

Debt and trade dominate legislators' conference

In a year marked by high-profile initiatives to cancel debt, increase trade openness, and ensure more effective aid, what can parliamentarians do to help bridge the critical distance between promises and progress? At the sixth annual conference of the Parliamentary Network on the World Bank (PNoWB), on October 21–23 in Helsinki, some 200 members of parliament from about 90 countries joined representatives of civil society organizations, think tanks, and multilateral agencies to discuss these issues.

The recent Group of Eight (G8) initiative to cancel debts owed by many of the heavily indebted poor countries (HIPC) was welcomed by all, but the discussion revealed some uneasiness. Charles Mutasa of the African Forum and Network on Debt and Development, argued that the original HIPC initiative and now the G8 proposal do not include several countries with heavy debt burdens.

The World Bank's Vikram Nehru cautioned that depending on how many countries are finally included, the cost to the International Development Association (IDA) could jeopardize future lending. Alison Johnson of Debt Relief International echoed these reservations, saying that debt relief should not compromise the IMF's future lending to low-income countries or to countries facing exogenous shocks. Johnson and others hoped that no additional conditionality would be attached to debt cancellation.

Parliamentarians can also do a lot to ensure that their countries reap the benefits of debt cancellation. Johnson called on delegates from borrowing countries to carefully scrutinize government actions and ensure that relief actually helps countries reach the Millennium Development Goals. Legislators should also monitor borrowing by the executive branch and avoid piling up unsustainable debts again. Mutasa suggested setting up a debt-management office supervised by the parlia-

ment. And Nehru urged parliamentarians from donor countries to do their part to see that commitments to compensate IDA are fulfilled.

Waiting for Hong Kong

"When two elephants fight, the grass ends up suffering," said Mutahi Kagwe, a parliamentarian from Kenya, describing the present state of negotiations between the United States and the European Union (EU) over agricultural subsidies. Pascal Lamy, World Trade Organization Director General, speaking via video link, voiced grave concern that the current U.S. and EU positions were too far apart for negotiations to progress. Should the Hong Kong ministerial meetings collapse, he said, it would derail chances of completing the Doha Development Round by end-2006. Why is agreement so elusive? Bert Koenders, a delegate

from the Netherlands and chair of PNoWB, observed that "too often politicians view the world as a risk rather than an opportunity."

Capacity building

Turning to the role of parliament as watchdog, several speakers lamented that limited resources and information make it difficult to effectively monitor the actions of the executive branch. Among those organizations that can help are the World Bank Institute, which has an extensive parliamentary training program. Peter Koepfinger pointed out that his own organization, the Konrad-Adenauer Stiftung, offers extensive capacity building not only to parliamentarians but also to legislative staff and political parties. Peer training may be even more valuable, suggested Beatrice Kiraso, a parliamentarian from Uganda, and she encouraged legislators to share their experience and knowledge. ■

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World Bank President Paul Wolfowitz (top left) meets with legislators in Helsinki.

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