



World Bank/IMF Spring Meetings PNoWB Delegation Report

Washington D.C.
13-16 April 2011



A. Table of Contents

A. Table of Contents	Page 2
B. Summary	Page 2
C. Participation and Sessions	Page 3
D. CSO Programme Highlights	Page 10
E. Parliamentary Workshop	Page 10
1. World Bank Program	Page 10
2. IMF Program	Page 14
F. Follow-up	Page 17
G. Annexes	Page 18
1. Program	Page 18
2. Participants	Page 20

B. Summary

The Parliamentary Network on the World Bank (PNoWB) sent a delegation comprised of nine Board members, eight additional PNoWB members and two Secretariat staff to the Spring Meetings of the World Bank and the International Monetary Fund (IMF) in Washington D.C. from 13 to 16 April 2011. During this time, delegates met with a number of partner organizations; held a Board meeting; met with senior representatives from the World Bank and IMF; and attended a one-day parliamentary workshop hosted by the World Bank and the IMF.

This report covers the sessions from the parliamentary workshop as well as the delegation's participation in meetings with World Bank and IMF representatives, and with partners.

PNoWB's participation in the 2011 Spring Meetings had four main focuses: 1) the World Bank energy strategy; 2) private sector and the global economic outlook; 3) healthcare and education; and 4) transparency, open data, and anti-corruption measures. These issue areas fall under some of the larger work areas as outlined in PNoWB's Action Plan for 2011 (http://www.pnowb.org/about/action_plan_2011), such as good governance, private sector and development, and climate change. Throughout the meetings and workshop sessions, PNoWB members posed questions and highlighted issues related to these topics.

In the final section, the report identifies key areas for follow up from the Spring Meetings, which will partly define PNoWB's work programme before the 2011 Annual Meetings. These areas include following up with the World Bank and other partners on possible partnerships for the 'Doing Business' Conference in Rwanda at the end of 2011; ensuring that the World Bank includes parliamentary engagement in its new energy strategy; working with partners such as GAVI and EFA FTI to inform PNoWB members about their initiatives; working with the World Bank in the preparations of the Fourth High-level Forum on aid effectiveness; and announcing to PNoWB members and partners its closer cooperation with the IMF. PNoWB will also investigate the possibility of including PNoWB members on the panels during the Program of Seminars. Finally, the report's annex includes a list of PNoWB delegates and the delegation's program from 13 to 16 April.

C. Participation and Sessions

Throughout the 2011 Spring Meetings and during a parliamentary workshop, PNoWB's delegation had the chance to discuss several topics related to PNoWB's 2011 work programme in special meetings with World Bank, IMF officials and partners.

List of Meetings

- | | |
|---|--------|
| - Ms. Obi Ezekwesili, World Bank Africa Region Vice-President | Page 3 |
| - Lunch hosted by the Bill & Melinda Gates Foundation, the Global Alliance on Vaccines and Immunisation (GAVI), and the Global Fund | Page 4 |
| - Sustainable Development and Energy with Bank Information Centre | Page 6 |
| - Mr. Joachim von Amsberg, Vice President, Operations Policy and Country Services | Page 7 |
| Ms. Sri Mulyani Indrawati, World Bank Managing Director | Page 8 |
| - Reception hosted by HE Mr. Jan Matthyssen, Belgian Ambassador to the United States | Page 9 |

Meeting with Ms. Obi Ezekwesili, World Bank Africa Region Vice-President

Ms. Ezekwesili explained that in its new strategy on Africa, the Bank is trying to support countries' own priorities. The economic situation has been favourable in commodity exporting countries with a 5.7% growth last year, but even countries without commodities achieved some growth. This is the reason why rebound from the economic crisis was faster than in the developed world and poverty has been decreasing on average by 1% per year over the recent past. Africa needs continued growth that is more evenly distributed and creates employment. Developing professional skills is an integral part of this and the focus should be on agriculture and improving the business environment, in particular for small entrepreneurs. There are certain risks that still need to be addressed such as a lack of safety mechanisms to protect against macroeconomic shocks in the future, crop losses due to climate change and health shocks such as HIV and tuberculosis. Much of the Bank's strategy on Africa is focused on better governance to help countries slowly become independent. There are many programmes which support institution building and mechanisms to strengthen transparency toward citizens. A novelty in the Bank's Africa strategy is an increased interest in the budget and how priorities are realised. Furthermore, there is an emphasis on knowledge sharing and dialogue with partners. Finally, the International Development Association (IDA) is directing most of its financing projects towards Africa (over 50%).



Discussion

Q PNoWB Chairman Alain Destexhe enquired about the role of MPs in the Bank's new Africa Strategy and how many countries in Africa have a climate change plan.

A Ms. Ezekwesili responded that the Bank wants to promote open development and is always in search of how best to support CSOs. The agenda for Africa will look at creating a financial facility with partners for work on good governance. Furthermore, the Bank tries to ensure the availability of information to all partners, in order that they can hold their governments responsible for aid money.

Concerning climate change, there is a high level of awareness among countries but different levels of engagement.

Q Marie-Rose Nguini Effa, PNoWB's Vice-Chair, asked about the main obstacles to development in Africa and what tools the Bank will support for access to energy.

A There are several constraints to Africa's development. Macroeconomic growth, exchange rate and structural policies still need to be developed in many countries. Weak institutions and wrong policies, together with corruption severely impede development. Legislators should consider simplifying business procedures to encourage investment.

To improve access to energy, the Bank is trying to encourage private sector investment, but this also requires the right legislation. Currently, many countries have monopolistic utilities, a way of doing things which has to change.

Q Jeppe Kofod asked how the Bank deals with fragile and conflict states.

A Ms. Ezekwesili referred to the 2011 World Development Report on Conflict, Security, and Development. The Report outlines prior lessons and gives examples for future action, for example in Cote d'Ivoire. The Bank will work on additional support for these countries.

Yves Sahinguvu stated that Parliamentarians should be associated in the formulation of projects. He further said that the lack of access to energy is a much more severe impediment to development than corruption.

At the end of the discussion, Mr. Destexhe informed Ms. Ezekwesili about the 'Doing Business' conference PNoWB will organise in Kigali, Rwanda later in 2011. The event will bring together parliamentarians, senior representatives of the African private sector as well as donor countries to address issues related to the business climate in Africa, including public-private partnerships and World Bank projects implemented by local agencies through procurement procedures. Another aim is to promote parliamentary cooperation for the harmonization of investment laws in Africa. Mr. Destexhe asked for the Bank to support the initiative, to which Ms. Ezekwesili responded positively.

PNoWB delegation lunch hosted by the Bill & Melinda Gates Foundation, the Global Alliance on Vaccines and Immunisation (GAVI), and the Global Fund

The PNoWB delegation was generously invited to a working lunch organised by the Bill & Melinda Gates Foundation and the GAVI Alliance. Alex Palacios, Special Representative of the GAVI Executive Office, and Sarah Papineau, Director of Programme Funding, External Relations, presented some of the background and objectives of the GAVI Alliance. GAVI is a partnership between governments of

developing countries, the vaccine industry, CSO, international organisations, private development foundations and independent individuals. It provides support to countries with Gross National Income per capita below or equal to US\$1500. Its strategic goals are to

- uptake and utilise underused and new vaccines;
- contribute to strengthening the capacity of integrated health systems to deliver immunisation;
- increase the predictability of global financing and improve the sustainability of national financing for immunisation; and to
- shape the vaccine market.

One of the main challenges for vaccines in developing countries is the cost. There is a 17-20 year time lag between the availability of vaccines in developed and developing countries. GAVI provides financing for the delivery and introduction of vaccines in the different stages of clinical trials. A study by the UK Department for International Development has found GAVI to be among the most efficient multilateral organisations, when it comes to value for money of UK aid. In its first decade, GAVI was able to immunise more than 280 million children and has financed more than 10% of the increase in rate of vaccine coverage in poor countries. However, GAVI faces a substantial funding challenge for the 2011-2015 time period, with a shortage of \$US3.7 billion. This money is necessary in order to immunise 243 million children for pentavalent, pneumococcal, rotavirus and yellow fever and provide initial support for vaccines against meningitis A, HPV, rubella, typhoid and Japanese encephalitis.



Discussion

- Q** Hugh Bayley asked how the cost of saving lives through vaccinations compares to other development interventions
- A** Mr. Palacios answered that immunisation is a very effective way of saving lives compared to treatment, as the latter reaches only a limited part of the population. New vaccines are expensive, which is why GAVI tries to bring them to the market through advanced-market commitment.
- Q** Ndeye Fatou Toure wanted to find out how GAVI works with the Global Fund, how the Alliance manages the distribution of vaccines under difficult conditions such as power cuts, and if it plans to promote local research. Ms. Toure also wondered about how the populations are informed about GAVI Programmes.

- A** GAVI was founded in 2000, two years before the Global Fund. While the Fund works through established mechanisms, the Alliance is a partnership of various stakeholders, which aims to raise funds for the delivery of vaccines and strengthen health systems in developing countries.

Should there be power cuts, there are always generators which take over to maintain vaccine temperature.

Population awareness campaigns are often carried out in partnership with other international resources with vast resources and experience, such as UNICEF and the WHO.

- Q** Laode Ida asked about the extensive number of children who are still not immunised.
- A** The explanation for this is often a lack of resources to reach children who live far from central areas. One of the priorities for GAVI is to mobilise private sector support.
- Q** Marie-Rose Nguini Effa asked GAVI how it deals with the challenge of high vaccine costs and how this relates to Parliamentarians.
- A** Vaccines can be expensive but it is often more costly to wait for their delivery. As there are a number of pharmaceutical companies on GAVI's Board, there is a continuous dialogue about price support.

GAVI has been trying to engage more transnational groups of MPs, such as members from the Pan-African Parliament, to reach a wider number of countries. It also tries to build special relationships with individual parliamentarians.

Sustainable Development and Energy with Bank Information Centre

The World Bank Group recently completed the initial phases of consultations with stakeholders on its new energy sector strategy, which is expected to be completed in mid-2011. For various reasons there are still many concerns about the new strategy. Professor David Hunter, American University, Washington D.C. and Chad Dobson, Executive Director of the Bank Information Centre, briefed the PNoWB delegation about some of the controversial points of the strategy.

Overall the Bank has made some progress toward creating a more sustainable energy strategy. However, within the Bank, there has been some disagreement on how to approach clean energy. There are US\$6 billion available for energy projects, which could act as a catalyst for a shift toward clean energy before there is a price on carbon, which remains the central issue for the global environmental movement. The main question remains over how the Bank will support coal in the future which is important for the general capital increase, in particular if there is a strong environmental movement in member countries. Currently, the draft energy strategy proposes to finance new coal-based power generation projects for countries that get all their World Bank aid from the International Development Association (IDA). The IDA lends exclusively to some of the world's poorest countries, and only after an analysis of alternatives. However, the political split within the Bank comes from the fact that many borrowing countries do not agree with the proposition and would prefer a multi-layered energy strategy, including continued investment in coal. Donor countries will also be more likely to lend support depending on how much they can influence the strategy. This conflict between middle income and IDA countries also extends to the debate on climate change, which makes the shift to a sustainable energy path even more difficult.

Discussion

Alain Destexhe stated that middle-income countries might not have enough incentives at the moment to push for a move away from investment in coal. He gave the example of the stalled expansion plans for the Inga Dams, located in western Democratic Republic of the Congo.

Geri Mueller believes that it is important that countries have access to their own energy resources but acknowledges that they are managed by large companies, which do not distribute revenue evenly across the population. Access to energy is important for empowering people, but rather than doing it through investment in coal, the focus should be on alternative energy resources.

Ndeye Fatou Toure gave the example of the Senegalese power plant, which is almost bankrupt due to bad management, so that new projects might be necessary to provide alternative energy sources.

- Q** Hugh Bayley asked how the Bank decides the amount it will invest in the various types of energy and can it be ensured that IDA money will not be diverted into Energy Investment Funds.
- A** There are different viewpoints within the Bank, on how to invest the US\$6 billion available for energy, with some people preferring larger, general projects, and others smaller, community-scale projects. The focus is always on the poorest countries; however, middle-income countries want to avoid further differentiation.
- Q** Yves Sahinguvu raised the question to what extent the multilateral strategy is influenced by corporate interests.
- A** Difficult to say, generally, on the topics of access to energy and climate, there are no conflicts of interest but there can be divergences on the means of achieving these goals.

Meeting with Mr. Joachim von Amsberg, Vice President, Operations Policy and Country Services

Mr. von Amsberg started the meeting by explaining that his department was responsible for measuring results, monitoring reforms and managing risk in World Bank projects. It is also the department responsible for the coordination of the Fourth High-Level Forum on Aid Effectiveness (HLF-4), which is to take place in Busan, Korea, at the end of 2011. Aid effectiveness, according to Mr. Von Amsberg, is still a high priority for many countries. Considering the multipolarity in today's world, the debate cannot be reduced singularly to traditional development aid. The World Bank has three priorities when it comes to development aid:

- country leadership/ownership in project development through capacity building;
- development beyond aid, including new actors and focus areas, such as trade and investment;
- managing for results through more transparency.

It remains important to include non-state players in the development dialogue and to focus on knowledge exchange and greater transparency to hold all donors and governments accountable.

Discussion

- Q** According to Geri Muller, HLF-4 should be an opportunity to discuss questions linked to environment and the potential of poor countries' unexploited resources.
- A** Mr. von Amsberg agreed that Bussan is indeed an opportunity to have discussions about a broader picture for aid and development.
- Q** Laode Ida asked if it would be possible to have a more decentralised procurement policy for Indonesia, and not one based solely in Jakarta.
- A** This could be part of recognising a country system. For now the Bank's headquarters review only large procurement processes. Decentralisation would involve extensive capacity building and strengthening country ownership.

Meeting with Ms. Sri Mulyani Indrawati, World Bank Managing Director



Alain Destexhe briefed Ms. Indrawati on the delegation's activities throughout the Spring Meetings, and the 'Doing Business' conference at the end of 2011. Ms. Indrawati underlined the necessity of World Bank engagement with legislatures. She explained that even in countries where the Bank does not support the budget, it tries to engage with Parliaments, and 75 percent of Country Assistance Strategies are discussed in Parliament. Ms. Indrawati said the Kigali conference was a good idea. She further explained that over the past years, the World Bank has become a knowledge hub and a more transparent institution.

Discussion

- Q** Jeppe Kofod stated that if the Bank is focused on transparency, it should think of MPs as strategic stakeholders. He enquired into how the Bank will engage with countries in the Middle East following the Arab Spring.
- A** Ms. Indrawati explained that the Bank will try to assist Arab countries as they go through transition to rebuild efficient legislatures. Indeed transparency and information sharing is key to remain an accountable institution. Consultations with all stakeholders have become a necessary part of World Bank work. PNoWB in this respect could be a tool for outreach.

- Q** Jerome Evrard asked if the agenda of World Bank President Robert Zoellick's country visits could be shared with PNoWB's secretariat to try and organise meetings with MPs in the different countries.
- A** The Middle East will certainly be on Mr. Zoellick's travel agenda in the near future and certainly include meetings with MPs. Mr. Indrawati will see how she can make this information available.
- Q** Ndye Fatou Toure said that the fact that the budget is voted by MPs makes them important allies for the Bank. One needs to keep in mind, however, that in many developing countries the budget does not correspond to reality. To remain accountable, the Bank needs to inform the population about its activities and the best way to do so remains through Parliaments.
- A** The World Bank has been doing a lot for finance management in countries, considering that the transparency of the budget remains very important for social accountability.

PNoWB reception hosted by HE Mr. Jan Matthysen, Belgian Ambassador to the United States, in the presence of Didier Reynders, Belgian Deputy Prime Minister and Minister for Finance and Institutional Reforms

The PNoWB delegation and PNoWB's partners had the honour to attend a dinner reception at the Residence of the Belgian Ambassador to the US, HE Mr. Jan Matthysen. The Ambassador offered a warm welcome to PNoWB's delegation and congratulated Alain Destexhe on his appointment as PNoWB Chairman.

Mr. Reynders also welcomed the delegation and was happy to meet PNoWB representatives for a second time after the 2010 Annual Conference, which had been held at the Brussels Chamber of Representatives with the support of the Belgian Ministry of Development Cooperation.

Mr. Destexhe expressed his satisfaction that PNoWB was able to include more MPs in this year's Spring Meetings delegation in since his taking the helm in December 2010, the Network had been able to enhance its institutional dialogue with the Bank, and at the same time extend it to the International Monetary Fund.

D. CSO Programme Highlights

High-Level Dialogue on Effective Global Enforcement to Counter Corruption

The World Bank on 13 April 2011 hosted a High-Level Forum to discuss current enforcement challenges and demonstrate how best to cooperate in the global fight against corruption. World Bank President Robert Zoellick opened the session by reminding participants of the International Corruption Hunters Alliance launched in December 2010, a network of more than 200 anti-corruption officials from 134 countries. The objective of the Alliance is to pursue the international enforcement of national anti-corruption and asset forfeiture laws, to yield higher-end results. Referring to the 2011 World Development Report, which is focused on Conflict, Security, and Development, Mr. Zoellick explained that we need to analyse cycles of violence in order to take corruption to the next level. At the national level, strong institutions and the rule of law are at the centre, as are clear anti-corruption guidelines and good metrics to measure results. There is still a need for innovative solutions to

- tackle corruption at the top – when it is linked to power;
- change the perception of justice;
- encourage collective action to achieve justice in fragile/conflict states;
- lay the cornerstones for good institutions; and
- measure success.

Luis Moreno Ocampo, Prosecutor, International Criminal Court, pointed out that regional organisations focus on local crimes but crimes related to corruption are often trans-national, therefore the approach to corruption has to change, starting with an intensive exchange of information. Benjamin Zymler, Minister, Court of Audit, Brazil, added that supranational institutions could be responsible for oversight and information exchange. Boon Hui Khoo, President, INTERPOL, agreed that there is a need for capacity building to encourage cross-border police cooperation and added that whistle blowers should be protected. Moreover, independent institutions should be charged with the evaluation of countries prior to the disbursement of development funds.

E. Parliamentary Workshop

PNoWB in cooperation with the World Bank and the IMF organised a Parliamentary Workshop on 15 April 2011 for its delegation. The workshop included issue-specific sessions with representatives from the World Bank and the IMF.

1) World Bank Programme

Discussion on Sovereign Debt with Carlos Braga, Special Representative to Europe

Mr. Braga presented elements of his book ['Sovereign Debt and the Financial Crisis: Will This Time Be Different?'](#). The book presents and discusses policy-relevant research on the current debt challenges which developing, emerging market, and developed economies face. Following the financial crisis, low-income developing countries show an average deterioration of 5-7 percentage points in the present value of public debt-to-GDP ratio in 2009-10, compared with initial forecasts. Among these, 40 percent are already in, or risk, debt distress. The G20 countries can expect their government debt-to-GDP ratio to increase to 85 percent by 2014. Concessional financing remains important for developing countries' debt sustainability. IDA provides favourable credits to countries that cannot sustain debt, and many African countries take advantage of this.

For European countries, there is a lot of stress at the margins of the Euro area. There might be a need for debt restructuring but it has to be different for every country. Currently, there is a risk of spreading economic difficulties to Spain, Belgium, and Italy. This will have implications for the world economy and is, therefore, of great concern to the World Bank. The next 2-3 years will be important for the economic evolution of European countries.



Discussion

- Q** Geri Muller stated that private banks that lend to bad debt should be held responsible for this.
- A** Mr. Braga answered that banks have a responsibility to raise capital for minimum requirements. Government intervention created new debt to cover that of private banks. The recent events in Greece are a classic example of governments living beyond their means. In Portugal and Ireland, the economic difficulties are due to private sector overspending.
- Q** Mr. Muller maintained that financing and re-financing can be a risk for development. According to
- A** Mr. Braga, economies cannot develop without a healthy financial sector but you have to create the incentives for the private sector to act appropriately.
- Q** Hugh Bayley wondered about capital moving to BRICs countries. Without moving away from a market-based approach, are there any tools to direct capital to less developed countries?
- A** IDA16 (the 16th replenishment of the International Development Association) can be a tool to attract capital to less developed countries. Meanwhile, BRICs are starting to tax incoming capital to avoid inflation. However, considering World Bank activities, markets are much bigger than the reach of the Bank, which can only intervene in a small part.

At the moment, the important thing is to increase savings in all European countries before reaching the tipping point at which debt becomes a drag for economic growth (estimated at 77 percent of GDP). Many European countries are currently beyond this point.

- Q** Alain Destexhe explained that rather than the actual level of debt, the rate at which debt increases is of greater importance to economic sustainability. Belgium has always been at a debt level of over 100 percent but has not faced severe economic hardship. Ireland, on the other hand, had a debt increase over a short period of time.

- A** Mr. Braga consented that country characteristics matter. Japan, for instance, has a debt ratio over 200 percent but the country also saves a lot and has an important financial market. There are many regulatory tools to control banks that are too big to fail. Today, we need to develop tools to control banks that are too connected to fail.

Using Open Data to Map Results on the Ground with Aleem Walji, World Bank Institute



Mr. Walji used the session to talk about the World Bank Open Data initiative. He showed how through the initiative, online users could compare poverty to World Bank projects through mapping of the individual project locations. Together with the government of Sweden, the World Bank has launched the open aid initiative to make sure that the public has information on aid flows, which will be easily available through general search engines. These initiatives also use the latest technologies to make documents easily accessible. The objective of the Open Data initiative is to make statistics easily readable, downloadable, and reusable. The Bank has been pushing other donors to adopt this approach and created a toolkit for other agencies to replicate the initiative.

Discussion

- Q** Hugh Bayley asked what happens when governments want to prevent certain data from becoming available.
- A** Mr. Walji replied that the tool is not designed to embarrass governments but rather help and support them in their work to eradicate poverty. In addition, there has been a great use of sms to give feedback on the Bank's projects.
- Q** Ndyé Fatou Troure gave the opinion that MPs should have access to a three-year plan of programmes prior to approval as in some countries the approved budget is not always implemented.
- A** The Open Data initiative allows for precise mapping of active projects which enables comparisons to the initial planning.

Education for All with Carol Bellamy, 'Fast Track Initiative' Chair, and Robert Prouty, Head of the EFA FTI Secretariat



During this session PNoWB Members learned about the 'Education for All - Fast Track Initiative' (EFA FTI). The EFA FTI is a global partnership launched in 2002 by developing nations, donor countries, multilateral agencies, CSOs, and the private sector, each dedicated to ensuring that all children receive quality basic education. The initiative is based on commitment and mutual accountability. Developing countries commit to create and implement sound sustainable education plans, and donor countries, multilateral organisations and CSOs commit to align their support to the national plans through cooperation and financial support.

The initiative has proved successful, which is manifested through a great decrease in the number of children out of school in FTI countries. One of the main focuses of the initiative at the moment is on reading results, which, necessitates a great effort on fundraising.

Discussion

- Q** Robert Corbin asked what indicators are used to measure success.
- A** The core measure of success is the completion rate.
- Q** Mr. Corbin followed up with the example of Guyana, where there is a high completion rate but still low literacy among the population.
- A** This is because there is a lack of quality in the education sector.
- Q** Jeppe Kofod asked if the programme includes skills other than education.
- A** The focus of the EFA FTI is mostly on education but some of the other partners of the initiative also have a focus on skill development. Representatives of the private sector are also partners of the initiative.
- Q** Alain Destexhe asked what exactly is supported by the initiative and whether private sector schooling is also supported by the initiative.
- A** The initiative provides teachers' salaries, textbooks, and school construction. In general, it tries to make its financing plan available in advance. The tests for reading levels are conducted in cooperation with local agencies. The initiative provides some support for private schooling where public education services are not available.

2) IMF Programme

Parliamentary Lunch hosted by IMF Management with Carlo Cottarelli, Director Fiscal Affairs Dept.

The IMF on 15 April 2011 hosted a lunch for PNoWB's delegation, where Mr. Cottarelli gave an overview of the global economy. Vasuki Shastry, the IMF's Chief of Public Affairs was also present during the lunch. In emerging economies, public debt increased considerably in 2009. As of now, Europe, the United States, and Japan have postponed fiscal adjustment to 2012. Therefore, the debt ratio and the deficit will continue to increase until then, which is likely to affect tax payers.



There are still significant risks for emerging economies, notably due to inflation. The IMF issues a 'fiscal monitor' on a regular basis, which recently indicated that fiscal risks remain high. Members of Parliament have the possibility to change legislation. Therefore, it becomes important for a research- and knowledge-based organisation like the IMF to engage with Parliamentarians.

Discussion

- Q** Hugh Bayley asked to what extent inflation can be avoided and what happens to the market if tax payers fund government bonds, which in turn fund debt.
- A** The question is complicated because on the one hand, countries should avoid inflation but at the same time, increasing interest rates are not good for the economy. The difficult task is finding the right policy mix.
- Q** Robert Corbin said that historically, the IMF does not necessarily have a positive image with Parliaments as MPs were only informed about financial decisions after they have been taken. He asked how this relationship is evolving and if there is any parliamentary engagement prior to decision-making.
- A** Mr. Cottarelli responded that even if the official partner of the IMF is the national government, the IMF is making an effort to engage all stakeholders in the early stages of policy-making.
- Q** Geri Muller agreed that it is important to involve Parliamentarians before decisions are taken by the government.
- A** The IMF is becoming an increasingly transparent institution. Currently about 77 percent of IMF reports are available to the public.

IMF Crisis Response & Policy Changes Going Forward with Lorenzo Giorgianni, Strategy and Policy Review Department

In this session, Mr. Giorgianni explained the IMF reaction to the crisis. The main message the IMF tried to get across was for coordinated fiscal stimulus. In 2009, Central Banks established a network of swap lines worth US\$600 billion. Borrowing became twice as expensive. At the same time, the IMF changed its way of lending in a way that countries would have incentives to approach the IMF early on. The emphasis was on crisis prevention instruments with a particular focus on low income countries. The IMF increased the size of its loans and modernised its conditionality (i.e. the number of structural conditions assessed per programme per year). It also increased its lending resources and deployed immediate financial assistance to increase countries' reserves.

In 2010, countries with long-term programmes approached the IMF, such as Greece and Ireland. In general, the IMF lent more to European countries than in the past and provided fiscal accommodation where possible. During this period, exchange rates remained fairly stable but there was an important rise in unemployment, which led to increased social spending in many countries that asked for IMF assistance.

The crisis led the IMF to launch an early warning exercise together with the Financial Stability Forum to try to prevent a financial crisis in the future. This involves each country's macroeconomic conditions on a regular basis at the World Bank/IMF annual meetings.

The IMF also underwent a structural reform of its voting rights. About 6% of voting rights were shifted to emerging economies. BRIC countries are among the top ten quota contributors and emerging economies have a blocking minority. Going forward, the IMF will continue to encourage multilateral decision making.

Discussion

- Q** During the discussion, Geri Muller said that the IMF's role remains limited as it cannot impose punishment on a country's bad economic performance. The challenge in multilateral decision-making is that some countries will be forced to subscribe to policies to support others without wishing to do so.

- A** Mr. Giorgianni answered that the IMF is not a policing organisation and that even though there are poor and even criminal economic actors, most investors are honest. In a world where economies are highly interlinked, policy coordination is crucial.

Global Economic Outlook, Recovery and Beyond with Jorg Decressin, Research Department

Mr. Decressin explained that at this point in 2011, equity markets have recovered to a large extent and volatility is close to 'normal'. Credit growth is low in advanced economies but increasing in emerging markets. Capital flows to emerging markets recovered quickly after crisis but slower after a recent sharp drop. Commodity prices have been boosted by structural, cyclical, and special factors (such as instability in the Middle East and North Africa region).

Industrial activities are starting to accelerate in 2011 but there is still a multi speed recovery – 6.5% in emerging markets, 2.5% in advanced economies, and 4.5% for total global growth. There is still much uncertainty in the Euro area which faces an increasing regulatory environment with less willingness to lend to banks. Inflation is a risk for both emerging and advanced economies. The debt, which has built up in advanced markets will take 15-20 years to bring down.

Discussion

- Q** Hugh Bayley asked what could be done to reduce food prices.
- A** Mr. Decressin answered that the solution lies in better social safety nets and targeted relief.
- Q** Mr. Bayley further asked whose responsibility it is to support countries during food price shocks.
- A** Mr. Decressin answered that the IMF can help a country if food prices become a macroeconomic issue that affects the budget. The IMF also has the Exogenous Shocks Facility, which provides concessional financing to countries facing balance of payments needs caused by sudden and exogenous shocks.
- Q** Alain Destexhe asked how Greece could undergo such a severe crisis without it being noticed by international institutions. He also asked if the IMF can use other than government statistics.
- A** The crisis was indeed badly managed. The problem was accentuated by the fact that in Europe, there is no formal regime for bankrupt banks. Alternative statistics are also available from the Independent Evaluation Office of the IMF.

F. Follow-up

The 2011 Spring Meetings were an important opportunity for PNoWB to exchange with World Bank and IMF representatives and further define its work programme for 2011.

Concerning private Sector and development, PNoWB will organise a 'Doing Business' conference PNoWB in Kigali, Rwanda later in 2011. The PNoWB International Secretariat will follow-up with the World Bank Africa Presidency and other partners about potential partnerships.

PNoWB during the Spring Meetings adopted a Resolution on the new World Bank Energy Strategy. PNoWB will seek to encourage parliamentarians to debate the issue and build a dialogue between parliamentarians and the World Bank about its new energy strategy, notably through its Parliamentary Questions Programme.

PNoWB will continue to cooperate with partner organisations such as GAVI and EFA FTI to inform its members about their initiatives, and investigate how parliamentarians can support programmes in their countries.

The World Bank Open Data initiative can be a useful tool for Parliamentarians. PNoWB will work with the World Bank Institute on bringing training programmes on the Initiative to its members.

The Network will coordinate activities leading up to the Fourth High-level Forum on aid effectiveness with the World Bank Presidency on Operations Policy and Country Services, including the organization of a Parliamentary event prior to the Forum and including MPs on the discussion panels during the event.

During the Spring Meetings, PNoWB reaffirmed its plan to cooperate more closely with the IMF. The Fund will take on the same importance for the Network and its members as the World Bank. To illustrate this new development, PNoWB will undergo a change of name to demonstrate the new focus of its work. The change will be formally announced to all members and partners once the Board decides to the Network's new name.

Finally, PNoWB will also investigate the possibility of including PNoWB members and some of its partners on the panels during the CSO Forum and Programme of Seminars during the 2011 Annual Meetings.

G. Annexes

Annex 1. Programme

Wednesday 13 April	
Upon arrival	WB/IMF Spring Meetings -Registration and badge pick-up -Possible participation in the CSO Policy Forum
Thursday 14 April	
09.00 11.00	PNoWB Board meeting
11.00 12.00	Meeting with Ms. Obi Ezekwesili, World Bank Africa Region Vice-President
12.15 13.45	PNoWB delegation lunch hosted by the Bill & Melinda Gates Foundation, GAVI, and the Global Fund
14.00 14.30	Meeting on Sustainable Development and Energy with Chad Dobson, Executive Director, Bank Information Center and Prof. David Hunter, American University
14.30 16.30	PNoWB Board meeting
16.30 17.00	Meeting with Ms. Sri Mulyani Indrawati World Bank Managing Director
17.00 18.00	Meeting with Ms. Inger Andersen, Vice-President for Sustainable Development, World Bank
18.30 20.30	PNoWB reception hosted by HE Mr. Jan Matthysen, Belgian Ambassador to the United States, in the presence of Didier Reynders, Belgian Deputy Prime Minister and Minister for Finance and Institutional Reforms

Friday 15 April 2011

09.00
12.30

**IMF/World Bank Spring Meetings
Parliamentary Workshop – World Bank Program**

**-Sovereign Debt
with Carlos Braga, Special Representative to Europe**

**-Using Open Data to map results on the ground
with Aleem Walji, World Bank Institute**

**-Education for all
With Carol Bellamy, FTI Chair**

12.30
14.00

**IMF/World Bank Spring Meetings
Parliamentary Lunch hosted by IMF Management**

**With Carlo Cottarelli, Director Fiscal Affairs Dept.
and Gerry Rice, Deputy Director External Affairs**

14.00
17.30

**IMF/World Bank Spring Meetings
Parliamentary Workshop – IMF Program**

**-IMF Crisis Response & Policy Changes Going Forward
with Lorenzo Giorgianni, Strategy and Policy Review Dept.**

**-Global Economic Outlook, recovery and beyond
with Jorg Decressin, Research dept.**

19.00
21.00

PNoWB Board dinner

Saturday 16 April 2011

Morning is open to national business at World Bank & IMF Headquarters

Annex 2. Participants

List of PNoWB Board delegates

Alain Destexhe, Belgium, Chair
Marie-Rose Nguini Effa, Cameroon, Vice-Chair
Hugh Bayley, United Kingdom
Jeppe Kofod, Denmark
Geri Muller, Switzerland
Laode Ida, Indonesia
Yves Sahinguvu, Burundi
Ndeye Fatou Toure, Senegal
Robert Corbin, Guyana

List of additional parliamentary delegates

Karsten Lauritzen, Denmark
Mads Roervig, Denmark
Atte Sugandi, Indonesia
Jacob Jack Ospara, Indonesia
M Zulfahri, Indonesia
Sofyan Yahya, Indonesia
Bahar Ngitung, Indonesia
Visar Ymeri, Kosovo

List of World Bank Representatives

Sri Mulyani Indrawati, Managing Director
Obi Ezekwesili, Africa Region Vice-President
Inger Andersen, Vice-President for Sustainable Development
Joachim von Amsberg, Vice President, Operations Policy and Country Services
Carlos Braga, Special Representative to Europe
Mr. Jakob Kopperud, Senior Communications Officer, External Affairs Europe
Aleem Walji, World Bank Institute

List of IMF Representatives

Carlo Cottarelli, Director Fiscal Affairs Department
Lorenzo Giorgianni, Strategy and Policy Review Department
Jorg Decressin, Research Department
Vasuki Shastry, Chief of Public Affairs, External Affairs Department
Michaela Schrader, Senior Public Affairs Officer, External Relations Department

List of Partners

Didier Reynders, Belgian Deputy Prime Minister and Minister for Finance and Institutional Reforms
HE Mr. Jan Matthysen, Belgian Ambassador to the United States
Gino Alzetta, Executive Director, Belgium
Alex Palacios, Special Representative of the GAVI Executive Office
Sarah Papineau, Director of Programme Funding, External Relations
Professor David Hunter, American University, Washington D.C.
Chad Dobson, Executive Director of the Bank Information Centre (BIC)
Carol Bellamy, FTI Chair
Robert Prouty, Head of the EFA FTI Secretariat

List of PNoWB Secretariat delegates

Jerome Evrard, Head of Secretariat
Gergana Ivanova, Program Officer

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