EITI): there is no point in reinventing the bicycle, when we should already be riding it and taking it to a level which is for once ahead of our Western peers.

EITI sets an international standard for openness around the management of revenues from natural resources. Governments disclose how much they receive from extractive companies operating in their country, and these companies disclose how much they pay. This information is published in a report available to the public and reconciled independently before its release. The report also contains the information on legal and regulatory structures, and is often a good reference for potential investors and civil society.

Norway and Kazakhstan – two oil-rich nations – are both EITI compliant. Ukraine cannot afford to lag behind, and, as a member of the EITI International Board, I am working with partners from the private sector, civil society and the World Bank to advance extractives revenue transparency both globally and locally in Ukraine.

Ukraine's EITI report discloses reliable figures about money flowing from the oil and gas companies that produce in Ukraine and transport gas to Europe, to the government. This information allows citizens to better assess how much revenue the government is receiving, and hold them accountable for use of these funds. Transparency will also reassure investors, which is crucial to boosting domestic supply and bringing reliable, affordable energy to the Ukrainian people.

Despite Ukraine's turmoil over the past two years, the leaders of EITI in Ukraine have made impressive progress and should be commended. Initial framework legislation that mandates EITI participation for government agencies, state-owned-enterprises and companies in the oil and gas sector was passed by the Parliament and signed by President Poroshenko. It came into effect in July 2015. Although it only covers the oil and gas sector for now, plans are underway to extend the program to iron ore.



At the same time, the Ministry of Energy developed bylaws that specify the scope of EITI reporting, which entities are required to participate, and the implications of non-participation.

Last week we submitted a new draft law which is designed to strengthen the current arrangement and makes the disclosure requirements even stricter. Like no other industry, extractives are susceptible to the risk of corruption and unequal market positions. Unfortunately, because of a previous history of 'sweet-deals' by some of the former Ministers and politicians of the ruling parties, today we need to do more than voluntary disclosure to attract attention and investments to this industry. With an overall goal of increasing domestic production of gas and other resources needed for our people and economy, Ukraine is more dependent on FDIs coming to the energy sector than any other country in the region, and thus we have to project an extra-readiness to combat corruption.

In effect, EITI will not be voluntary in Ukraine as it is in many other countries, but it will be mandatory and have implications for non-compliance. This is a clear sign to investors: Ukraine is serious about improving transparency in its extractive industries.

As we drive towards energy independence, there will be no silver bullet. Instead, following the example of the U.S., we will find a compilation of solutions starting from improvements in energy efficiency and increased domestic production to stronger foreign direct investment inflows and better policies. The EITI implementation in Ukraine, supported by the World Bank along with international donors, will be a pivotal piece in this puzzle and an important step in transforming the Ukrainian energy sector and bringing reliable, affordable energy to all citizens.

*Article originally published in 2016*

*\*2017 update: After the first publication of this article the draft law "On enhancing transparency in extractive industries" was rejected by the Parliament in the first reading. The amended draft #6229 "On disclosure of information in extractive industries" was resubmitted to Parliament in March 2017, successfully passing the Energy Committee, and will be considered again in the near future.*





## The Parliamentary Meeting on the occasion of COP23 in Bonn, Germany

PN Secretariat

The Parliamentary Meeting on the occasion of the 23<sup>rd</sup> United Nations Conference on Climate Change was jointly organized by the IPU, the Fiji Parliament, and the German Parliament on 12 November 2017 at the premises of the University of Bonn. The Parliamentary Network on the World Bank & IMF was represented among the 240 parliamentarians present at this Meeting by its Vice-Chair Hon. Olfa Soukri Cherif (Tunisia) and Treasurer Hon. Shamsul Iskandar Mohd Akin (Malaysia).

The Meeting emphasized the role Members of Parliament can play in tackling the rise of carbon dioxide emissions, climate-induced migration, and global inequality in the face of climate change. Both the Speaker of Parliament of Fiji Hon. Jiko Luveni and the Deputy Speaker of the German Bundestag Hon. Claudia Roth underlined in their speeches that fighting climate change requires sharing and assuming responsibility for global action against it, notably on the part of wealthier and more industrialized nations.

Citing the official COP23 motto, the Prime Minister of Fiji Frank Bainimarama urged for concerted global action that goes "Further, Faster, Together" to achieve the goals laid out by the Paris agreement.

Taking the floor during the discussion period, the Vice-President of the Parliamentary Network on the World Bank & IMF Hon. Olfa Soukri Cherif underlined the importance of searching for viable alternatives to subsidies, as vulnerable populations in many parts of the world are dependent on them. Furthermore, she highlighted the role of parliamentarians in climate-sensitive budgeting to ensure sufficient domestic resources are allocated to public policies combating climate change. PN Board member Shamsul Iskandar Mohd Akin focused his intervention before the audience on low-income countries as they will suffer the most damage from pollution, disproportionately to their level of contribution to this problem, and stressed the responsibility of parliamentarians to take action.

Further discussions pointed out the benefits of giving parliamentarians a greater responsibility on the forefront of the battle against climate change, as this is one of the main challenges future generations will face.



While the parliamentarians recognized the importance of the 2015 Paris agreement, it was also criticized for being short on ambition, and not oriented enough towards concrete action. Climate change is still often viewed as a strictly environmental issue, and policies adopted in this regard mostly address the sphere of energy. The participants agreed on the need to raise awareness among stakeholders and populations that it is a cross-cutting issue which affects all areas of life, from agriculture and nutrition to economic growth and migration patterns.

On the occasion of this Meeting, the Vice-Chair Hon. Olfa Soukri Cherif met with the new IPU President Hon. Gabriela Cuevas Barron and discussed future collaboration between the Parliamentary Network on the World Bank & IMF and the IPU on climate and other development matters. In other meetings with the President of the Pan-African Parliament Hon. Roger Nkodo Dang and the Deputy Speaker of the German Bundestag Hon. Claudia Roth, she discussed their future involvement in the Parliamentary Network activities, and invited them to take part in the upcoming Global Parliamentary Conference in April 2018.

During the final session, the participants adopted an outcome document drafted by the parliaments of Germany and Fiji, and incorporating the amendments and comments received during the broad period of consultations in the months leading up to the Meeting. The outcome document, among other things, encouraged the countries who have not yet ratified the Paris agreement to do so, and the developed countries to undertake further absolute emission reduction.



## Involving private sector to leverage public assistance to countries in crisis

Claude Béglé, National Councillor, Switzerland

Humanitarian assistance must be urgently reviewed. As a matter of fact, today's humanitarian crises are getting worse: their international impact is amplified by the Internet.

The United Nations wants to improve our living conditions on Earth with its ambitious Agenda 2030. Therefore, we need to gain in efficiency. On the one hand, we must rethink philanthropy in order to professionalize charity. There is a growing awareness of this challenge today. On the other hand, we must involve the private sector. New tools would enable it, and their leverage could be tremendous. Here is how to do it.

Today, the pressure to make things move in the right direction has never been stronger. The number of humanitarian crises threatening the survival of huge parts of the world population is escalating (protracted crises). Simultaneously, the economy and communications have become global, and, whether we like it or not, it brings us closer to each other. Mobile phones and access to the Internet have become as vital as water or food, as it was recently underlined by the President of the International Committee of the Red Cross Peter Maurer, while talking about the refugees. This unprecedented human proximity makes the gap between affluent and deprived regions even more untenable. The United Nations has proposed to achieve the 17 Sustainable Development Goals (SDG) by 2030. Two years ago, 193 countries approved them and made the pledge, among other things, to eradicate poverty, starvation, slavery and promote education, health, and justice for all.

The financial means needed to promote development are more important than ever, since high-impact action is required immediately. The private sector, which has always played a marginal role in assisting poorer countries, can become a major ally provided that adequate collaboration solutions are set up.

A first approach would be to encourage private companies to invest even in a priori precarious environments by reducing certain risks threatening their activities. It implies a smart combination of existing tools from the financial and insurance sphere. A modest public contribution could thus trigger construction of infrastructures and services.

Public development aid could, for instance, finance the premium of a MIGA insurance contract (Multilateral Investment Guarantee Agency – Member of the World Bank Group), which would protect private investments against non-commercial and even political risks such as government expropriation, currency



inconvertibility, breaches of contract, civil war disturbances, etc. For example, such an approach could be applied to refurbish drinking water network or to build housing for homeless people in Syria. It could also enable the construction of hospitals, energy or communications infrastructure. The public money spent could bring to life key projects of far higher cost than the cost of the initial insurance premium. The leverage would be substantial.

“Innovative finance” or “blended finance” represents the second approach. The idea is to create a convergence between humanitarian assistance and investors’ logic in order to generate loans. At least three alternatives are possible. 1) The resources are allocated by profitability: access to the highest layers of profitability for the private sector is combined with low or even negative profitability layers borne by the State. 2) “Pay for success” principle: the program’s capacity to carry on depends on its efficiency (advance market commitments, development impact bonds, social impact incentives, vouchers). It raises the question of how “performance” is measured. Various options are possible, notably counting the number of disabled persons equipped with a prosthesis, or the number of young women achieving their compulsory schooling with success. 3) A possibility remains for the State to offer a guarantee or an insurance that limits the risks and thus liberates the investment.

A third approach would be to develop “humanitarian impact bonds”, like the ICRC recently did for the first time: individuals can invest their money in these bonds. They aim at people familiar with the humanitarian cause, as they have to be ready to lose up to 40% of their loan if the project doesn’t work effectively. Besides being risky, these instruments are quite complicated; thus, rather modest amounts were collected up to now. Nevertheless, these instruments present the advantage of having cleared the way for a new alternative.

The abovementioned approaches are promising, but numerous aspects still need to be specified. If the State takes over a part of the risk in a private humanitarian project, how can the scope of the risk be evaluated? How can the risk be limited? How can the risk be shared between several countries? If newly built housing is made available for victims of humanitarian crises, should the rental payments lie with the State up to the end of the crisis until inhabitants can take over? In short, what could be the business model? In which way could the private sector take action in order to be effective in both emergency and long-term development situations? How could the suspicion of doing business on the back of victims be avoided?

As one can see, cooperation between public and private sector in the sphere of humanitarian assistance to countries in crisis opens up radical new prospects which should be actively explored in order to come to concrete solutions. This is what I recently asked the Swiss government to do. The positive echoes received up to now indicate that this might represent a new trend in History.



## Fighting violence against women - a continuous effort

Viorica Dăncilă, Member of the European Parliament (Romania)

On September 20, the European Commission and the United Nations announced the launch of the Spotlight Initiative to eliminate all forms of violence against women and girls. Whilst 1 in 3 women globally have experienced violence in their lifetimes, do we have enough policies in place to eradicate gender-based violence, and are they efficient enough?

According to the 2014 Eurobarometer on Gender Equality, 76% of Europeans believe that tackling inequality between men and women should be a priority for the EU. 59% believe that violence against women is the gender inequality issue that should be dealt with most urgently.

Perceptions reflect reality. And the reality in statistics shows that although there have been some efforts and positive developments in the past few years, violence against women is still creating a huge number of victims, including in European Union member states: 20-25% of women in Europe are estimated to have been victims of physical violence at least once in their lives, according to data from the Council of Europe. Although we have legislation that protects women and policies fighting gender-based violence, this is still happening, and we must do more to stop it. The fight cannot be restricted to the legislative field; it should involve more steps, and it must focus on changing mentalities and transforming cultural gender norms as well.

Yes, we discuss women's rights frequently in the public sphere, and we proclaim gender equality at various public events. But are women any closer to reaching this equality and securing these rights? The answer is, sadly, "not yet". Even in the European Union, we need to continue the process of implementing real gender equality in all sectors of society.

A resolution regarding women's empowerment, which we recently debated in the European Parliament, underlined the fact that discrimination and violence against women are rooted in unequal gender power-relations, and without challenging these power structures anchored in obsolete mentalities, we have no real chance of strengthening women's rights and combating violence.

The recent scandal involving a top executive in Hollywood, whilst uncovering a horrid reality, also shows us that there seems to be no place on Earth where women are completely safe from abuse, where their rights are inviolable. This high-profile case should provoke reactions and, most of all, should bring to the forefront of public debate the need to change this type of gender power-relations.



There is no excuse, no explanation and no possible justification for abuse or violence against women. This should be taught in our schools, imprinted in the conscience of our children, promoted through public campaigns until every impulse towards abuse and violence disappears from our societies. Only then our societies will truly be ready to fulfill their potential.

Tolerating gender-based violence, in any form or manifestation, obstructs progress in achieving true gender equality at economic, political and social levels. Therefore, any measure, project, program designed to stop this phenomenon is welcome and needs to be supported.

This latest EU-UN initiative, aiming to mobilize global policy makers, can become an extremely important step in the fight against gender-based violence, with the EU contributing half a billion Euro, and other parties hopefully rising to this challenge and strengthening this effort.

We recently discussed in the European Parliament the need for the EU to ratify the Council of Europe Convention on preventing and combating violence against women and domestic violence. I support this step, as I believe it can be an important step forward in this fight, ensuring a more coherent implementation of our policies and also a better use of the allocated funds. I also support the designation – after the ratification - of an EU representative to the Committee of the Parties at the Council of Europe, who should be in charge of the coordination of policies to fight gender-based violence.

I already voiced my support for the European Parliament's call to the European Commission for the creation of a European Monitoring Observatory on gender-based violence, using the current model offered by the European Institute for Gender Equality. Promoting gender budgeting, as well as helping victims get access to justice, is also essential.

We have many tools which can help us achieve a better framework for protecting women from violence. What remains to be done is making them work, in all regions, at all levels.



## Road safety and the Sustainable development goals

Rt. Hon. Lord Robertson of Port Ellen KT GCMG, United Kingdom

We are at a time of transition for global road safety. The world's leading cause of death for young people between 15 and 29 years is finally recognised as a global development issue, with a stand-alone target in the United Nations Sustainable Development Goals. But this ambitious objective - to halve the number of global deaths and injuries from road traffic crashes - requires far greater action, backed up by unprecedented financing in the form of a new targeted UN fund. Only with serious political commitment will we end the appalling daily carnage on the world's roads.

Over 1.2 million people are killed – 3,500 every day. Fifty million are injured each year. Road users in low and middle income countries are disproportionately affected: 90% of all road traffic fatalities occur in developing countries. And those in poverty are not only more likely to be injured or killed, but also to remain or even be forced further into poverty because of the injury. The estimated cost of road traffic injuries is a \$1.85 trillion burden on the global economy each year, according to the 2015 intergovernmental 'Brasilia Declaration', which set an agenda for action to meet the global target.

We have the tools to confront this human tragedy. We know the systems and policies which work in road traffic injury prevention. There has been progress. Bloomberg Philanthropies estimates that, through its support for global road safety since 2011, more than 1.8 billion people have been covered by strengthened road safety laws and 65 million people have seen new media campaigns promoting road safety. Those countries – like Vietnam - that have set targets, allocated resources, implemented legislation and had the political drive to sustain efforts over many years are seeing a health dividend.

The philanthropic programme of the FIA Foundation, which I chair, has also helped to improve the way countries build and design their roads and vehicles. Through independent vehicle crash testing, the Global New Car Assessment Programme is forcing a revolution in car safety. The International Road Assessment Programme (iRAP) publishes star ratings for highway safety in more than 70 countries and works with governments and development banks to improve design - at least 16,000 deaths and serious injuries were prevented through its work in 2016. These programmes have catalysed positive action in developing countries, with safety improvements resulting from the combined pressure of legislative and consumer demands.

To accelerate and expand this progress, however, will require significant new catalytic funding. This is why the establishment of a new UN Road Safety Trust Fund, to support and enable road safety implementation at national level, to unlock new national resources or redirect existing spending more effectively, is so vital. The



United Nations Economic Commission for Europe has calculated that, over a decade, an annual fund of US \$770 million could leverage the investment needed. Every \$100 million contributed to the Fund would support the leveraging of \$3.4 billion of road safety investment, equating to the saving of 64,000 lives and the averting of 640,000 serious injuries. This is surely a prize worth working for.

The FIA Foundation has long been at the forefront of efforts to raise road safety up the global policy agenda. Now, working in partnership with UN Special Envoy for Road Safety Jean Todt, the World Health Organization, a strong global alliance of NGOs and many other partners, we are making the case for a UN Global Fund for road safety. This objective came closer last year when the UN General Assembly endorsed preparatory steps.

Through the FIA High Level Panel for Road Safety, which we are supporting, global business CEOs and public policy leaders are coming together to advocate for the Fund and to begin to identify potential funding sources for it. This effort is buttressed by the FIA's #3500LIVES campaign, supported by a roster of sport, movie and music stars and appearing – courtesy of advertising giant JC Decaux – in major cities across the world. Our new #EveryLife campaign, which is supported by UNICEF, Save the Children and others, is also highlighting the critical impact of road traffic injury on children and demanding action.

So what can parliamentarians do to support this effort? Earlier this year I helped to launch a new Global Network of Road Safety Legislators, to provide a caucus for parliamentarians to advocate for a stronger response to the road traffic injury epidemic. Legislators are encouraged to sign on to a global manifesto. One of its practical objectives is to encourage adoption of laws on behavioural and protective risk factors with a view towards increasing the number of countries with comprehensive laws from 15% to 50% by 2020. But the Global Network, and all parliamentarians, can also provide a strong voice in favour of a new UN Road Safety Fund and encourage governments to endorse it.

There has never been a stronger international mandate for action on road safety. We must not let this opportunity go to waste. As parliamentarians we have a duty to our own constituents – and to citizens everywhere in the world – to urge and to lead action.

We are living in a time of huge technological advances, achievements in public health, and global co-operation. Yet if present trends continue, twice as many people could die on roads in this century as died in the armed conflicts that ravaged the 20th century. This is not acceptable, and it cannot come to pass. It is time to ask ourselves not if we can afford to endorse and establish a Global Road Safety Fund, but how we can possibly afford not to.

*Lord Robertson of Port Ellen is a Member of the UK Parliament and the Chairman of the FIA Foundation, a charity which supports international road traffic injury prevention.*

*Learn more about the Global Network of Legislators for Road Safety at <http://4roadsafety.org/>*





## Micro, Small and Medium Enterprises (MSMEs)

Redha A. Faraj, Member of the Shura Council, Bahrain

Micro, Small and Medium Enterprises (MSMEs) account for 99.75% of registered firms in the Kingdom of Bahrain, as well as 70% - 80% of employment, and generate a large share of the new jobs being created in the Kingdom's economy.

The government, realizing the importance of the role of MSMEs in the economy, has established a Directorate which has been given the task of looking into the needs of these enterprises and ensuring that no efforts are saved in catering to those needs to the best of the abilities and capabilities available. Although the Directorate is fairly new, it has taken a very active role in establishing the correct procedures for identifying such enterprises and looking into their current needs. There is a number of initiatives that have been considered and discussed at the appropriate levels and with interested parties in the economy with the aim of elaborating possible action plans to address the needs of these enterprises.

### Role in the Economy

The MSMEs have certain identifiable weaknesses which are no different than those facing similar enterprises worldwide. These are traditionally: the lack of financing, difficulties in exploiting technology, low productivity, and limited managerial capabilities coupled with regulatory burdens. All these are hurdles which MSMEs face all over the world, and which are posing a major constraint here in the Kingdom of Bahrain due to the lack of expertise on behalf of the entrepreneurs and the non-availability of established organizations that could help. As per the latest statistics (*June 2017*), the table below gives the number of total enterprises by category who are active in the Bahrain economy.

Category	Number	Percentage
No. of Micro Enterprises	76,426	92.46
No. of Small Enterprises	5,046	6.11
No. of Medium Enterprises	974	1.18
No. of Large Enterprises	205	0.25
No. of Enterprises in Bahrain	82,651	100.00

The basis for categorizing the enterprises registered in the Kingdom of Bahrain could be summarized as given in the table below.

Category	Number of Employees	Capital Investment (BD) Manufacturing Section	Annual Turnover (BD) All Sectors
Micro	Up to 10	Up to 20,000	Up to 100,000
Small	11 – 50 (up to 100 for construction sector)	20,001 – 500,000	100,001 – 1 million
Medium	51 – 250 (up to 400 for construction sector)	500,001 – 3 million	1,000,001 – 5 million



### **The Value of MSMEs to the Economy**

The role of MSMEs in the Bahrain economy is well recognized by the authorities and considered to be mainly in:

- **Employment of young school graduates** - MSMEs have the capacity to generate opportunities for young job seekers as their mode of operations generally is more labour driven. The worldwide phenomenon is that more jobs are created per unit of investment capital, per unit of energy consumed, and per unit of other services required, and Bahrain is no exception to this rule. The need for creating job opportunities is on the increase as the Public Sector seems to have employed more than its capacity, and is currently trimming its workforce.
- **Little need for land** - By nature of their operations, MSMEs generally require smaller spaces to operate. This is extremely helpful in the case of Bahrain, as land is becoming very scarce, and the MSMEs need for the infrastructure is far less and therefore acceptable for the authorities.
- **Promoting growth** – MSMEs, being small and operated by the entrepreneur himself, in many cases have the ability of adapting to fluctuations of the current market environment, and thus could benefit from any new innovations and, subject to being adequately financed and managed, to expand much faster than major organizations where the process of decision making is more complex and time consuming.
- **Creation of new industries** – Most of MSMEs output serves other industries which are either intermediaries or semi-processed goods of the large scale firms. This provides a good opportunity for a country like Bahrain, desiring to fast-track its industrial development without having to call upon the scarce resources such as land and energy, besides the need to control pollution.

### **Problems facing MSMEs**

MSMEs are very effective as a tool of economic development for the Bahrain economy. Unfortunately, this tool is constrained by the limitations which are listed below:

- **Inadequate Infrastructural Base** - Most of the infrastructural base is available in Bahrain; however, it is still inadequate. Power and water supplies at reasonable rates are still lacking, along with other facilities.
- **Poor Implementation of Regulatory Framework** – The government of Bahrain has promulgated a considerable number of laws related to business in general; however, those still require some adaptation to suit MSMEs, as well as stricter implementation and control.
- **Access to Information Technology** – MSMEs require considerable support and guidance with the issue of IT when it comes to service. On one hand, the actual implementation is much easier due to availability of an entrepreneur who is normally familiar with the new technologies, but the question of funding such developments is still a hurdle.



- **Access to Financing** – Financing and having access to working capital needs becomes one of the major problems facing MSMEs especially in the early years of operations. The majority of the MSMEs have limited access to funding, and the financial institutions in the country would normally be reluctant to finance such ventures in the early years of operations. In very limited cases, where such financing is provided, it is normally at very exorbitant rates of interest in addition to very strict terms and conditions which become very cumbersome to any new starter in the market.
- **Access to the Market** – One of the main issues facing new MSMEs is marketing: many fail due to inability to market their products.

### **Government Support**

The government of Bahrain, realizing that MSMEs play a crucial part in achieving the Economic Vision 2030, and in facing the large fiscal deficits due to low oil prices, has actively looked into the ways and means of promoting and supporting MSMEs.

The establishment of the MSMEs development directorate is the major initiative which would support the MSMEs in assuming their vital role in the economy. The next initiative would be to create a Board of specialists with entrepreneurs among them who would be entrusted with not only introducing legislation, but also acting as a pressure group lobbying in favour of MSMEs. The government will be providing the funding through the Bahrain Development Bank.

The cost of financing of such enterprises would be facilitated and shared between the entrepreneur and some government bodies. In order to assist the marketing of their products, a preference will be given to the MSME products in government procurement, as well as in case their prices are higher than the others. Recognizing that the entrepreneur lacks certain skills, the government should be considering providing the missing link by offering various consultancy services.

With the fact that the government of Bahrain realizes the hurdles affecting the progress of MSMEs and their importance for the economy, is taking steps to address these issues, the prospect of a bright future for MSMEs in Bahrain is becoming very clear.



## New approaches to parliamentary think tanks: the case of the Gilberto Bosques Center for International Studies

Arturo Magana Duplancher, Research Director of the CGBS and Young Policy Leader Fellow of the European University Institute School of Transnational Governance, Mexico

Much has already been written regarding the way the end of the Cold War triggered significant changes in international politics. In this context, the inclusion of parliamentarians in the catalogue of international relations actors is increasingly taken for granted as the result of the articulation of several processes of economic and political interdependence, the emergence of a new global agenda with “intermestic issues” falling somewhere between pure foreign and domestic policy and the demand for “open international relations” which emphasizes scrutiny, transparency and greater public involvement in both decision-making and policy implementation. Moreover, a general trend of “parliamentarisation” of foreign and security policy seems to be consolidating, since legislatures do not acquiesce anymore in leaving important decision-making to the executive in the spheres increasingly understood as linked to daily and vital concerns of citizens.

As a result of this, with notable exceptions, Parliaments around the world, both at national and supranational level, are constantly developing and extensively using tools for foreign policy parliamentary control. All sorts of binding or non-binding oversight tools are emerging, such as committees and special inquiry commissions, new procedures for confirmation of ambassadorial appointments, innovative mechanisms not only *ex post*, but also *ex ante* regarding either treaty-making or treaty-approval parliamentary involvement, presentation of reports, celebration of hearings, adoption of resolutions, as well as financial and budgetary supervision and *ad hoc* means for the involvement of Parliament in both the formulation and implementation of policy preferences and priorities. Further, Parliaments are increasingly expected to engage in the wide range of international activities that pertain to parliamentary diplomacy.

However, one of the main obstacles, acknowledged as such by prominent scholars, to take full advantage of these trends and meaningfully engage in both the domestic and international dimensions of these constitutional and political powers, has to do with an information asymmetry problem. Normally, Parliaments tend to be greatly dependent on the information they receive from the government, and therefore they need to find ways of acquiring alternative and independent sources by strengthening research departments or setting up special hearings or workshops in order to properly evaluate foreign policy from different perspectives.



Under the authoritarian assumption that public scrutiny in international affairs should remain at a minimum, granting the executive power a considerable degree of flexibility, secrecy and efficiency, there is no need for these arrangements. However, in the process of consolidating democratic regimes they are of uttermost importance for transparency, accountability and the protection of the checks and balances dynamics that reduce the democratic deficit of certain "high politics" decisions. The Mexican Senate, with the aim of fully exercising those foreign policy powers and providing the means for Senators, Committees and their staff to get a professional, nonpartisan and independent source of information and advisory in these matters, created in 2011 the Gilberto Bosques Center for International Studies.

The Center, working primarily and directly for Senators and their staff, publishes on a daily basis documents and reports on international politics, foreign trade and international organizations with a special focus on Mexican foreign policy and parliamentary involvement in world affairs. With a team of full time researchers and experts in different policy fields, it also supports the Senate in the coordination of parliamentary diplomacy activities, particularly in ensuring that Members of the Senate, as well as other Members of Congress, have full access to the best possible balanced and objective information and to important analytical insights on which to base the policy and legislative decisions they have a mandate to make. As a unique parliamentary think tank, in the sense that it focuses not on legislative affairs in general, but only on those related to international affairs, the model of the Center not only evokes a particular context in which Mexico is actually reviewing its relations with the world in the light of new political developments in the United States and some other countries, but also highlights the relevance of strengthening oversight in different areas, previously overlooked or neglected as not essential to their prerogative powers, but that undoubtedly appear at the core of every Parliament's agenda today.



## Göran Pettersson, Member of the Swedish Parliament

PN Review Head Columnist, Discussions Section Editor

Today parliamentarians face a wide selection of challenges. Some of them are global, like climate change and terrorism. We have all reasons to believe that the future will provide us with new tests in addition to the old ones. Whatever the challenge, it is easier to handle if we do it from a position of strength.

Strength is constituted from several interconnected factors. In my view, the two most important ones are people's trust and the state of the economy and public finance. Both these factors take a long time to build up, but can be ruined very quickly. When we already face a challenge, it is too late to try to establish trust and economic strength, which is why it is never the wrong time to introduce responsible economic reforms. A good start for members of parliament is to study the yearly country reports from the European Commission, the OECD, and the IMF. With the recommendations from these reports as a support, opposition MPs could question the government about their actions. In the government, the reports could be seen as an early warning which, if acted upon, will assist your country in the direction of a healthy economy. However, there is a resistance to economic reforms unless forced by the immediate situation. Failure to act early can lead to loss of the position of strength when facing new challenges. In Sweden, we have now had decades of healthy economy, which makes us less alert to these recommendations about the economy which is a danger in itself. Last week, our National Audit office published a report where it scrutinized the government's handling of the recommendations in the documents mentioned above. I hope this new development will provide support for early reforms which will make our position stronger when we face new challenges.

I am interested to hear how the government handles the reports from the OECD and the IMF in your country. If, in your opinion, they are neglected, I recommend that you consider tipping off your National audit office.

The full report from the Swedish National Audit Office is available here (in Swedish):

[http://www.riksrevisionen.se/PageFiles/27461/RiR\\_2017\\_22\\_REKOMMENDATIONER\\_ANPASSAD.pdf](http://www.riksrevisionen.se/PageFiles/27461/RiR_2017_22_REKOMMENDATIONER_ANPASSAD.pdf)

Appendix in English:

[http://www.riksrevisionen.se/PageFiles/27461/RiR\\_2017\\_22\\_UNDERLAG\\_A.pdf](http://www.riksrevisionen.se/PageFiles/27461/RiR_2017_22_UNDERLAG_A.pdf)

Whatever challenges we are facing, it will be easier to handle them if our economy is in order, so I finish this chronicle with James Carville's classic advice to then presidential candidate Bill Clinton: "The economy, stupid!"



## NOTE FROM THE EDITOR

I thank the authors of this issue for their valuable contributions. If you have suggestions for improving the publication, please contact me at [olivia.e.noh@gmail.com](mailto:olivia.e.noh@gmail.com).

Eu Na Noh, Editor, the Parliamentary Network Review

## CALL FOR SUBMISSIONS

If you would like to contribute an article to The Parliamentary Network Review, please send your submission to Polina Zyabukhina, Consultant, at [jpo1@parlnet.org](mailto:jpo1@parlnet.org).

If you would like to write for the Network Featured Discussion, please contact discussions column editor Göran Pettersson at [goran.pettersson@riksdagen.se](mailto:goran.pettersson@riksdagen.se).

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