Mr. Suzuki - Good afternoon. I think the time is up so please take your seats. My name is Mr. Hideaki Suzuki. I am the Executive Director representing Japan at the World Bank. I wish to call the meeting to order.

First of all, I would like to extend my welcome to all of you who came from various parts of the globe to Tokyo. As you may have noticed, early October is probably the best season to visit Japan. I really wish that you could also have some time to see our country.

Tokyo is not really the “True Japan,” in my view. Tokyo is just like New York. You cannot say that you experienced the real Japan unless you go outside of Tokyo where there is a different kind of life. There are really different kinds of people living in the countryside. Maybe through your interaction with Japanese CSOs, you could also feel the real touch of our country and our people.

Well, my experience at the Bank is relatively short. I came to the Board only two months ago, so probably many of you may know much better than I about World Bank operations. I used to have some experience in World Bank business almost 20 years ago. At that time, I recall that there was not so much interaction between the World Bank Group and CSOs.

But when I arrived at Washington Headquarters, I have learned that how CSOs are really playing an important role in promoting the World Bank’s operations. I am surprised to find, for example, that CSOs are now involved in about 80 percent of new Bank-financed projects. So, CSOs have become one of the major stakeholders for World Bank Group operations, and I am very much interested in today’s discussion.

Unfortunately, because today is still at the early stages of the Annual Meetings programs, we have a couple of EDs for today’s meeting, but many of them are much more experienced than I am, so they also could make a great contribution to today’s discussion.

In Japan, there is a saying that if you want to be an excellent scholar, you should not stay on campus, or you should not remain in this so-called Ivory Tower, but you better go to the field. It may be also the case for me and my colleagues that sometimes we need to leave Washington
Headquarters and go to the field and have a discussion on what is going on in the field. So, I am really interested in today’s discussion.

So, let us start today’s business by first asking comments from three CSO representatives: Mr. Masaki Inaba, Executive Director of Ugoku/Ugokasu, GCAP Japan; Ms. Emele Duituturaga, Executive Secretary of PIANGO; and Ms. Milwida Guevara, President of SYNERGEIA Foundation. So now let’s turn to Mr. Inaba.

Mr. Inaba - Thank you very much.

My name is Masaki Inaba. I am representing Japanese civil society. I will speak in Japanese because this conference is in Japan.

(THROUGH INTERPRETER) It is a commemorative occasion for the CSOs in Japan to have this meeting held in Japan this time.

It is quite unfortunate that the Japanese mass media here has not necessarily taken up the topic of Annual Meetings of the Fund and the World Bank as much as we would like to see.

This Annual Meeting is such a precious opportunity for Japan to be awakened once more, because now Japan has been quite interpreted as inward-looking. So, it could be a very good occasion for the Japanese people to be awakened, to get a higher awareness as to the importance of the global economy, as well as the development of the developing regions of the world.

I would like to just briefly represent the views of the CSOs in Japan CS about the IMF has well as the World Bank. First of all, I would like state to you that, even here in Japan, the issue of poverty as well as the widening disparity has become a big problem. I hope that the Fund and the World Bank can help us in clearing those big issues.

Since the 1990s, we have gone through what is called the Two Lost Decades, at which time the income disparity had widened. Within the OECD countries, it is said that Japan is a country with a relatively high poverty rate.

The IMF is coming up with advice to Japan asking for a rise in the consumption tax rate, take part in TPP, to do a better job in the social security area, inclusive of the medical care services, and so forth, but if these are complied with, then that would result only in widening the income gap further.

It is very sad to say that ever since 1998, every year people who died from committing suicide runs to 30,000 or more.
Most of the people died as a result of suffering from the difficulty they are having in leading a livelihood and are pressured with accumulating debt.

Civil society organizations here strongly believe that the IMF has to stop giving advice to the Japanese government in terms of policy, asking for measures that would only resort in widening the gap, as well as further exacerbating the poverty degree here in Japan.

Of course, the widening gap is not only a phenomenon found in Japan but can be seen throughout the world.

Ever certain since 2009, the rates of unemployment have gone up throughout the world.

We have no use for the continuation of policies which do not produce jobs, just to produce a chunk of benefits to be enjoyed only by the elite who had gathered a lot of wealth from society.

We believe that a comprehensive inclusive policy needs to be exerted by the Fund and the Bank which would resort in producing more jobs, employment, and narrowing the gap and the disparity.

I would next talk about the social development pertaining to basic education as well as basic medical care services.

All people have a right to have access to health care services as well as to basic education free of charge or affordable prices that even the poorest of the poor would be able to afford.

In view of that, we are of the view that the beneficiary pay policy needs to be eliminated. Whenever basic education and health services are provided in doing that, we have to make sure that the quality of services will not deteriorate.

A word about the disaster with management or disaster prevention.

Large damages have been brought on Japan ever since the end of World War II as a result of the Great East Japan Earthquake at this time.

Because of the climate change, water-related damages are getting severe by the year in Japan. Last year in Wakayama, due to the severe flood, more than 100 people’s lives have been lost, which means it is inevitable to take up the issue of the rain disaster with management as one of the global agenda issues, because not only Japan but any country in the world can be hit by great disasters any time.

Of course, the attention on DRM (disaster resilience and management) will be very important because it serves to protect the lives of people as well as protect the property of the
people. At the same time, human rights need to be respected together with the right to live by people all over the world. So, we have to make sure that we have viable disaster risk management alongside with, and in parallel with respect for the rights of people and other people.

Civil society organizations I, believe that when we speak about disaster risk management, it does not always have to be natural disasters, like disasters which can occur in mines, or industrial waste, or chemical plants. It can be other disasters as well, as represented by the Fukushima Nuclear Power Plant accident involving radioactive substances which are being released to the environment.

Only three years are left for completing the targets set in the MDGs.

I know that a big debate is under way discussing the development strategy post-2015 on what to do with this beyond 2016 and onwards.

There are so many issues at hand; for example, what to do with the new economic agenda, like, employment and the DRM disaster risk management, how to achieve the MDGs as well as what to do with the post-MDG era. I hope that all these items can be discussed fully in good substance at the Annual Meeting to be hosted by the World Bank and the IMF. Thank you so much.

Mr. Suzuki - Thank you. May I now turn to Emele?

Ms. Duituturaga - Thank you.

My name is Emele Duituturaga. I am from Fiji and from the region of Pacific Island Small Developing States. Firstly, on behalf of CSO colleagues, we would like to thank the World Bank and the IMF for the Civil Society Program, your sponsorship allowing many of us to participate, and thank you for availing yourselves for this face-to-face dialogue. We especially want to commend the outstanding work and support we received from your staff, and I would like everyone to show our appreciation.

The World Bank June 2012 World Economy Report reflects very weak growth with political uncertainty in the Eurozone, the first cliff in the U.S., and capacity constraints and external vulnerabilities in developing countries. My first question? What is the Bank doing to reduce the negative economic spillover effects from the euro crisis on developing countries?
In his speech at the 2012 International AIDS Conference, President Jim King stated that, and I quote, “A strong partnership with civil society that delivers results for the poor will be a signature of my presidency.” My question is how will you as Directors help President Kim achieve his signature partnership with civil society?

The Busan Partnership Agreement recognizes the vital role played by civil society in enabling people to claim their rights, in promoting human rights-based approaches, and in shaping policies and partnerships. The Arab Spring and civic uprisings of 2011 have shown that development without freedom is meaningless. It is increasingly clear that economic stability and political freedoms are deeply entwined. A vibrant civil society is a way to achieve both. My question is how will the Bank help protect and promote an enabling environment for civil society actors, which is shrinking? Would the Bank consider human rights conditionalities in your dealings with governments or in your safeguard policies? Still on President Jim King, how are Executive Directors perceiving the first few months of President Kim in office, and what do you think about his dual emphasis on fighting poverty and generating shared prosperity?

All across world, there have been protests about the abdication of responsibility by governments to provide basic needs to citizens, as seen in the pro-democracy protests, occupied movements, and anti-corruption demonstrations. People are frustrated that governments are ignoring their social contract with citizens and increasingly outsourcing the provision of basic services to the private sector, often at spiraling costs.

Yet we continue to hear from the World Bank and others, IMF, about public-private partnerships as if it were the panacea for all development-related issues and further support for the private sector as the engine room for growth. My question is, is this not at odds with millions of voices out there demanding greater accountability from governments and the private sector?

In relation to the issue of social accountability, what is the status of the Global Partnership on Social Accountability and how can the Bank and CSOs intensify our operational collaboration? The renewed emphasis on poverty elimination and President Kim’s commitment to, quote, eradicate extreme poverty in our lifetime, is heartening, but this requires directly engaging with the poor as well as deepening partnerships with civil society to facilitate direct dialogue from the front lines with Bank decision-making?

My question? How does the Bank plan to increase participation of marginalized sectors, enhance support for CSO capacity-building, and strengthen mechanisms to sustain dialogue at
the national and regional levels, especially following up on dialogue at these Annual Meetings?

My final question? Given the prominent youth bulge especially in regions such as MENA, Africa, Pacific and Asia, high unemployment, low wages, failure of push-out education systems, what is the Bank doing in your policies and in encouraging governments to engage meaningfully with younger people and to empower them economically, socially, and politically as agents of change?

I thank you.

Mr. Suzuki - Thank you. Let us now turn to Milwida, please.

Ms. Guevara - Good afternoon. My role is to raise CSO issues to the International Monetary Fund.

Although IMF officials are absent, we are thankful and hopeful that, with the presence of Mr. Suzuki and other Executive Directors, you can relay CSO concerns to your counterparts at the International Monetary Fund.

It is like a deja vu experience for me. I lived a good part of my life in government negotiating with the IMF on loan conditionalities. While truly the IMF has some of the most analytical and brilliant minds, they are distant from country realities. The period through which an IMF mission stays in the country is severely limited to enable it to understand the difficulties and effects of executing an IMF program: revenue measures that happen overnight, taxpayers have to be educated and convinced, Congress or the parliament has to be convinced that the amendments should not be watered down, and ultimately it is the taxpayers who bear the burden of the debt and the revenue measures.

Expenditure cuts are equally difficult to manage. While it is a relief that current IMF programs spare wages and social programs, shoestring budgets lead to deterioration in the number and quality of social services and infrastructure, which worsen poverty and unemployment. The International Monetary Fund may be immune to criticisms on its approach, believing that its mandate is to be a ruthless truth teller. Hopefully, however, the IMF realizes from its experience in the Asian crisis that its wisdom is finite and that it has more to gain from greater openness and inclusive consultation.

We understand that the constituencies of the IMF are governments who are responsible
for representing the people’s interest, but certainly the IMF in its wisdom must realize that some governments are corrupt, incompetent, and autocratic. I have tried to understand the reasons for exclusivity in IMF consultations. Is it paranoia, the lack of time, the additional difficulties, the lack of network, or the lack of understanding of civil society?

Like any organization, CSOs are diverse. On one extreme of the pole are those that are confrontational and are wanting in integrity, but the other end are CSOs who are equally sophisticated and have a good grasp of economics and governance. In some cases, they are in fact instrumental in moving political reforms which inept governments fail to move.

On the middle ground are CSOs that are motivated by love of country and are earnest in the formulation of programs that lead to growth and development. Thus, the divide between civil society and the IMF continues, though lesser in degree compared to a decade ago. Some country studies are available on the web, but consultations by the IMF and its technical assistance are mostly limited to the public sector and, in some specific instances, include academia and the business sector.

The participation of CSOs is sporadic, ad hoc, and follow one-way traffic. The IMF is a great information-taker but is not equally great in sharing information. Such a relationship is not nurturing and can really be tiring.

True, we understand that the IMF is bound by confidentiality rules by its host government, but we are also aware that the IMF, because of its power, can impose as one of its conditionalities transparency and participatory management. Yesterday, Mr. John Garrison in good humor said that, while the CSO consultation is held in the basement of the building where the IMF-World Bank meetings are held, we should not overlook the fact that the door has been opened.

We recognize and gratefully acknowledge the efforts and the passion that went into removing the bolts and the dragons that guard the gates of the IMF. We wish to make special mention the efforts of Mr. John Garrison and Karla Chaman.

In the near future, the CSOs may eventually move from the basement to the first floor with greater trust and acceptance that public policies are better structured, better owned, and better safeguarded with greater participation from other stakeholders aside from governments.

CSOs have an equal responsibility in this regard. They can only demand values and competence from their governments that they themselves exhibit, but the odds are against them
because they have to raise their own resources and fight for opportunities to deepen and broaden their competencies. CSOs can only ask the same question that the World Bank is asking? What would it take for CSOs to have an equal opportunity for IMF’s technical assistance?

Thank you very much.

Mr. Suzuki - Thank you.

Before giving the table to Mr. Hasan, who is the ED for Kuwait and the Middle East constituency, I noticed that there were a couple of comments on the IMF. As Ms. Guevara stated, my understanding is that our—I mean, the CSO office of the World Bank has approached the IMF counterpart and asked for the participation of IMF Executive Directors, but they were told that, because of a conflict in scheduling and the early stages of the meeting, nobody from the IMF was able to join. I think that is my understanding. Some of them have already gone to the Sendai Dialogue Conference. So, I think it is better to focus on World Bank issues, and now I hand the table to Mr. Hasan.

Mr. Hasan - Thank you, and thanks everyone. Good evening. Thank you to our colleagues, Mr. Inaba, Ma. Duituturaga and Ms. Guevara for their interventions.

The way I am going to conduct our dialogue tonight, I am going to answer the questions raised by our panelists. Then I will go and open the floor for five questions, and I will give time for my Executive Directors colleagues to answer these questions. Then we will go for the second round until we reach our closing time.

Colleagues, we are really keen to listen to you and the CSOs. We are a good part of our operation. In many of our country consultations, and even global consultations, the CSO is the center of it, our Country Partner Strategy. We do a lot of consultation with the CSOs.

Although some of our government colleagues do not like it, we are still doing it because we believe this is something that is very important to take your opinion. Also, your knowledge in the field on the country is very useful when we form our strategy.

We did a lot in terms of putting a lot of capacity-building for the CSOs in our Internet or in our gathering. That is why you are here. We are trying to build you a network; you are trying to better communicate it regionally, nationally, globally, and also how to build up capacity in
terms of communication.

As you know, the Bank has moved recently to focus on results and how we provide solutions to our clients. Our knowledge should be transferred into the solution. That is why we are putting a lot of emphasis and resources in our knowledge agenda and how to become the Bank as a knowledge bank.

Many of our borrowing countries, even low-income countries, come to the Bank for its knowledge. So, knowledge is becoming something which is very important, and the Bank is playing a big role in order to transfer this knowledge and communicate it to our client. But we are working in a very difficult environment. There is a risk. Also, we need to increase our tolerance. We do not want the Bank to be slow only to add more safeguards into our operation, because this is the complaint we are getting from our clients. We need to be balanced in order to be first responders to our clients. That is why we are raising our risk appetite. Again, in order to do that, we should have some tolerance in order to do that.

Decentralization and being close to the client is very important. This is open access. A lot of our material is open now, translated into many languages, so you can access it, use it. That is why we are putting a lot of resources into technology how to access our knowledge, our country strategy, what we are doing in the country.

I remember when we passed this (open data) resolution from the Board a year ago. We have almost, like, more than a couple of million hits in our internet site asking for the knowledge and access to the knowledge and the country issues from the Bank.

There were many questions raised about employment, the euro, how we are doing for the Eurozone, and also human rights and accountability in the private sector. The way I am going to distribute the questions, let me just introduce Gwen Hines, Executive Director from the United Kingdom; Piero Cipollone, Executive Director for Italy, among other countries; and Juan Jose Bravo, Alternate Executive Director for Mexico. Then I have my friend Rogerio Studart, Executive Director for Brazil.

Gwen, I give you the euro question since you are from Europe; youth unemployment for you, Piero; and accountability for the private sector, Rogerio, if you can take that question; then about human rights, Juan Jose, because we are discussing human rights issues. Why don’t we start with you, Gwen, about the Eurozone.
Ms. Hines - I feel slightly daunted because I am aware that some of the best minds in the world are trying to sort the euro area right now and I think I am probably the last person who has the answers.

It is a really important question. My background is partly in economics and I am very conscious that for anybody working in development, an understanding of economics is increasingly essential, because wherever you are in the world, the world is increasingly globalized; what happens in one country can have a huge impact.

I spent the last few years living and working in developing countries, and in all of those it has been a very key part of my work. I was Country Director running U.K. aid programs. There, it was very much part of my work, as well as running health or education programs, to think about how is the economy in this country doing; what is the impact of global crises, regional crises, and what does that mean.

We all realize that things can go backwards very, very quickly. You can be doing really, really well on the Millennium Development Goals, but if a country’s economy starts struggling because of the impact of high oil prices, because of lack of access to credit, all these things can undermine progress. So, it is something that we in the World Bank Board are thinking about a lot. Food prices are another one which people are thinking about.

In terms of the Eurozone specifically, obviously, as I say, everybody is focused in the short term on trying to deal with that immediate crisis, because as bad as things might be at the moment, they could get a lot of worse. So, at the moment it is very much focused on that issue.

But already there have been some discussions in particular countries and with particular institutions about the impact of the global crisis. The IFC, the private sector arm of the World Bank, for example, has given us lots of examples recently where they are stepping up lending to small and medium enterprises in developing countries.

One of the first impacts of the global banking crisis was access to credit got much more difficult. Particularly in high-risk environments, that has been a problem. So, they are doing more SME lending. They are also monitoring things, like, the impact of the oil prices, food prices, and things like that. Something else that we all have to be aware of is what is this going to do to development budgets in donor countries. That is also something which we all need to be aware.
As I say, it is very much being aware of it, looking at the risks for specific countries, but trying to think about risk management long term. The World Bank has done a good job in recent years about risk management strategies and emergency financing. Again, that is something that all of us are going to have to continue to look at. Of course, we are all looking at bailing out European countries at the moment, but we must not forget the impact on the low-income countries.

Mr. Cipollone - Thank you, Merza. Thanks for this question, which is central in the thinking of the Bank these days. As you know, we just published the WDR 2013 that deals exactly with jobs, hopefully good jobs.

There are 200 million people unemployed around the world. The employment ratio is declining. So, this is a very crucial issue for development. Seventy-five out of these 200 million unemployed people are young people. So, unemployment for youth is really the key question because those are young and those are the people that need to build the future of their own country at the globe itself.

Let me try to provide what kind of answer we can find to this problem in the WDR. These are three layers, basically. A fundamental understanding—and at the Board we were more or less all in favor of this conclusion—is for the private sector to generate jobs for development. Governments have to provide an enabling environment. In special cases of deep crisis, they might provide direct jobs, but that has to be an exception because in the long run it is the growth of the private sector that generates a healthy economy able to provide jobs, good jobs for everybody.

So, the first thing is to provide the right macroeconomic fundamentals. Monetary and fiscal policies have to be balanced so as to provide the right environment for economic activity to develop without many shocks.

“Fundamental” means also an enabling environment that favors the development of the private sector and the rule of law being there to give certainty to investors, and things like that.

The second layer is to have balanced regulation of the labor market, not to go too far in any direction, try to provide some form of employment protection but not too much in order to foster accumulation of human capital, and to favor a long-term relationship between the Fund and the employees.
The third layer has to do with what kind of reform you have to do, how do you do that. The WDR looks carefully at this issue because the sequencing of reform in the labor market or for the economy is crucial. If you do the wrong sequencing, even good policy can derail. The WDR suggests a way or at least an algorithm to figure out the right way to address this issue. In the WDR, you can find methods to address the issue, because it is at the country level that you have to solve the problem. Those are the general principles.

Let me say what the Bank is doing, something that the Bank is doing in order to help countries to deal with youth employment. The first thing it is doing is investing in education. We all recognize that the quality of education is crucial for getting a job. We have evidence from the MENA region that the lack of skills of young graduates from high school or university is the major reason for firms not able to expand their business, so quality of education, education that matches the needs of the labor market. There are several initiatives that look at this issue.

Second, we are devising methods to avoid that, if you fall into unemployment, you lose your human capital, and, therefore, you are unable to enter again the labor market. This is the idea of the social safety nets, provide people some kind of shield against shocks to their lives in order to allow them to reenter quickly the labor market without wasting their human capital and losing employability. Those are more on the supply side.

On the demand side, at the end of the day, if there are no firms that have the main jobs, there is little you can do. So, there is an understanding that in many of these countries the problem has to do with the existence of small and medium enterprises. We are working to foster the development of small and medium enterprises. This is difficult, because the transaction costs to deal with the small and medium enterprises are huge. Still, we are trying to move in this direction.

Let me say one last thing about self-employment, which is a crucial avenue for many countries to develop a healthy labor market. Self-employment is a good strategy, but we need to work and open the markets because sometimes there are opportunities that cannot be explored by brilliant young people because the markets are tight, and often connections are more important than skills. This is something that cannot be tolerated any longer.

Mr. Hasan - Rogerio, in addition to the private sector can you also talk about accountability since it is at the center in our operation is to promote the private sector and the
IFC role, so I really appreciate it.

Mr. Studart - First of all, let me apologize for being late. I have to say, Merza that you took a significant risk because I am late and jet-lagged, and I am trying to understand the question as we go. I think that I get it and I want to say to you that what I am going to say is the expression of my own opinion. I do not think that neither the Board nor even the multilaterals have a single opinion about this so what I am going to say, even though some colleagues may share that, it’s just my opinion.

If I understand the question, it is very complex because it deals with two things. First is how civil society sees the interaction of the World Bank, using the World Bank as a tool to leverage some of the demands of the international civil society, appropriate demands in relation to national governments. This is one side. This has been the issue for a long period of time. The other has to do with the capacity of the Bank nowadays to leverage those demands through its programs. Those two are related to one single issue that I want to elaborate with you.

First of all, the World Bank has become small in relation to the several demands that we have in the developing world. We have, I would say, mounting problems coming for a long period time that should have been addressed by the international community. First of all, it is right for the development and the moral obligation that we have in relation to poverty elimination. We, as an international community, have not addressed and have been very, I would say, slow in even giving support that we should have to achieve the goal.

Second, on the issue of other global conditions, such as climate change, our understanding of the problem and understanding of the need to address it as an international community has increased significantly this year, so you have a second layer of issues that the international community has addressed quite badly. Then we have on top of that the financial crisis.

Even though issues that we address as an international community have been increasing, the resources that we as an international community have been putting to address these issues have been declining. The situation that the World Bank is facing is just one further demonstration of that. I think we have been very quick to understand the need, for instance, to replenish the IMF and deal with the issue of the crisis in a more or less coordinated way, but we have thus far failed as an international community not only to address the issues that were
already there, such as poverty, the issue of increasing problems of climate change that are affecting not only developed countries but, of course, even more the developing countries, but now the issues of debt created by the crisis, one of which has become a main theme of the WDR, which is increasing unemployment and all the political turmoil that comes with deprivation and unemployment.

I want to say to you that the push that the World Bank has been giving, leveraging the private sector in addressing this issue, is only natural because we know that the private sector is what moves the economy around the world, but also has to do with the little capacity we have to leverage the resources that we need in order to address these three challenges.

Now, for you I have bad news as an international civil society. I think you have to stop looking at the World Bank as this enormous leverage to address the issues of the national economies, because we cannot be that leverage anymore. We have to work not only as the international community as a whole, which includes civil society, but also the instruments of civil society and the international communities, such as the World Bank, in order to create an environment that creates some leverage in further development using private sector resources and at the same time achieving the goals that we want to achieve in terms of development, sustainability, inclusiveness, and so on.

That requires a change of the way you operate. It particularly requires a different way to operate with the instruments of the international community of the World Bank, such as the World Bank. So, if I understood the question, what you are saying is, well, how can the World Bank guarantee to us that there is going to be more accountability if now you are promoting more partnership with the private sector and that we only have leverage on the governments. The answer to you is I do not know, but we should work together in order to do that.

If I was not too jet-lagged, I think that was the basic question, but you said that there was another part of the question.

Mr. Hasan - One thing that is very important that you mentioned, Rogerio, is about social responsibility. When we deal with the private sector, also we are trying to improve a lot the social responsibility when it comes to the private sector.

Juan Jose, I am giving you a very difficult question, my friend, which is human rights, what we are doing with human rights.
Mr. Bravo - Like Rogerio, this is also my personal opinion and it is not how the World Bank thinks, starting with our own objective to fight poverty and to achieve that goal and, as was mentioned, how are we going to help the President achieve that goal that would help really the human rights issue. Taking out the people from being poor, giving them education, giving them health, is part of human rights.

So, in our responsibilities, what we are trying to do within the Board is to help the Bank achieve their goals within the norms that we already have established and our by-laws and the needs of each of our partners, shareholders, or clients, all those things at the same time. What we are trying to do is we have already some very, very different rules, very different operational systems, instruments like the Inspection Panel, and some other instruments that we use to check on how we are doing, that we do the projects within the norms and without going out.

In that sense, and in that area, CSOs play also a very important role. World Bank resources are limited; the people that we have, the knowledge, and everything that we have to use for each of the things that we do are limited so we need your eyes and we need your voice there so that we can have that. You can help us in finding out if we are doing something wrong or somebody is doing something wrong.

Remember, as Merza has just said, we have to balance in terms of putting rules and also being effective. I think right now the world needs to be more effective and be more rapid in getting jobs, in getting the money outside, getting projects that help governments in establishing institutions, establishing the rules, establishing the environment to create jobs.

We, as the Bank, have to help them and have to be faster. That does not mean that we are not going to take care of the rules and take care of the people and everything, but we have to be faster in our response so that we can get out of this problem that we are facing right now as the world faster.

Your help will be in there. I personally do not think that we need much more safeguards and so many other things. I think that what we think is already good and there is no need for something else. But your eyes, your participation, and your pressure on governments for transparency and accountability, that is going to help us in achieving the goals and helping getting out of poverty, and maybe, as Mr. Kim has said, eradicated from the world, and that is what we have to do.
Mr. Hasan - Let me now open up the five first questions and after that we take an answer. I would like Executive Directors, for us to be quick on the answer so I can take as much I can from the floor.

But before I will go and open up one question, what we are doing for the new President Kim, we are giving him full support; we are behind him; and we are looking forward for a very positive engagement and working toward the mission of the Bank to eliminate poverty.

Let us start.

Participant - I am from Egypt. You have to excuse me. We just had a revolution so I might sound a bit revolutionary. Actually, somebody taught me one day a very important lesson: Lead, follow, or get out of the way. That was a very, very valuable lesson, actually, that I learned.

Now, I truly believe that the World Bank has some great initiatives and it is going through some very important change. On the other hand, I think that the world we live in is split into two different worlds. There is the famous advertisement in India that was a big campaign called “Lead India,” where it said that there are two Indias, an India that is still living in the past, looking at the pyramids, looking at the old monuments, and a new India, like a new Egypt, like I am sure many of the CSOs here represent a new world order that I think the old organizations have to realize and have to really spend some time thinking about what they are trying to say.

I think we got some very important message I did not hear an answer to why do the IMF and the World Bank continue to support corrupt governments while the needs of the people of these countries are not being considered at all? Despite the fact that there is openness from your organization to listen more to CSOs, I think there is a much bigger effort required in this space to really take part in this new world order that is shaping up and really living up to the challenge. It is not doing things faster, but doing things better and in a better direction.

So, it is just a quick comment I wanted to say. I think you are with new leadership. The Bank has some big moves to make, but I think it has to cascade down to every single employee of the IMF and the World Bank to realize that tolerance will be less and less in the world. Maybe the Arab Spring, we were lucky to be ahead of the curve, but in other parts of the world I am sure change is happening and the World Bank should change as well.
Thank you very much.

Participant - I am from Pakistan. My question is almost a buildup to my friend from Egypt. First of all, I would like to thank the panelists for raising very good questions to the World Bank and to the IMF, and then the Executive Directors to give their own perspectives as well, and also to hear from the Japanese CSO.

I will start my question from the Japanese CSO leadership and that is that we are very pleasantly surprised that there is such a strong CSO movement that is here which we thought that, you know, the state is primarily looking after all the issues, problems, and that is how we really idealized the Japanese situation. So, I would very much be interested to know the strength of civil society, the diversity of civil society, and the terms of engagement of civil society with the Japanese government.

The other point that I have is like what my friend said, to lead or get out of the way, you know, like, looking ahead. Basically, I interpret it as looking ahead and not looking backward that much. So, rather than mulling over what the IMF and the World Bank have not been doing, I think that the new President’s approach is, like, very bottom-up or looking at the poor people and getting to the individual case by case.

Now, the challenge here is what would be the terms of engagement with civil society. Civil society here is very diverse. It is the low-cost private sector, the NGOs, the media, the judiciary, and so on. So, out of this forum, we would like a framework culminating, emerging, or a draft framework coming out that has goals and priorities, basically a new paradigm of engagement, not just generalized conversations. The countries can set their own priorities.

Now, like the MDGs, we cannot have a larger framework for each and other country. Each and every country would have their own. One of the Directors gave a very good example of the World Bank working in the education sector. Our concern is that our governments are not truly representatives, although we may be calling ourselves democracies. Our governments do not represent the poor people.

When we are doing education programs and all that, it is not quality education at all. It is just financing continuing to finance the bureaucracies. I would just give an example of my own organization. We just trained 400 private entrepreneurs. Seventy-five percent remain to open up schools for self-employment skill development.
Question - I have two specific questions.

First, I see that you are representing Kuwait and the Middle East. How do you take into consideration that the MENA countries are different in their economic situations and political regimes? Is there any conflict of interest or how do you make decisions taking this into consideration?

Second, I am very much interested in knowing the efforts of the World Bank with respect to three main concerns for many countries in the world and particularly for our region in the MENA. The first one is the increase and the large size of the informal sector in our economies with all its negative implications. Also, the increase in global food prices, how this is going to impact our countries that are net food importers and the poverty in our countries. Last one, what are the main efforts of the programs for youth unemployment for our regime?

Question - Thanks very much that all these Executive Directors are here. It is great to make time with busy schedules.

My comment is a little bit on the long term. I watched civil society engagement with the Bretton Woods Institutions for a number of years. I have to say that if I go back to the mid-1990s, when I started looking at these relations, relations with Executive Directors, in particular, were, if anything, stronger than now. There is a huge dedicated staff for civil society liaison in both the Bank and the Fund. Many of the staff in both institutions has become incredibly better over the years at relating with CSOs.

The Executive Directors, though, I am not quite so sure. In the mid-1990, at Annual Meetings like this, Executive Directors of both the Fund and the Bank would have individual interviews, make themselves individually available to meet with groups of CSOs for an hour, two hours at a time, and discuss it quite a bit at length. EDs in between meetings and the day-to-day operations of the institutions would be quite open and available. Sadly, at this meeting, there is not even one Executive Director from the IMF.

So, anyway, it is just a reflection on the longer term. We congratulate ourselves on the improved relations, and in many ways they are better, but I would wonder if U.S. Executive Directors, in particular the IMF Executive Director who is not here, could reflect on what you could do more.
Question - We know that domestic resource mobilization, especially taxation, is not only important per se, but can also support political accountability and state building, while external and unearned sources of revenues from donors or from national sources can often undermine it. Given that the Bank has its own perhaps incentives for greater lending, and given that taxation is deeply unpopular with most governments and often with civil society, how does the Bank think of supporting this constituency for reform of domestic taxation?

Mr. Hasan - who from my colleagues wants to take the question why we are still dealing with corrupt governments?

Mr. Bravo - we do not finance governments. We finance countries. Countries are made up of a lot of people. You cannot just think that if we just get out of a country because we are not going to help a government that—corruption is also very complicated sometimes. If you get out of the country, maybe it will at the end be more harmful than beneficial, because what you are trying to do is to educate more people and to give more help to the people in their projects. Many of the projects also are for transparency, helping the country construct institutions that maybe at that moment are weak.

That is why we have in certain of our countries corruption. What we have are corrupt people, not countries. The people in the countries, most of the people are always good. We have bad public servants and private servants also, because the private sector as a whole has had the same problem.

So, it is a very complicated issue just to say we are not going to help that government because for some people or maybe some of the leaders there can be corrupt and those things. The Bank, we have to work on these cases, as we always do, to build institutions to help the people to identify and push those bad people outside of the government.

Mr. Hasan - Also, in my opinion, good governance comes with good engagement, not punishment. That is why by introducing more of our projects and injecting into them these governance issues, I think this is where the learning comes.

Now, I will come back to the question related to the Middle East because I am
representing most of the Middle East so I will come back to this, but, again, new engagement and priorities? Rogerio, over to you.

Mr. Studart - I think what Juan Jose said is really important. What should make a difference in the engagement of an instrument like the World Bank, because the World Bank should be an instrument of the international community, is that it creates a long-term perspective in the projects. I mean, no matter what government is there, you have a project that is going to develop in 10-20 years and it should create some sort of continuity.

What really is important from the point of view of civil society, and we all share the rage against corrupt governments, is to use that long-term engagement as a way to improve the response to make governments accountable for developing the impact of those projects. The whole initiative of trying to make the World Bank more transparent, more results-oriented, and so on, should be one that you should embrace. If we are able to have projects with developmental impacts that create, increase consciousness and capacity for domestic political engagement, this is going to address the issue of corruption in the long run.

If you use the World Bank in that perspective, I think we can be more profitable than just disengaging. If you disengage, there will be other forms of the government continuing to do whatever they want to do. If we engage, if you support us and if you make us accountable for the results, at the end of the day you make the governments accountable for the results.

But what was the question that you asked?

Mr. Hasan - Rogerio, it’s about the new priorities and engagement. Is it, like, we need to have new priorities and new engagement?

Mr. Studart - Well, let me just say one thing about that. Sometimes what civil society does not realize without orientation is that the World Bank has been piling the mandates. For instance, our core mandate is poverty alleviation. In good will, and I say that you do that because we all share the same objectives, we start bringing all kinds of mandates on top of the World Bank. Not only does the World Bank not have the resources to deal with all the issues that we have been mandated on several different occasions, we also have lost focus and the Bank is going everywhere, so if you could help us to use one instrument for one objective.
I think this is what President Kim is trying to do when he says, let us go back to the issue of poverty alleviation and use some kind of anchor to address all the issues. For instance, let us address the issue of social exclusion and poverty alleviation. With that kind of mandate as an anchor, we can address the issue of gender inequality. We can address the issue of lack of inclusion. We can address the issue of climate change because this climate change is affecting the goal of poverty alleviation. We have to go back to finding an anchor. I think that it would be good for all of us to support this change that President Kim is putting for the Bank.

Mr. Hasan - Mr. Inaba, there was a question about the engagement between the CSO and the Government of Japan.

Mr. Inaba - Okay. Thank you very much for the question of the Japanese civil society. At the end of last year, the Japanese civil society organized Japan’s CSO network for the IMF-World Bank Annual Meetings. There were many NGOs participating in the network.

Fortunately, we have a very good relationship with the Japanese government, Foreign Ministry, and also the Ministry of Finance. Working together, we have them to make a kind of better Annual Meetings of the IMF and World Bank with the kind of hospitality with the civil society.

Japan is famous for its very strong private sector and also the government, but probably not so many people know the Japanese civil society. The Japanese civil society and also social movement have a very long tradition of advocating and protesting the government on very diverse issues. We are now working on international cooperation together with the government. Also, sometimes we criticize the government to create a better Japan and also Japan working for global issues.

Mr. Hasan - Mr. Suzuki, what you are doing on the increasing food prices.

Mr. Suzuki - I think it is somewhat misleading that we are trying to introduce some projects to deal with the increasing food prices. I think the World Bank Group is unique in the sense that we have two arms. One is the IDA IBRD which could provide financing to the agricultural sector to enhance more production, but also we have the IFC to promote private
sector investment, like, for example, food warehouse, improve the cooling system, storage for produce foods.

So, the World Bank is trying from both sides, from the public sector as well as from the private sector, not only to increase food production but also to save the produce foods and make more efficient use of food. It really depends on each country, but the food price increase is our top priority agenda this year. We are very hopeful that we could produce an effective strategy for this issue.

Mr. Hasan - One ED from the IMF has joined. Okay. We have a lot of questions.

Piero, I am going to come to you about the informal sector. Gwen, since you are also taking the floor, what are we doing—I do not want to be biased because I represent the Middle East and I am going to answer that question, but I would like you to tell us what we are doing for MENA at the Bank.

Ms. Hines - As you say, Merza, you are by far the expert on the Middle East, but obviously one of the key things that has been looked at recently is how the Bank can help in terms of the Deauville Partnership. That is also something which is being managed through the World Bank to make sure that there is a really coordinated response. I think it was a good example of trying to do something fairly quickly to give us a new way of responding to the new challenges as well, of course, as looking at the individual programs and what might need to change.

Regional integration and regional aspects are something fairly new for the World Bank to think of in a quite serious way. I think the situation in the Middle East as well as in our areas have made people think far more seriously about that because that has huge implications, both opportunities but also challenges.

I wanted to make a slightly different point, if I may. As others have said, this is not really an ideal forum. I am conscious you are all burning with questions and we have quite a short time to respond. So, I just want to make a more general point on that.

First, there are other fora, actually. I am really disappointed that people feel that the quality of the debate has gone down. There is an EU Forum tomorrow. I am having a smaller session with some of U.K. NGOs. I am well aware that I get e-mails, phone calls, and my staff
does all the time. I think what shifted is that the dialogue is now more ongoing rather than set pieces like this around the Annual Meetings. Frankly, I think ongoing dialogue is what matters most.

Other people have asked why we don’t do more consultation at the country level, and so on. Frankly, it is a practical issue. I think it is something we all need to figure out how to solve together. There is lots of new technology out there, but, frankly, people in the villages are the ones without access to the internet. I think there is an onus for all of us to think about how we get really quality input and dialogue which is meaningful and goes on.

There are some really good examples. When I was in Bangladesh, the World Bank was working with advocating, an education lobby group, but also with organizations, like BRAC, and has contracted them to do independent monitoring and to provide ongoing feedback. They are also using GeoData mapping so that you can watch the construction in case there is corruption. So, you can, again, monitor independently and see what is going on.

Linked to that, I would like to throw a question back to all of you, which is that Jim Kim’s challenge to us at the Board and to everybody is how can the World Bank do better in terms of poverty reduction, shared prosperity, the MDGs. Something we are talking about at the Board level is how we shift the focus from the initial stage of looking at beautifully drafted project reports to what those projects actually deliver.

One of the things that Jim Kim and we have been discussing is how do we shift the incentives and the focus so that it is okay to admit when things go wrong. I think within the World Bank, the staff, the incentive is very much to come to the Board and tell us everything is great. Something we have been discussing with staff is tell us when it goes wrong and actually come and tell us how you are dealing with things.

My question to civil society is I think there is the opposite problem with civil society. Every conversation I have with civil society about the Bank is what is wrong with the Bank. So, my challenge to all of you is if staff in the Bank has to admit to us what is wrong and be honest about that, I would like all of you to also come to us with constructive feedback about where you think the World Bank is doing well.

I am disappointed again that people say the Bank is not listening to people’s views. I do not think that is true. I have hundreds of examples where Bank staff is trying to do that. People are saying there has been no shift in approach. There has been a huge shift in the 16 years I have
been doing development.

So, there are really good examples. There may be lots of bad things still going on, but when you come and have a debate about what the Bank is doing as civil society, tell us the good things, because it is far more effective to change an organization where you say actually that is really good, do more of that, than just to say I hate it, because that is not an effective way to have a constructive dialogue. That is my challenge to you.

Mr. Hasan - Thank you, Gwen.

Also, regarding meeting with Executive Directors, with the CSOs, my friend from work mentioned that at the Bank level I meet with CSOs, and my colleagues do that. When we go in our group travel, we meet with the CSOs. We dedicate a chunk of our time to meet with CSOs that are here tonight but based in Washington. They are always in my office. Any issues they come and discuss with us and they consult with us. Our door is always is open for them. So, we have this type of communication with the CSOs.

Informal sector, Piero.

Mr. Cipollone - Part of the answer was provided in the previous round.

Well, the first thing we are trying to do is understand why there is an informal sector. If you do not understand the reason for a phenomenon, it is very difficult to find a way out. There are several possible explanations. It could be the lack of access to credit, regulation which is too tight, there is not enough productivity at the micro level so that the business cannot be scaled up and become engaged in the formal sector.

On the other hand, an informal sector can be good or bad, depending on the stage you are. The first stage of development may be a good thing. People get engaged in a simple way and enter the labor market in a simple way so they can experiment. Basically, what we are doing at this stage and, as indicated in the WDR (on jobs), we are trying to develop methods to engage at the country level and understand what the deep roots of the phenomenon are, try to shape policies or devise policies that are tailored to the country level to solve the problem.

Mr. Hasan - Regarding the Middle East, we are actually doing a lot of things related to the Middle East. Starting with the previous President, Bob Zoellick, he put as one of the main
strategies and pillar of the Bank to deal with the Middle East. We increased resources, financial and human capital, at the MENA region in the Bank. We are trying to do more centralization.

We try to be closer to our clients, but there is reality in the ground. Our client is changing quickly. The governments are changing. We are trying to shape up this identity of the program with the country. As soon as we have a stabilized government, then we are going to really intervene heavily in order to find priorities.

Some of them, they are coming for the knowledge of the Bank on how to run the new, let us say, vision of the country. Also, the expectation of the people is extremely high. So, it is how to manage expectation of the people and look at the reality. For example, in Egypt, the private sector is really suffering. The tourism sector is not working properly. So, how to manage all these things together in order to come forward, this is our central discussion at the country level.

Let us go for the second round.

Question - I am for the United States. I wanted to follow up on my Egyptian colleague’s remarks about questions, issues pertaining to support for corrupt, or military, or authoritarian governments, but also on the U.K. ED’s comment asking for good news, as well as Mr. Hasan’s comment about his office being open to all. I would have to say that, indeed, thank you very much. Your office has indeed been open to a wide range of people and it is greatly appreciated.

My comments are in the context primarily of the World Bank safeguard review, the ongoing review. I wanted to alert you to two things that happened today. A few hours ago, over 120 Indonesian CSOs and individuals from ten regions of the country sent a letter to all of the EDs. Hopefully, they have your e-mails correctly. I received a copy of this letter.

This letter was quite important, because it outlines some of the negative social and environmental impacts still ongoing with Bank projects, the weaknesses of implementation of existing safeguards and the failure to protect people and the environment from harm. These Indonesian organizations have requested that President Kim come out with a statement that this current safeguard review leads to no policy dilution whatsoever, no weakening of bank policies, and also that the Bank is going to harmonize its policies, that the harmonization be an upward direction, not a race to the bottom.

Another thing that happened today was there was an editorial today in the Wall Street Journal making essentially those same points but coming from a very different direction of a
former US ED to the Asian Development Bank, where the Asian Development Bank President committed to know policy dilution as well as the process of harmonization.

So, our question to the EDs is, are you ready and willing to support and encourage the Bank’s new President to state publicly that there will be no policy dilution, that this safeguard review will not lead to a weakening of any policies, and that harmonization will be an upward harmonization and not a race to the bottom.

We feel that Japan set the lead in the last round with the ADB review and here we are in Tokyo again. We are hoping that, at least from the Japanese Finance Ministry as well as from the ED offices, this same call can be put forward to the Bank President.

I also wanted to just flag briefly that there are significant problems with Indonesia’s forest investment program which is now being decided on and civil society groups there have again produced a very detailed statement which they will be circulating. We will happy to send around the Wall Street Journal article if you have not seen that to all of your offices.

Question - Firstly, I would like to thank the World Bank for doing a wonderful job in China, particularly for poverty alleviation during the last 30 years. Also, I think that China’s CSOs also contribute to this and have been contributing more than 20 percent for poverty alleviation law. But I think China is also learning more from the international community, particularly from the other developing countries like India, Bangladesh, and Nepal.

But my question is how the World Bank’s new President will consider and promote South-South Cooperation for poverty alleviation. I think both China and other developing countries can also learn from each other, also share experiences, work together, particularly who they will use funding to distribute knowledge. You mentioned the World Bank is a knowledgeable Bank to find another way; for example, private contributions or individual contribution. I think the World Bank can establish a fund for South-South cooperation geared to poverty alleviation.

Question - my question is related to gender equality and women’s rights. I just want to make a reference before my question that I can see women’s rights not just as a political wording but a practical step in relation to the practical life of women living in rural and urban areas who are suffering from underdevelopment.
My question is, what kind of measures do you plan to use for gender equality? For example, special guarantee measures for women in business, financial quotas for women, special budgets. I would be very happy to discuss if someone is interested in elaborating what practical steps we can see in reaching access to finance for women, and making especially rural women in business or planning to do business as strong development actors.

Being a voice of poor vulnerable women, we try to involve women as development actors. We work at home in countries at the ministerial level, at the national level. We do work with some banks, like recently I had a meeting with the European Development Bank for Reconstruction.

Being here, I want to use this opportunity to ask what practically is going to be done to address the issue of gender equality of women. I would love to know these practical steps for two years that you are going to do to improve women’s economic rights and strengthen women in business. In addition, there are questions—but I am not asking you at this moment—about access to decent jobs, women’s rights in employment, women as development actors in business.

Question - I am from Afghanistan. It was wonderful to listen to the panelists’ questions. I really appreciate that very much. Also, I would like thank the World Bank and the IMF to invite us as a civil society member to be here.

I am here to represent the women of Afghanistan. The situation in Afghanistan is a way that all of you know, and the World Bank specifically knows about what is going to happen. I do not want to say that, okay, why the World Bank did not get the civil society involved, but I think it is very important to look at women’s issues in Afghanistan, that 2014 is coming and everyone is on edge.

We are not sure what is going to happen to Afghanistan, the people of Afghanistan, specifically women. Women have accomplished tremendous progress in the last ten years. It would be very, very sad if this progress will be demolished again. Also, when we talk about the reduction of poverty, I think to really reduce poverty from Afghanistan, which is one of the worst countries in poverty situation, I think education is the key issue.

But as my colleague said, there are differences in education. We need quality education. Yes, the World Bank is providing support to the government, but the quality of education right now for Afghanistan is very important. We need skills and we need job opportunities for young
people. In order to do that, we need quality training in education, especially teacher training, especially health education training. So, these are very important. If you really want to reduce poverty from Afghanistan, these are the issues that we should really tackle.

Specifically, the women of Afghanistan right now, they are not sure what is going to happen to them. They are working very hard toward a better life and they are progressing. Is it possible that civil society will get around the table and be involved and will be supported? I am not here to talk about the World Bank providing service to the government, but the World Bank knows and the government of Afghanistan knows that I am here to really represent the women of Afghanistan and the children of Afghanistan.

Question - in 1989, I proposed a Decade for Democracy published by Freedom house and designated for the 1990s by the G7 at Houston. At end of the 1990s, a number of electoral democracies had doubled to 120 and one result in 2000 was to create an intergovernmental community of democracies which mentioned Warsaw and assembled the Democracy Caucus in the United Nations. In Lithuania last year, this community of democracies was given new life and will taken up again by the President of Mongolia in 2013. Can we expect that a caucus of democracies will be set up among World Bank and IMF members in time for the next Annual Meetings in 2013?

Question - In fact, I want to respond to Gwen’s question back to us about something positive. The social accountability framework is something positive and as civil society we have been very happy to respond and to give our inputs to it. There is, of course, the ISC review process. Efforts were made to reach out to civil society. Then, of course, there is the Business and Human Rights framework which has come into being. Although we are not completely happy with it, I think it is a very important and a very positive move that has been made.

That said, we also welcome the World Bank’s focus on shared prosperity, but as we have seen a number of countries around the world, if you want to reduce inequality, we have to focus on democracy. In fact, I want to just emphasize the last speaker’s point.

For us as civil society, it is a matter of deep concern that in some countries which have been recipients to World Bank projects and which have had charismatic—yet authoritarian—leaders, and as our colleagues are not even able to speak as many of them are in prison while
these leaders actually use World Bank projects as proof of their success and makes seductive arguments that economic growth is more important than political freedom, that is an issue which remains a matter of deep and abiding concern for us. We really hope that the World Bank would take into account a civil society assessment enabling environment standard into the work that you do and make that an important part of the projects that you are involved in.

Question - I come from Iran where independent civil society is striving to survive under very challenging circumstances. I want to refer to the Middle East and the tremendous resources that are available in the Middle East. I do not think it is being tapped into enough.

We have the Islamic Development Bank and there is a coalition—of course, you know this better than I do—coalition of foundations and funds of the Middle East, like, the Qatar Foundation, OPEC, etc. These are resources that, put together, could match and even surpass resources of the World Bank.

Now we are having a consensus about focusing on poverty reduction through empowerment approaches, South-South Cooperation, fantastic models, funding mechanisms accountable both to people, to poor people and to the donors. Can you take the leadership in pulling local resources in cooperation with the World Bank, because I think that there is a coalition under the umbrella of the Islamic Bank and the Islamic Bank has some affiliation with the World Bank?

Ms. Guevara - I would like to react with appreciation of the rest of the CSOs for this rare opportunity for us to dialogue with bank leaders or officials. It is rare because, as we have said, it happens annually, Spring Meetings and Fall Meetings, but because we believe it is important, we would like to suggest that this process be sustained or strengthened at the national and regional levels.

We have heard positive experiences in some countries and we commend the initiative of the World Bank, Japan, together with the Japanese CSOs. We heard from the report yesterday that they had about 60 meetings for one year and this is something that we commend. While this happened in some countries, this process remains to be absent in a lot more. As a regional organization, we also call for the World Bank to support a more dynamic process at the regional level.
Along these lines, we have suggested in the CSO planning group meeting just before this roundtable that there should be a sanctioned process and mechanism to allow us to follow through on some of the recommendations and translate these into very concrete actions in the immediate or medium term. But with these recommendations, we understand that maybe what comes to the minds of Bank officials would be additional staff time, add-on budgets. That is true and we hope that there can be supplemental support to the CSO Liaison Offices at Headquarters, but especially at the national level and at the regional level.

What we would like the Bank officials to recognize is that CSOs also are here as co-stakeholders. We also invest in this process. While we know that the Bank is rich in money, we are also very rich in social capital. What we can commit is that we bring along with us the processes, the platforms, the mechanisms that we have that exist at the national, sub-regional and regional levels. An important challenge for us is how we can bring in more of the grassroots voices, the membership organizations, which obviously are not as much represented in this process.

Going back to the commitment of the World Bank President, if we want to hit the target of poverty eradication, inclusive growth, then it is important that the Bank work for and work with these people in the communities directly.

Mr. Hasan- I am almost, like, 20 minutes over my time. If you would allow me, let me take this round and I will try to close here. Whoever is going to have bilateral dialogue or whatever questions, I will take it. Now, let me arrange it this way. I am not going to give gender to you, Gwen. I am going to give it to Piero. So, it is not going to be biased. So, I am going to give you Gwen the safeguards issue. Gender I will give you, Piero. I will give you, Rogerio, South-South, because you have been a champion of South-South. Juan, you take the enabling environment for CSOs and aid harmonization, and how to pull all the local resources or regional resources in terms of aid.

So, let me start with the safeguards. Gwen.

Ms. Hines - I think you are picking on me.

Okay, safeguards. It is obviously something that we are just beginning to look at. The first Terms of Reference for the consultation have just started. Believe me, there will be plenty
of discussions in Washington mirroring the ones going around the world.

I mean, your question about would we accept and encourage Jim Kim’s sign-up to no policy dilution, absolutely. I mean, others have said we can only speak personally here. No policy dilution is absolutely right, but it is more than that. To me it is a question of effectiveness.

Others have mentioned just how many safeguards there are. I have only been in Washington a couple of months and there are hundreds of thousands of operational policies in the Bank. If things are still going wrong, the question is why. Again, I think it is about making sure we are focusing on not the means but actually the end result. Maybe it is not about writing more laws and more policies and things like that. Maybe it is actually applying the ones we have got or figuring out why they do not work, and that is what I am really interested in.

More than that, what I am really interested in is bringing about a shift in the Bank on this, on gender, and on other things as well. So, we shift from a focus on “do no harm” to “maximize the good.” That, to me, is a shift we absolutely have to bring about. Yes, we have to do no harm, but can we shift that so that when it comes to things, like, environmental social issues, when it comes to gender, when it comes to climate change, we are trying to challenge people in every operation to do the maximum good, not just think about do no harm, because that really gets you to think about it instead of just ticking the box.

Mr. Hasan - Piero on gender, and also if you can touch on the conflict and the fragile, because this is also where the gender is happening.

Mr. Cipollone - Let me say that gender more than fragile, I think we have been serious about that. Since last year, no cash has been approved without a clear framework result for gender. Any project that we approve has to have a metrics result concerning gender. We are investing also on knowledge and understanding why certain phenomenon exists.

Often before we went to recommend implementation of policies without actually knowing exactly what was going on. This has been changed. We are investing heavily. Somehow, we are making ourselves accountable for that. As a matter of fact, if you look at the scorecard, there are several indicators that concern gender. So, you can look at the scorecard and see what kind of progress we are making on that.

Obviously, it is always very difficult to recommend specific policies. Remember, we
have 25 at the Board representing 187 countries. It is very difficult to set policies that work for everybody. What we are recommending is more methodological steps that can become concrete at the country level, depending on the sensitivities, the tradition, and the culture of the country. Certainly, from our side, this is very strong. We are monitoring every single project we are doing. We want to know what is the gender dimension of that.

On fragile, it is more difficult, because you do not know where to start. One idea is to increase the tolerance of risk. When you engage in fragile states, the risk that something goes wrong is high. So, more and more people at the Board are asking to be more tolerant against failure. Actually, the President said that we should be embracing failure, to learn from failure, and understand what went wrong to learn for the next round.

This is the kind of thing we are trying to do. What I am trying to say is that there is a change of our mindset in engaging with that. I do not know whether this is enough. Certainly, the commitment is strong.

Mr. Hasan - Rogerio, South-South.

Mr. Studart - I also want to talk about gender, but okay. One of the things that is very clear for all of us here coming from developing countries is that we know, through error, a lot of mistakes but some success, what is best for the developing world. The Bank has had a traditional of seeing the issue of development from the North-South perspective, and what kind of knowledge you can share with the South, from developed countries to developing countries. It is, again, goodwill, but at the end of the day it has not been significant. The impact could have been much more significant. The Bank could be leveraging the relationship between developing countries in order to find the best way to address the issues.

For instance, some developing countries have realized that if you put gender equality at the center of development projects, you end up not only dealing with the moral issue of excluding half of the population of any country, but it is good economics. It is good economics because it has an impact on productivity, has an impact on education, and has an impact on generational issues.

I think that civil society has missed an incredible opportunity to push the Bank to have gender equality as the anchor of all the development agendas of the Bank. I come from Brazil.
where, by chance, we started one of the largest conditional cash transfer programs which is gender-centric. We realized that not only was that intelligent but the results were quite significant, because you provide not only for the development of 50 percent of the population but also the education for the children, education for their parents, and even addressing issues related to climate change in some of the communities.

Remember when I said that President Kim was trying to find an anchor again for the World Bank. I think this should be the anchor. You have to realize that the Bank has become too small to address all the issues. All civil society has done in the past for so many years is say, okay, democracy, if there is no democracy you should not operate. I agree with that. But using an instrument with limited resources, you know what I am going to do? I am going to invest in gender equality and provide education for the children so that in two generations you are going to have educated people that can be politically engaged and get rid of corrupt and oppressive government.

This is what you do. This is the way you best utilize the instrument. Rather than say, well, let us put a safeguard for this and a safeguard for that, find an anchor and support the World Bank to have an anchor so that in the next two or three generations we can deal with the broader problems that we cannot deal with for lack of resources. So, that is my take on South-South cooperation.

Mr. Hasan- Again, I agree, Rogerio, when it comes to knowledge, I think we need to be open with knowledge, South, East, North. The best knowledge should come to our client governments. This is what our approach should be when it comes to knowledge.

But when it comes to development, there are a lot of things happening. That is why we need to share it with others. If you look at the demand now coming to the Bank, it is the knowledge. People are demanding, even developing countries are demanding more knowledge.

Mr. Hideaki, can you take aid harmonization?

Mr. Suzuki - Well, I am not for sure whether I can give you a very complete answer, but from my own personal experience in the past when I was working for the Japanese government and trying to coordinate the Japanese program with other donors’ program, the World Bank, and the IMF in developing countries back in the mid-1990s, I have been a bit frustrated because of
the lack of coordination. Also, I noticed that there is a kind of duplication and waste of resources.

But since I came to the Board two months ago, I have noticed that the Bank, it may not yet be satisfactory completely, but the Bank has been trying to coordinate their program with other donors program, with local input, and also reducing the burden on borrowing governments, as well as to increase the efficiency. So, I think we may not yet be at a satisfactory stage, but we are making a lot of progress for the last two decades.

Mr. Hasan - Juan, please take the enabling environment and use CSOs as partners in development.

Mr. Bravo - I think that CSOs are, obviously, very important and play a very important role in helping the World Bank in getting these objectives. You are at the ground, and you are talking to people. You know the real problems that are around and your information can help us a lot in defining the problem, the process, and checking that we are doing the right thing. That we are complying with what we have to comply with, and also we can create a good environment for creating jobs and for getting all of our objectives.

How to engage better on this, I think that there are always ways to improve. It is complicated sometimes because, as we mentioned before, resources are limited. Somebody mentioned that we should have more people at the central level talking to the CSOs. The number of CSOs that we have around the world is incredible. You are the ones that could travel to Tokyo to talk to us, but in each country there are too many. The way to engage with them, it is not easy really to be able to speak to all of them.

In that sense, if you as leaders of many of these CSOs can give us ideas on how to improve communication with us, it was mentioned that we have different views on whether we are being effective or not, but if you give us some ideas on how to improve this process, that will be good so that we can start to get better on that.

Mr. Hasan - Before I give you the floor for closing comments, Hideaki, about the democracy issues, there is a view, a good amount of view at the Board that we need to be more developmental rather than political. Certain issues, maybe they are very important, but still some
of the colleagues say it is more political. So, let us focus on the developmental agenda and try to deliver these development issues, and also we try to improve our instruments and engagement to increase the voice and also to listen to many stakeholders. So, I think this is the approach and is safe for the time being, and to be more developmental rather than political.

Mr. Suzuki - I think it was very useful to have this meeting. I also note there are many questions raised about the new President, President Kim. I have to say that we Executive Directors are not really representing the new President. I think you will have a chance to speak to him and have dialogue tomorrow. Also, I want to tell my own personal impression of the new leadership.

As you may know, he is not from the bureaucratic world and he is not from Wall Street. He is from the CSO world. As you may know, he and two other young students in the mid-1980s created a CSO called Partners In Health and started a free clinic in the poorest country in Central and Latin America, Haiti, which was then under military dictatorship.

I am just now reading a book titled “Mountains Beyond Mountains” which I think many of you have already read. I am really inspired by this book and the operation of these new young students who were helping to provide free medical care as well as in effect supporting the democratic movement in Haiti then.

I think Dr. Kim is probably the first World Bank President with a CSO background. In a way, I think he is challenging the World Bank staff and the shareholders from his own personal perspective. I am pretty sure that under his leadership the Bank will be very different from the past World Bank. Probably he is thinking of a major transformation. I do not know. I do not represent him, but that is my impression. I would strongly urge you to have a dialogue with him and his management team the day after tomorrow. I really hope that you would have a very fruitful meeting with him.

To conclude, thank you for coming all the way from various parts of the world. I hope that your stay in Japan will be fruitful. Thank you.