

## Parliamentarians urged to take more proactive stance on development

Under the aegis of the Parliamentary Network on the World Bank, approximately 190 legislators from over 80 countries gathered in Paris on February 14–16 to discuss a wide range of development issues. This fifth annual meeting of the organization, which also drew government officials, civil society organizations, and representatives from the World Bank and the IMF, focused on rising concerns over the prospects for meeting the United Nations' Millennium Development Goals (MDGs); continued frustration with trade and market access; the importance of improving the accountability of the international financial institutions; donor policies; and efforts to strengthen the role of parliamentarians in promoting development.



Listening to the proceedings are (left) Joseph Henry Mensah, Member of Parliament from Ghana, and Agustín Carstens, IMF Deputy Managing Director.

The significant role that parliaments can play in a range of economic and social issues has not been lost on the IMF. The IMF has expanded its outreach to parliamentarians (see *IMF Survey*, November 17, 2003, pages 343–44) and for the past few years has been working closely with the Parliamentary Network on the World Bank through participation in its annual conferences (see *IMF Survey*, March 31, 2003, page 89), regional meetings, and field visits.

In remarks to participants, Agustín Carstens, IMF Deputy Managing Director, emphasized that his organization has attached increased importance to a continuing and expanding dialogue with parliamentarians—a point that was also made by Pierre Duquesne, France's Executive Director at the World Bank and the IMF. Carstens noted that this greater attention to the role of legislators reflected, in part, increased openness and transparency at the IMF, but it was also indicative of the increased attention being paid to national ownership of reforms.



European Commissioner for Agriculture Franz Fischler (left) makes a point at the session on international trade. With him on the dais is Malian Commerce and Industry Minister Chogul Maiga.

Duquesne underlined that the Executive Boards are more and more responsive to the necessity of taking into consideration the economic policies of countries covered and their desire to have regular and various relations with parliaments. In this context, he drew participants' attention to the recent report by the Working Group of IMF Executive Directors on Enhancing Communication with National Legislators and invited their comments. That report, which, among other recommendations, calls on the IMF to make a greater effort to enhance the dialogue with legislators, can be found at <http://www.imf.org/external/np/ed/2004/ecnl/index.htm>. Comments on the report are welcome by April 30, 2004.

### Worries about financing development

Amid deepening concern that many countries are not on course to reach the MDGs by 2015, James Wolfensohn, President of the World Bank, suggested that the international community seems to be losing its way on this initiative. He pointed out that although annual global spending on defense stands at \$1 trillion and agricultural subsidies or equivalent total \$300 billion, only \$55 billion is spent on development aid. "What is needed," he said, "is not just a bold push here and there but a concerted and deep-seated insurgency on behalf of development and peace." Parliamentarians in particular were urged to play a greater role in monitoring their country's progress in attaining the MDGs.

Eveline Herfkens, the UN Secretary-General's Executive Coordinator for the Millennium Development Goals Campaign, encouraged parliamentarians to discuss these goals with their ministers of finance to find ways to raise needed revenues. She acknowledged that there was "serious skepticism" among taxpayers in industrial countries about boosting official development assistance. According to Herfkens, the prevailing view seemed to be: "Why should middle-class taxpayers finance the elites of developing countries?"

Several parliamentarians indicated that what was needed to achieve the MDGs was political will. Bert Koenders, chair of the Parliamentary Network on the World Bank, noted that many well-intentioned initiatives collapse for lack of political will and that parliamentarians can bring a much-needed ingredient to the mix—namely, political capital.

Financing was also a key concern, and participants received an update on several major bilateral

efforts. Richard Morford, International Outreach Director of the Millennium Challenge Corporation, underscored that the new U.S. initiative—its Millennium Challenge Account—would depart from previous development assistance efforts and focus on countries that govern justly, invest in their citizens, and encourage economic freedom. Paul Boateng, Chief Secretary of the U.K. Treasury, restated his government's commitment to a proposed new international finance facility that aims to raise \$50 billion for development—an initiative that received the support of Francis Mer, France's Minister of Economy, Finance, and Industry, at the Paris meeting. More generally, Mer called for innovative ways of financing development and announced a conference in Paris on that topic on April 8.

Speaking to participants via teleconference, Brazil's President Luiz Inácio Lula da Silva outlined his government's Zero Hunger effort—a homegrown family stipend program launched in January 2003 to provide grants to poor families in return for their commitment to enroll in health and nutritional programs and send their children to school. So far, he said, the program has benefited about 3.6 million families and would reach an estimated 11 million families by the end of his term. President Lula da Silva also lamented the excessive focus in the international agenda on security issues and called for a global movement that would bring together trade unions, nongovernmental organizations, parliamentarians, and others to fight hunger and poverty.

#### Expanding role for parliamentarians

At present, Koenders observed, many countries adopt their poverty reduction strategy papers without the formal approval of their parliaments. For all the talk about consultation, not nearly enough actual participation takes place. Indeed, nongovernmental organizations are typically more active than elected officials in the formulation of these strategy papers. He decried this circumvention of the political process and urged parliamentarians to become more proactive. Parliamentarians won't win elections based on their work on poverty reduction strategy papers, Koenders acknowledged, but it is critical, as representatives of the people, that they be involved in developing and monitoring their country's poverty reduction efforts.

Several members of parliament also underscored their unhappiness over the continued lack of developing country access to industrial country markets and detailed the damaging impact that industrial countries' agricultural subsidies can have. Chogul

Maiga, Mali's Minister of Commerce and Industry spoke about the plight of his country's cotton sector, noting that what was once a source of wealth has become a burden largely because of trade-distorting agricultural subsidies. Franz Fischler, Commissioner for Agriculture for the European Union (EU), countered that while the EU is committed to restarting the Doha Round of multilateral trade negotiations, it wanted to see those discussions take a broad look at all forms of export support, including export credits, monopolies, and differential tax systems. He added that the objective of the Doha negotiations is to tackle the farm subsidies that distort trade the most, not do away with farm policies.

There were also calls for the international financial institutions to be held more accountable to their member countries. Alex Wilks, Coordinator of the Bretton Woods Project, argued that it is important for parliamentarians to know what positions their countries' Executive Directors take on the Boards of the IMF and the World Bank. It is also important, he said, that parliaments know this in real time and not years later as is currently the case. He also urged parliamentarians from both industrial and developing countries to be more proactive in the process of selecting new heads of the IMF and the World Bank. There had been some suggested tweaking of the system in 2001, he said, but more needs to be done. ■

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Speaking via direct video link, Brazilian President Luiz Inácio Lula da Silva addresses conference participants.



From left, World Bank and IMF Executive Director for France Pierre Duquesne and World Bank Vice-President for External Affairs, Communications, and UN Affairs Ian Goldin listen to French Finance Minister Francis Mer's keynote address.

The main sessions of the conference were recorded and can be seen at <http://www.pnowb.org/>. For the full text of Agustín Carstens's remarks at the conference, please also consult <http://www.imf.org/external/np/speeches/2004/021504.htm>.