

THE WORLD BANK

PRE-SPRING MEETINGS
DISCUSSION

Mr. Wolfensohn

and

Civil Society Organizations

from

Japan, Ghana, Senegal,

Venezuela, Peru, and Belgium

Monday, April 11, 2005

10:00 a.m.

Room 12-700
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PROCEEDINGS

MR. WOLFENSOHN: Good morning--or good evening--everybody. Let me welcome you, and in particular thank our colleagues in Tokyo, whom I can see, for staying up so late at night. It's very good of you to be with us.

And let me welcome the following sites. We have: Accra, Brussels, Caracas, Dakar, Lima, and Tokyo.

And could I just ask, so we can check the system, whether you could each say hello so that we know that you are on line.

First of all, Accra in Ghana.

GHANA: Hello.

MR. WOLFENSOHN: You are there; I can hear you. Brussels?

BRUSSELS: Hi, hello.

MR. WOLFENSOHN: Caracas?

CARACAS: Venezuela, here, present and alive.

MR. WOLFENSOHN: We're very happy. Buenos dias. Dakar?

DAKAR: We can hear you fine.

MR. WOLFENSOHN: Good, and we can hear you. Lima, in Peru?

PERU: Lima is here, too. Hello.

MR. WOLFENSOHN: Wonderful. And Tokyo?

JAPAN: Hello, Jim. We can hear you.

MR. WOLFENSOHN: Hi. Very good to see you.

This is wonderful. I understand that there are translations going on.

I think you know that this week is an interesting and important one for us, because we will be having the Spring Meetings which are really the prelude to quite a number of events that are about to occur in the next months to make 2005 a very important year for all that we are caring about--the issues of poverty and development. And indeed today I know is the first day of the "Make Poverty History Campaign," and I would be wearing my white armband, but unfortunately, one of my children has stolen it from me; but I am told I am going to get another one later today, and I wish that Campaign great success, because I think it is very important, and I think it is a very good thing to bring prominence to this campaign.

I think you also know that after the Spring Meetings, we will be moving into the G-8 Meetings in Scotland, and then, from there, back to the United States for the Millennium Goals Meetings at the United Nations, and then, at the end of the year, to the meeting in Singapore on the concluding round, or the Ministerial Meeting, I should say, of the World Trade Organization.

So this is a year in which a large amount is happening on development and in which I think the partnership is even more important than ever between all of us who are concerned about poverty and development, and that's why I am so happy always to meet with all of you and to exchange views.

It has become a practice that we meet with members of civil society before the Spring Meetings and the Annual Meeting and that we try to have a round of questions. I have with me a number of my colleagues whom I will not take the time to name, but it is the Management Team of our institution that is concerned particularly with issues relating to civil society.

And I think probably the best way to move forward now is to have a round of questions. On my left is Ian Goldin, who is the Vice President, and you all know Carolyn, who is on my right and who may leave us at any moment to have a child in front of six countries. So we wish her well.

We'll go directly now to the questions, and I think we should start with Ghana and work through after that Brussels, Caracas, Dakar, Lima, and Tokyo.

So let's start with Accra, and then I'll try to answer those questions and then move on to the second round.

So, Ghana first, please.

GHANA: Thank you.

The Ghana group is made up of the disability movement, that is the Organization of Persons with Disabilities and NGOs Working in Disability Fields.

We also have with us the World Bank Staff led by the Country Director.

We want to thank you very much for this opportunity, and the questions will be asked by individuals, a lady and a man.

The first question will come from a lady on my right.

GHANA: Thank you. My name is Katitfer Forme [ph], and we have observed an equal development in human resource capacity in Ghana, with a special emphasis on females. We wish to know how the World Bank would help address education for the young and rehabilitation for others with disabilities using the Organization of Persons with Disabilities as a facilitator in addressing the issue.

Thank you.

GHANA: I am Charles Apiadier [ph].

My question is also on the fact that poverty is a cause and consequence of disability. I would like to know how the World Bank, through its projects and programs like the Millennium Development

Goals and the Country Assistance Strategies is going to mainstream the needs and concerns of persons with disabilities and facilitate legislation for them also to access services in the country.

MR. WOLFENSOHN: Thank you very much.

We'll move on to Brussels now.

BRUSSELS: Hello. I'd like to say thank you first of all for the opportunity to have us here today.

My name is Hetty Kovatch [ph] from EURODAD, the European Network on Debt and Development, and I am going to be asking the first question for this round, and then there are two others to come in the second and third rounds.

My question is that EURODAD recently had a statement denouncing the appointment of Wolfowitz as World Bank President, which got over 1,700 signatures in 30 hours. This clearly highlights public dissatisfaction with the process of selection of the head of the World Bank.

I would like to know whether the Spring Meetings will be addressing this issue and also what your personal recommendations are on how to move forward.

Thank you.

MR. WOLFENSOHN: Thank you.

I'll be glad to try to comment on that.

Let's go to Venezuela. Caracas.

VENEZUELA: Good morning, Mr. Wolfensohn.

Venezuela's civil society is represented by a group of 13 representatives of local civil society organizations, most of them with strong focus on youth issues. Most of them have been involved in the Youth New Voices Group, the Small Grants Program, or the Development Marketplace.

We have three heavyweights to ask questions to you, and we'll start with the first one.

Alberto Forme?

VENEZUELA: Good morning, Mr. Wolfensohn.

I am Alberto Forme [ph], a Venezuelan businessman. Our company is involved in several social projects in rural areas that fight against poverty, mainly Project Alcatraz [ph], which consists of reinserting criminals back into society.

I would also like to thank you for the opportunity to talk to you this morning and again for the opportunity of having been invited to the Youth Development and Peace Forum in Sarajevo, where you awarded Project Alcatraz last September.

As you know, Venezuela is a middle-income country, an oil-rich country, but with an impoverished population. Venezuela went from having one of the highest per capita incomes in Latin America to having one of the lowest.

The percentage of Venezuelans living in poverty more than tripled between 1990 and 2004. Our economic performance has been disappointing. Real GDP has been stagnant or growing at a very low rate for the last 25 years, while the population has grown on an average of 2.5 percent annual rate.

My question, Mr. Wolfensohn, is the following. How can the World Bank assist the Millennium Development Goals initiative to better address the structural causes of poverty, inequality, and weak governance, especially in countries where the World Bank does not have a substantial portfolio, as in Venezuela, and has major obstacles for policy dialogue with their governments?

Thank you, Mr. Wolfensohn.

MR. WOLFENSOHN: Well, thank you for that very tough question.

Let's move to Dakar.

[Pause.]

Is Dakar on the line? Perhaps you have muted your microphone in Dakar. We cannot hear you. Can you turn it on?

SENEGAL [Interpreted from French]: Our question is the following. This is our question, Mr. President, from CONGAD [ph], NGO umbrella. This is the question. As long as African countries will pay debt servicing, there will be no development. So what is the World Bank's position on the total cancellation of African debt, which is the only way of building responsible partnerships?

I am asking this question because first of all, within CONGAD, which is the Council of NGOs Supporting Development, with NGOs from the South and from the North, this fight for debt cancellation is shared by all participants. We are also members of the group Fighting For Fair Trade, and we are part of the group Fighting for Implementation of Achievement of the Millennium Development Goals, the MDGs.

We think that the World Bank should go through a process of reform, and the new President should meet the needs of significant change to fight against poverty. We were part of the campaign for a new direction.

The last reason why we ask this question--African leaders meeting in Johannesburg last October to evaluate the New Partnership for African Development, NEPAD asked them this question from civil society: Can we Develop Africa without debt cancellation? And the heads of state of Africa, especially the five leaders of NEPAD, said that there is no solution that they can see with regard to the debt issue.

So if you leave African peoples, and you have no solution, knowing that if you don't pay the debt, you can't achieve development, how can we start from scratch and cancel the debt?

Thank you.

MR. WOLFENSOHN: Thank you for that question.

Now, let's move to Lima.

[Pause.]

I think you have your moot on, Lima. We can't hear you.

[Pause.]

PERU: Good morning. Can you hear me?

MR. WOLFENSOHN: Can you get closer to the microphone?

I'll tell you what. We'll come back to you in a minute.

Let's go to Tokyo first, and then we'll come back to Lima.

Tokyo, please.

JAPAN: Hello. My name is Yuki Yoshimura [ph], representing the World Bank in Japan.

The first question from Tokyo will be made by Mr. Kuni Otakasi [ph], Advisor, International Development Center of Japan, and Director, TIKA [ph], the Civil Society Forum, and Director, Africa-Japan Forum.

JAPAN: Thank you very much, Mr. Wolfensohn.

I was before in the Asian Development Bank during the 1960s and 1970s. I recall the very famous President McNamara's Nairobi speech which was made in 1973. At that time, I was in Manila, and that was in the midst of the green revolution in Asia.

What President McNamara said was that poverty alleviation is very important, particularly for Africa, and I understand the World Bank made its best effort to tackle this problem, but unfortunately, after 30 years, the African poverty alleviation is not very successful.

What is the difference between this African situation and the Asian situation during this 30 years?

I would very much like to listen to you and your self-evaluation of the World Bank strategy in Africa compared to in Asia, and also, based on that, how you are going to change the strategy of the World Bank in the 21st century.

Thank you very much.

MR. WOLFENSOHN: Thank you very much for that question.

Let's try again Lima, Peru.

PERU: Good morning, Mr. President. I hope you can hear us this time.

We have today some representatives from civil society and also from--

MR. WOLFENSOHN: Can you speak closer to the microphone? We can barely hear you. Can you turn up the sound?

PERU: If I get any closer--

MR. WOLFENSOHN: That's now good. That's okay.

PERU: Okay. Mr. President, we have representatives from civil society and the Voices Nuevas [ph] youth group.

We have from civil society Mr. Fernando Ecuén [ph], President of the Peruvian Center of Social Studies; Mr. Carlos Eduardo Arambaru [ph], Executive Director of CIAS [ph]; we have Ms. Natalie Torero [ph] of ASHOCA [ph]; Ms. Carmen Yora [ph] of the [inaudible] Progresa. And from the youth group, we have Ms. Lorena Arseras [ph], Ms. Graciela Arieta [ph], Ms. Evelyn Daniel Nano [ph], Mr. Cesare Ipenza [ph], Mr. Emanuel Pablo [ph], Mr. Guillermo Palacios [ph], Ms. Olga Siracollo [ph], Mr. Rensel Sotomajor [ph], and Mr. David Tarasona [ph].

The first question will be from Fernando Ecuén [ph].

PERU: Good morning, Mr. Wolfensohn.

I would like to pose a question related to the change of Presidency in the World Bank. The designation of Mr. Wolfowitz, President Bush's Deputy Defense Secretary, hardline conservative and intellectual architect of the Iraq war, as The Economist puts it, has aroused much skepticism about his credentials and sensibility to face the challenges of poverty in the world and to press for just relations between powerful and weak countries.

Farmer and peasant unions, development NGOs, and other civil society organizations are worried that while the World Bank has given the commitment with the issues of development and poverty alleviation in recent years, it can be abandoned in the name of more political interests--specifically, more North American political interests.

What are your views on this?

MR. WOLFENSOHN: Well, thank you for that question, and let me start with the two questions on my successor which have been raised and the concerns that have been expressed.

First of all, I think there is probably nobody who thinks that the methodology was perfect. The Directors of the Bank and the Governors, I think, will be discussing over the coming months the methodology of selection and the process of communication, and I think the deficiencies in the actual methodology are something that people will now seek to address.

Having said that, I think that we have in Paul Wolfowitz somebody who is extraordinarily bright and who has some experience from the past in development, both during his period as Ambassador in Indonesia and in the work he did in the State Department in the Philippines.

I have now had the opportunity of talking to him on half a dozen occasions, and he has certainly been interviewed by just about every country Director and every group of countries, and I would have to say that at the moment, the sentiment around here is that he has performed extremely well in his responses, and there is a great willingness, I think, to give him a chance to demonstrate that he can perform in the way that he has been speaking.

He has made very clear that he does not want to change the direction of the institution. He has made very clear that he is no longer a representative of the U.S. Government, that he is now an international civil servant. And he has made very clear that he is concerned deeply about poverty and development and that he wishes to devote the rest of his life to that.

I don't think that the differences of opinion that he has with many people, including me, about some of his views heretofore on intervention are going to be resolved just by the election, but I do think that they can be put aside during this next period. And you will remember that we once had Bob McNamara, who has been mentioned already, who came out of an unhappy war in Vietnam and turned out to be one of the great presidents of the World Bank.

I think what we should do is to try to give Paul the benefit of the doubt and work with him over the coming months, and it is my expectation and hope that he will turn out to be a good President and that he will continue the direction that has been set.

And let me say one other thing from my own personal experience. The institution here is more than one person. I can tell you in the first few years when I was trying to change direction, it was almost impossible until I built a consensus inside the institution, and I think that Paul Wolfowitz will find that this institution has great inner strength, a lot of fantastic people, a real sense of direction, and frankly, I wouldn't worry too much about any significant change of turn. It is something where I think Wolfowitz will want to work in the direction, and I also believe that he is very keen to continue to work with civil society organizations. He has had experience on that from the past--as you know, he was an academic, and he worked in institutions here. And I would suggest to you that we worry about the substance over the coming months, and maybe you can take a look again at the time of the Annual Meetings in light of what he does in the coming period.

But my own view is I wouldn't worry too much, and I think that he is likely to be a good President.

On the question from Ghana, education for disabilities, and indeed the question of disabilities, I think you know in Ghana that I have taken more steps on the issue of disabilities here than perhaps any other President. And let me start out by saying that I believe personally that the treatment given to disabled peoples around the world is really terrible, that most governments don't care, and that to change legislation and to advance the role of what are essentially 10 percent of the people in the world with some form of disability or other is lagging very far behind other groups.

That is the reason why we have set up our own group here on disabilities with Judy Heumann, who is a former undersecretary in the U.S. Government, herself a paraplegic, and herself a remarkable woman and a remarkable leader on disabilities.

What we are trying to do now is to influence individual governments to take the issue of disabilities seriously. We actually had to start at home here in the Bank by making clear that disabilities were no barrier to being engaged by the Bank. And in fact I am very happy to say that we are having more and more colleagues joining us to make full use of their abilities at the institution, and it is my hope that that will continue.

So, to our Ghana friends, I would say that I agree with your analysis and that I am very happy as an individual and with my colleagues in our office in Ghana to work with you and through you to try to bring about changes in the conditions of both education and the role in society of persons with disabilities.

On the Brussels question, I think I have dealt with that in relation to Mr. Wolfowitz.

And on the question of how we should move forward, I would say let's try to move forward together and assess it in another six months.

On Caracas, let me say that yours is a country that I have known for very many, many years. I have been working in and visiting Venezuela since the date of your first large oil check, when I was advising the central bank.

But it is no secret that in the last 10 to 15 years, it has been a bit difficult for us, because our ability to influence the government in terms of the sorts of things about which you were speaking has not been very great, and in recent years, that has certainly been the case.

There is little, I think, that we can do in terms of the prioritization of the reform areas. We have been concerned about macroeconomic stability, about diversification, about competitiveness, and we have been concerned particularly about environmental and socially sustainable development, and I have to say that it has been a difficult role for us.

We have some \$300 million worth of projects coming up, and they have tended to be in social areas. We have the Health Services Project in Caracas itself, the Slum Upgrading Project of \$60 million which I think you know about, and also, IFC, our investment arm, has more than \$400 million invested there in some 13 projects.

We are trying to stay involved, and we are also trying to sponsor youth groups to become active, but the one thing that is very clear is that yours is a country which is not run by the World Bank--it is run by Venezuelans and by your leader--and we stand ready to be supportive in any way we can, but the issue of governance I think is an issue which must be settled internally.

On Senegal, the question of debt was raised, and let me be very clear that I think the issue of overhanging debt is an important issue. After all, we in the Bank started the HIPC Debt Initiative in which we brought about the cancellation of \$50 billion worth of debt, and I was personally very active in getting that done.

But I think that focusing purely on debt as the central issue in dealing with the problems of development is not correct. I think debt is one issue, and we should seek to reduce it, and we should seek to reduce the obligations on governments for debt repayment. That is very clear. That is why we started the HIPC. And that will be discussed at these meetings, and it will be discussed again, I believe, at the meetings of the G-7 and certainly in the meetings in New York on the Millennium Goals.

So let me accept the fact that I think excess debt must be dealt with, but let's also be very clear that it is not the only thing--far from it. If you have someone who is very badly managing their own personal finances and you forgive the debt of that person--sometimes you have people who drink their money away--unless they stop drinking, forgiving the debt does not help.

It's the same with countries. If you forgive debt, and they continue to mismanage or do mismanage, if they don't take care of the governance and social issues that they are obligated to do, forgiving debt alone isn't going to make the difference.

So I agree with you that debt is important, and it will be discussed at these meetings, and there are various plans for debt relief, but I just urge you to remember that it is not the only thing, and people

who look at debt and say if we could get rid of the debt, everything would be all right, I think are ill-conceived.

We need good governance. We need protection of rights. We need strengthening of capacity. And most of all, we need fighting corruption.

We also need to know that if you forgive debt, it needs to be additional to the moneys that are provided elsewhere, because if we just take other aid moneys and convert it into forgiving debt, that really does not add much.

So I am with you in terms of debt relief. We are trying to work on it. But remember the other issues as well, and remember also that for the rich countries, additional aid and increased trade become essential to any long-term solution.

I think I answered the question from Lima on the Presidency.

On the question from Tokyo, let me say that of course, I also heard the speech of Bob McNamara, and the differences between Africa and Asia are many. Asia had a much richer education system, was less weakened by colonization, and was more open to development than was Africa. You are quite right in saying that many countries in Africa had about the same GDP per capita as the Asian giants, but Africa was divided up into 47 countries, now of 600 million but then of about 300 million people, was left by mainly colonizing powers in an extremely weakened condition with very little capacity, and it also became a football in the East-West crisis or the East-West war, the cold war. So that very little demands were placed on leaders in terms of either not being corrupt or social programs. What was interesting to the West and to the Russians at that time was getting then on side.

So Africa got off to a terrible start in terms of building capacity and in terms of governance and in terms of education and was much weakened when it started by colonial powers that left the countries really bereft. And those were the main reasons that these differences were there.

What we now need to do and what many African countries are doing is trying to turn around, and this year, we have seen real growth per capita in some African countries; we have seen many countries looking at the building of governance--unfortunately, already not enough--and we have together to fight the scourge of AIDS, and we have to hope that the countries coming together in NEPAD will in fact follow through in what they have said they will do, which is to deal with the peer review, and together move forward on the questions of governance, financial systems, strengthening capacity and fighting corruption.

If we do that and introduce infrastructure projects, education and health projects, then I believe that Africa will move ahead.

That leads us now to the second round, and I'll be glad to answer or try to answer the questions, and we'll start again with Accra.

GHANA: Thank you, Mr. Wolfensohn.

We thank you for the role you are playing to mainstream disability in most of the World Bank programs. But we in Ghana have actually not felt whatever you are doing, and want you to leave a

footprint before you leave office finally. And for that matter, we are actually expecting that you will do something which will enable us also to feel your activity in terms of disability issues with the Bank.

The next round of questions will be asked by two of my colleagues at my left. One is from the Ghana National Association of the Deaf.

GHANA [Interpreted from sign]: Thank you very much.

My name is Samuel Asari [ph]. I want to ask about access to information. In our society today, most of our people--that is, persons with disabilities--don't have access to information. And I am interested to know the role of the world Bank in making information accessible to persons with disabilities, with special reference to the blind and the deaf.

GHANA: Mr. President, we are grateful for the opportunity.

Sir, you appreciate the fact that a lot of people in developing countries live in the vicious cycle of poverty and vulnerability simply because they don't have access to jobs. I would like to know how the World Bank is addressing this concern so that people in developing countries, especially persons with disabilities, will be able to enjoy decent jobs and some level of standard of living so that they can be productive and contribute meaningfully to development in the countries in which they live.

MR. WOLFENSOHN: Thank you very much.

Let's move now to Brussels.

BELGIUM: Thank you very much, Mr. Wolfensohn.

My name is Jane Backhurst [ph], from World Vision based in Brussels.

The last time we met, it was actually in Brussels, and we discussed again the overwhelming impact of HIV/AIDS on many developing countries, and you made a commitment to follow through on the framework for the protection, care, and support of orphans and other vulnerable children living in a world with HIV/AIDS.

I first of all want to thank you. In fact, I have two thank-yous and one please. I first of all want to thank you for having followed through on that commitment to ensure that the Bank endorses and begins to think about what that means to its structure and processes.

What I want to ask you today--and this is the please--is to really find ways to discuss with your present colleagues and Mr. Wolfowitz how it is going to be actually rolled out into your projects and programs. Obviously, implementing the framework requires community-based responses, and it also requires putting children at the center of your grants, your projects, and also your lending schemes, including how you take those decisions on lending and how you roll them out.

In essence, it requires as well to a certain extent really looking very carefully and quite critically and intentionally at how actually to uphold the rights as well as the needs of children in communities. So this also relates to one of the issues that you wanted to discuss today, which was how you really involve participation of the poorest more intentionally and in a more integrated fashion.

Do you think it would be possible to roll out the framework in that way, and what would be your first step to do so before you leave?

The last thing is just another thank you. I just want to thank you for your willingness to engage with civil society and ourselves over the past years, and just all the efforts, your personal efforts, in doing that.

Thank you.

MR. WOLFENSOHN: Thank you very much, and I'll try and answer your question, and thank you for your comments.

Let's go back to Caracas, Venezuela.

VENEZUELA: Thank you, Mr. Wolfensohn.

We have here the second question. Ms. Vicky Bigio [ph], the consultant in charge of our Voices of the Youth Program, will ask it.

VENEZUELA: Thank you, Mr. Wolfensohn.

In the first place, I want to thank you for your openness to establish a dialogue with civil society and to listen to our questions and concerns.

I am interested in the Bank's [inaudible] recent interest toward the strategic [inaudible] and that you have included as issues to deepen development, peace, and social coexistence, tolerance, and building sustainable democracy and social capital.

New Voices [inaudible] small grant donations notification and the recent research taken in partnership with UNESCO and the World Bank about youth participation in Latin America are some interesting signs that we have.

Of course, the rest of the support the Bank has given to this issue has been included also in sectoral spheres, such as enhancement of quality education in all levels, health programs, and obviously in areas such as environment, infrastructure, and others.

As you have said, youth are peace generators and its best messengers, probably today's most appreciated public good. Indeed, they have generated an invaluable social capital if they find the space and opportunities to do it. Although the international agencies agree with the previous statement at the discourse level, the facts show that the efforts to find an effective solution have been very weak. For example, we find a surprisingly weak presence of the youth issue in the Millennium Goals. They are only mentioned in the eighth objective, in the goal referring to enhancing their employment opportunities. We don't see a real interest toward them in the [inaudible] system, and only under a sectoral attention on some of them. So in this way, youth core issues remain unattended and unheard.

My question is addressed to the surprisingly low budget that the Bank has given specifically to the New Voices Project, the timid approach that has been given to the Small Donations Program, and even the little budget given to the youth participation study mentioned above.

We see contradictions among the verbal enthusiasm shown on youth issues and the specific budget effectively given to them so the possible impact remains in a principal declaration more than in an effective, committed strategy.

Do you see it possible in the near future that the youth perspective could be included as a transversal matter in the same way as gender, indigenous, and Afro American issues did?

I would like to know your opinion with regard to these questions and also if you have thoughts about some strategies to deepen, widen, and innovate in this matter.

My second question is related to the continuity of the advances in youth matters during your administration, especially due to your imminent departure. What would be the type of strategy that you have thought about in order to guarantee their continuity?

The last question would be what can civil society do, and especially what can young people do, to pressure, advocate, and stimulate the new authorities of the Bank to continue with youth initiatives? What would be your recommendations for us?

Thank you very much.

MR. WOLFENSOHN: Well, thank you, and I am anxious to answer that question.

Let's go to Dakar.

SENEGAL [Interpreted from French]: Good morning, sir. I thank you. Good afternoon, rather.

First of all, I would like to commend you for this dialogue between your institution and the social actors whom we represent.

I am chairing the local section of Transparency International, and my concern was somewhat touched on when answering the issue on debt. And I fully endorse the linkage you are making between governance and the debt issue.

I would like to say a couple of things. Your institution has evolved a lot on the issue of governance--positively, I mean--over recent years. It has increased its implication, its involvement, in the fight against corruption. Other stakeholders, along with you, did it at a bilateral level. Significant initiatives have been taken through the MCA, through the Millennium Challenge Account, the [inaudible] Initiative, and the Commission for Africa, and also at the African level, the issue of NEPAD and governance, which you touched on when answering the question.

My question is what can we expect from the multiplicity of these initiatives, which are equally important with regard to the quality of public governance in Africa when you know that the minimum political and moral commitment is still far wanting at state level.

By way of illustration, let me just give you an example of the number of countries that have ratified the various conventions against corruption--the UN Convention adopted in December 2003, signed by 118 countries, including only 11 African states; the African Union Convention Against Corruption, which is even more stringent than the one at the UN level, signed by 35 states but only ratified by 9 states. And I would like to call your attention to the fact that none of the member states of the NEPAD Steering Committee has ratified this African Convention.

Can we really take seriously the commitment to NEPAD? And what could your institution do to get involved and facilitate the ratification of this major instrument? Directly or indirectly, you

mentioned the capacity of influence from your institution when you discussed [inaudible] earlier. I would like to know how you can implement your capacity to influence. I am waiting for you to tell us.

I thank you once again. I give you all my encouragement for what your institution has been trying to do over the last 10 years in the area of governance.

Thank you, sir.

MR. WOLFENSOHN: Thank you very much.

Let's move on to Peru again, to Lima.

PERU: The second question will be asked by Mr. Carlos Eduardo Arambaru [ph], Executive Director of CIAS.

PERU: Thank you, Mr. Wolfensohn.

I have two related questions. One is that most development agencies use the category of "middle-income countries" to refer to countries such as Peru, and I always feel that this is a very polite name to mask the fact that they are very unequal countries in terms of income distribution. So the issue, I think, has to do with the fact that many people are under the poverty line, and my question is basically what is the World Bank doing or will it try to do in order to impose some conditions on these countries for internal change, such as tax reform, transparency of public spending, fight against corruption.

This is related to one of the issues I think we are facing now in the so-called middle-income countries' that is not reflected in the Millennium Goals, and it has to do more with the issue of quality and equity of public services. It is not only a matter of building more schools or building more hospitals. I think the main challenge is the quality of services that the state can provide to the poor, and in that sense, our track record is awful.

Also, it is related to the fact that many of the barriers are political or cultural, and I have the impression that sometimes the World Bank only looks at the economic side of it or not enough looking at the social and cultural aspects.

In that sense, I think that your main ally is organized civil society, not only grassroots groups but also academics and advocacy groups. However, every time we want to approach the World Bank at the local level, they will tell us that funding is not available, it is not flexible enough, and there is very little money to involve civil society, which is a major actor at least in Latin America--I am sure it is also true in other areas--to make sure that our local governments do what they need to do to have the aid and loans that the World Bank gives us more effectively.

So what is your view and position about the issues of equity, the issues of quality, and the role that the World Bank can play vis-a-vis allies such as civil society?

Thank you.

MR. WOLFENSOHN: Well, thank you very much for that question.

And finally, back to Tokyo.

JAPAN: The second question from Tokyo will be made by Mr. Yuki Tanabe [ph], staff member, Japan Center for Sustainable Environment and Society.

JAPAN: Hi. I am Yuki Tanabe.

I would like to raise an issue on the current revision process on IFC's safeguard policies and disclosure policy.

Since August last year, IFC has received comments from stakeholders on both draft policies, but IFC has never responded to us officially. Now IFC has a comment period on the indicative draft and guidance note again, but I think it is meaningless, because a lot of people have already sent their comments. We don't know how these comments have been treated by IFC.

I have two recommendations. First, IFC should release a comprehensive feedback on both policies immediately. I believe it is an essential step if you want to ensure a meaningful dialogue with stakeholders.

Second, IFC should release the next draft before CODE. I don't understand why IFC will release the next draft only after CODE, so I would like to know your thoughts on this issue.

Thank you.

MR. WOLFENSOHN: Thank you very much indeed for that round of questions. Let me go back and try to find them again.

Going back to Ghana and the issues of job creation and the former question about information disclosure, let me say first of all on information disclosure that we are really part of a related trend in the Bank. We started with the printed word in English, and then we moved to the printed word in different languages, and we have now moved also to a distribution of information using computer technology and disk. And I am happy to say that now, through our Public Information Centers, we are now moving where we are putting in ramps and equipment for the hearing and visually impaired in some of our facilities--I think seven of them are already fully accessible in Washington, Manila, Kampala, Nairobi, Ankara, Cairo, and Rabat. And our intention is to build up a global capability to provide both subtitling and closed captioning as soon as we can.

Let me say that this is high on our agenda. Unfortunately, it is also competing with language translation, but it is now very much on our agenda, and both for facilities themselves physically and for the translation, I am happy to say that it is now moving forward.

On the question of job creation, let me say that there, generally, this is a huge issue for the poor in general, but I am very pleased to say that now we are taking as a specific group those with disabilities and trying to include that as an essential element in every one of our job creation programs.

I should say that we have been late in including persons with disabilities, but it is now a part of our policy, and I'm sure that you will see in the years as we go forward much greater attention not just to job creation but to job creation with equity, which includes those persons with disabilities.

On the question asked by the lady from Brussels--or actually, the two thank-yous and the please--let me deal with the please and say that the issue of putting children at the center is something that I

care very deeply about and hope that I will be able to continue to do some work on even after I have left the Bank.

You asked the question what is the first step. The first step is, of course, recognition that children are the most vulnerable group and that we must deal with them, and I think that that is now established here at the Bank with a coordinator who is working with us on youth and children's issues. And we have expanded significantly the work that we have done. We have, as you know, the Children and Youth Framework for Action. We have also agreed that the 2007 World Development Report will in fact be on "Youth" to try to give a central focus to that issue, and by setting that up for 2007, it means that there is going to be a lot of discussion between now and then. And we are also relying on our Youth Voices groups and offices--we now have 26 of them, and as you know, we started the first one in Peru, and they are represented today, and we have recently had Youth Open Houses in 60 countries.

So the attention to young people is becoming much more recognized in our institution. When we put out the statistic that 1.8 billion people in the world, one-third of the people in the world, are under 14, it got the attention of my colleagues, and when we also said that half the world is under 24.

I think that this attention to this issue is now launched in the Bank. And someone mentioned earlier the issue of women's rights. In fact, I regard this as the next frontier. I think we went to the question of gender, and from the issue of gender, we have moved through and recognized that there is another group, which is young people. And as was mentioned by the person from Venezuela on the issue of voices of the youth, let me say that we recognize that there was very little that was put in the MDGs specifically under the titling of "Youth," and I also have to agree with you that the budget internally within the Bank for work with civil society has been very low and is now starting to increase. But what we have done is that since the year 2000, projects including youth have gone from 15 to 46, and the investment component has gone from \$750 million a year to, last year, \$1.5 billion with youth components in projects.

So we are on the move here, but I would hope that you will continue to keep the pressure on. And you are asking what can we do to ensure that--my suggestion would be that my colleagues here and you together, at a very early stage in the Presidency of Paul Wolfowitz, get a bunch of young people from our various offices to come to have a meeting here in Washington, because I find youth our best advocates, and I think if you put them in front of Wolfowitz, you will be defeated immediately. So my suggestion is bring young people here to Washington and let them do the talking, and I don't think you will have any trouble. Wolfowitz of course has children of his own, so he is as vulnerable as I am and I think will be much affected by it.

On the question from Senegal on transparency, I need hardly tell you that corruption has been at the center of my own agenda over the years. But the thing that I have learned is that we cannot ordain changes on corruption. What we can do is to put the pressure on.

The simple fact of the matter is that in just about every African country--in fact in every country--in 48 hours, you can know who are the crooks. You can know whether the president is on the take, whether his wife is on the take, whether his cousin is on the take, which ministers are honest, which ministers are not honest. There is no secret in most of these things. And the same is true in NEPAD.

African countries know who is honest, who is not honest. Every knows, for example, that there is a major fight going on inside Nigeria at the moment, with Ngozi, the Finance Minister, and 13 other colleagues really trying to fight the corruption issue. Every Nigerian knows who is on the side of fighting. Everyone knows who is defending.

The issue is not one of secrets, the issue is one of political will. And the only way that that can be resolved is really by civil society and the public resolving it.

I remember when I first went to Indonesia and started to talk about corruption to President Suharto, he told me that corruption in Indonesia was not corruption, it was "family values," and that I didn't know what I was talking about. That was subsequently changed when he got thrown out by a revolution.

The issue of equity is being dealt with, coming into the issue of Peru, in different ways in different countries. And what President Lula is trying to do in Brazil is not by revolution but was by getting 52 million votes at the ballot box.

So this question of equity and quality of public service, which was raised by our friend in Peru, in middle-income countries is absolutely central to the question of the future of Latin America as it is of many countries. Latin America, as I need hardly tell you, has in many ways the worst statistics between the rich and the poor, and what we have been trying to do is to keep the pressure on.

You mentioned that we don't understand the cultural issues. Let me tell you that on my last trip to Peru, I spent three days going out and visiting indigenous people, meeting with Afro Peruvians. I think I saw more of the different groups in Peru than most Peruvians.

So let me tell you that the suggestion that we don't know enough about culture in the Bank is probably correct, but the suggestion that we don't care about it is not correct. There is a real move in our institution to recognize that you cannot have effective and equitable development without understanding the culture and without understanding the issues.

But let me say in your own society that one of the reasons that you have inequity is because within your own society, there is an inequitable view about the minority groups, and that I am afraid can only be solved by Peruvians. When I see the view of Afro Peruvians and the view of the indigenous people that I met when I was in the country with your President and his wife, I am afraid that no amount of conditionality on the part of the Bank is likely to solve that question without a real move on the part of Peruvians.

And let me say on the question of equity that in two years' time, the Development Report will in fact be on "equity."

So far as the Tokyo comment on IFC is concerned, I am aware that we have extended the time to allow for greater conversation, and I was not aware of the fact that there had been some gaps in the comprehensive feedback. Let me simply say to you that I will refer that question immediately to my colleagues, and I will make sure that we get back to you directly.

The question on going to CODE is that we cannot release a revised policy unless it has been presented to CODE. That is a policy requirement of the Board. And I can assure you that we will

continue with the dialogue with those who have already come to see us, or gave their comments before, but I will make specifically certain that the Japanese observations are responded to. And I can assure you that William Bulmer and his colleagues at IFC will get back to you quite shortly.

I think that completes that round. Let's move forward further.

Let's start with Accra again.

GHANA: Thank you, Mr. Wolfensohn.

We in Ghana, especially persons with disabilities in Ghana, have heard and read with much admiration about what laws there are in many countries that protect persons with disabilities. Considering that we in Ghana don't have such laws, what would the world Bank do to help us in this regard?

Thank you.

GHANA: And in addition to that-my name is MacDuff Perry [ph], and I work for Voluntary Service Overseas, VSO--I would like to say thank you very much for your acknowledgement that the World Bank has been late in including persons with disabilities and also acknowledging the fact that treatment by governments or societies toward persons with disabilities has been terrible.

While today we all commemorate the first day of the "Making Poverty History Campaign," I think we would not wait for another time and another day where we have to be saying let's now commemorate making discrimination toward persons with disabilities history.

The major issue that you will find is that among other civil society organizations, persons with disabilities are not on the agenda. You find it with governments. You find it with other funding institutions. And whilst you acknowledge that the World Bank has been late in including persons with disabilities, I think my question is to say: Is what the World Bank is doing now enough? Is there anything else that the World Bank can do? Should the World Bank promote and propagate positive discrimination toward persons with disabilities--because the world that most persons with disabilities are living in today is a world that one would argue is almost 25 or 30 years behind. And with that kind of condition, I think there is more that needs to be done toward persons with disabilities, toward funding specific programs for persons with disabilities, as well as capacity building.

Thank you very much.

MR. WOLFENSOHN: Thank you.

Let's go to Brussels.

BELGIUM: My name is Luis Morado [ph] from Oxfam International, based in Brussels.

First of all, I should thank Mr. Wolfensohn for opening this virtual window of civil society dialogue.

In a previous round, you have already answered the first half of my question. You have somehow tried to reassure the audience by saying that we don't see a substantial change of direction in the World Bank under the leadership of the next President. But I think we need to go beyond some sort of continuity and ensuring that continuity.

I have also heard some comments from you saying that the transition period is going to be key, and you are going to make all efforts to make it successful, particularly taking into account that we are in the middle of 2005, the year in which we are trying to make poverty history.

The concern we have is that in this transition period, the World Bank may become a little bit too inward-looking and miss some good opportunities to influence rich donor countries to support a real poverty reduction agenda.

More specifically, we are concerned that the momentum on increasing health and education spending may be lost.

So my question is what specific actions and strategies are you undertaking over the next few months to ensure that the Bank plays a leading role in maintaining a strong education focus into the next Presidency, and what are you going to do in collaboration with the next President to ensure that rich country donors throw their full weight behind programs such as the Bank's Fast Track Initiative?

Thank you very much.

MR. WOLFENSOHN: Thank you for that question.

Let's move on to the next country, which is of course Venezuela.

VENEZUELA: Thank you, Mr. President.

Let me introduce father Armando Jansen [ph] who will make the third question. He is the president of Synergy, an association dedicated to create democratic space for the coordination and participation opportunities for NGOs in Venezuela. And he is also a principal advisor of Social Groups SUB [ph], a private organization of public interest dedicated to promoting development, integrated by 22 associations at the national level. It has been promoting popular sector participation for the people's own welfare and carrying out social programs and projects in hamlets, villages, communities and cities for more than 30 years.

Father Jansen, please.

VENEZUELA [Interpreted from Spanish]: Good morning, President Wolfensohn.

The possibility of addressing this open environment indicates the progress that the Bank has [inaudible] last year. The Bank left its aisles and entered into conversation with the people, with the organizations, in order to work more efficaciously, and today more than every before, this is important in Venezuela, where we live a profound crisis in all the arenas of human coexistence--economic, social, political--a crisis that has divided society, unfortunately, and apparently does not seem to find a way to recreate that social fabric of trust which is fundamental in any dynamic of construction of a nation.

In the midst of this, the social organizations continue to work very hard, but with all the limitations, because there is the concept of state that invades society and turns them into society which is owner of the state, contrary to our idea that society should have its own capacity of action.

This must not preclude that in the midst of this there are social initiatives that are impressive initiatives, and we would like to accompany [ph] that very clearly indicate a path that is equally uplifting, but that we need an environment of dialogue, of conversation, of reinforcement of our

presence, of our autonomous presence, [inaudible] independent, outside of the partisan political game in order to act clearly.

In this way, my question is this. The World Bank that, during the last years, has strengthened the participation of civil society in all its actions, how can it today and from here on and through its contribution and its advice and its dynamic further strengthen that civil society in the building of a society, democratic, participative, but profoundly humanistic and respectful of human rights?

Thank you for your kind attention.

MR. WOLFENSOHN: Well, that's a very tough question that I look forward to trying.

Thank you very much, and now to Senegal.

SENEGAL [Interpreted from French]: Thank you, Mr. President.

I am Devon Gesan [ph], representing the National Council of Employers in Senegal, which is one of the major representative private sector organizations in Senegal.

As you may know, sir, private sector development is one of the major pillars of intervention in our country strategies in order to develop our economy and reduce poverty. As you know, we are now engaged in negotiations which will lead us to gradually open the bulk of our markets to countries against which we are not competitive by 2008, with the Economic Partnership Agreement we are negotiating with the European Union, by 2020 with the WTO, and the first impact studies carried out show that huge sums of our economies and our companies run the risk of disappearing if nothing is done by then.

Mr. President, how does the World Bank intend to intervene more massively and more effectively in current programs which we want to encourage, where we want our companies to scale up? How is the Bank going to endeavor to reduce the gap which will no doubt happen if the trade preferences which we currently have, which enable us to somehow keep a certain level of export and competitiveness with some developed markets--once these preferences are scrapped under the agreements, how does the Bank plan to set up systems or mechanisms which would enable our countries to reduce the negative impacts of such measures?

I thank you, Mr. Chairman.

MR. WOLFENSOHN: Well, thank you very much.

Let's move on to Lima again.

PERU: Mr. President, the third question will be asked by Mr. Rensel Sotomajor [ph] in representation of the Voices Nuevas group here.

PERU: Good morning, Mr. Wolfensohn.

My name is Rensel Sotomajor. I am speaking on behalf of the second generation of the New Voices team, the first of which you met a few years ago.

I am pleased to inform you that we are now based not only in Lima but in five of the main cities of Peru, and we have been studying the projects that the World Bank is supporting in our country.

This morning, we would like to ask you some questions. Our first question is how is the World Bank planning to deal with the following situations--the lack of employment, which is connected to poor-quality education; the health problems related to youth, particularly HIV, which has a young face; and the almost nonexistent role of young people in the decisionmaking process.

These are problems that concern the young people of Peru.

Secondly, we realize that the New Voices Program is a good effort linking civil society and the World Bank. We have participated in the open house and learned about the Millennium Development Goals, but certainly it is not enough. In that sense, how can the World Bank help more and more young people, particularly the poorest and most marginal, to get involved in the World Bank's operations?

And finally, in the last decade, with your leadership, the world Bank has changed its concepts and policies. Now we are facing an imminent change in the leading team. So what do you think will happen with the [inaudible] strategy in the next five years?

Sir, these are our three questions. I am sure you remember this goal; now we would like to hand you the ball.

Thank you very much.

MR. WOLFENSOHN: Thank you very much.

And finally, back to Tokyo.

JAPAN: Thank you.

The third question from Tokyo will be made by Mr. Kunio Takasi [ph].

JAPAN: Thank you very much.

I am very happy to know that the World Bank World Development Report title has been selected--"Equity and Development"--which I welcome very much, because I thought all the way, long way, poverty alleviation alone cannot really solve the problem. Even in open society, the gap between the rich and the poor is widening very much, so recently, there are many ways for each country, and more equity is important rather than only growth. Equity is important. For example, in China, there very much difference between the rich and the poor is widening. Also, even the European Union Charter says "social market economy"--something like that--"social."

So really, my question is what is the motivation that the World Bank has selected this "equity and development." I think I would like to go farther to narrow the gap between rich and poor. That is precisely a more specific theme for the World Bank to pursue.

Thank you very much.

MR. WOLFENSOHN: Well, thank you.

I think it has worked very well. It gives me a chance to answer the questions and to bid you farewell.

First of all, on Ghana and the question on in what way can we help change the laws--I first came into this issue 25 years ago when I was running the World Multiple Sclerosis Federation and started to

study the laws of different countries and became very much involved in Sweden where, as a matter of Constitution, people with disabilities have the same rights and the same possibilities as persons without disabilities. And I asked my self why could this not be possible everywhere in the world, and it is an issue that I have really focused on for all that time.

I think all of you know, since you are involved in the disabilities movement, that trying to talk people into changing legislation has a cost factor associated with it, and what is needed is an organization of the disabled groups to try to make their voice heard.

What we can do is to intervene with governments and to suggest to them that it is both socially responsible, morally responsible and financially advantageous to allow persons with disabilities to use their abilities to the maximum proportion and that that in fact helps not only the equity of the situation but also contributes to the society.

I can assure you that that is something that we all believe here, and as a result of these discussions today, I am going to make sure that we immediately take up the question with President Kafur [ph] in your country, and let's see what we can do to help you and the other organizations immediately in Ghana to see what can be done.

I might add that in terms of involvement, not only in your country but in other countries, we are trying to encourage participation in the Poverty Reduction Strategy process of not only civil society but groups within civil society that represent the disabled. This is coming. I think it is a process that will take a number of years, but I am happy to report that it has started and that whereas five years ago, little or no attention was given to groups of civil society concerned with disabilities, today it has started and I think is irreversible. What we need to do is to make sure that the pace is quicker.

On the question from Oxfam International in Brussels, I have to say that I do not believe that we have become too inward-looking. In fact, quite the reverse--one of the reasons I think that my own administration has become a little bit controversial is because of the pressure that we are putting on the G-8 and the donor countries in relation to the provision of development assistance and the issue of trade and on support for specific causes, as you put it, on education.

One of the subjects that will be discussed at the Spring Meetings, my last meetings, will in fact be the Fast Track Initiative. And I have to tell you that I am personally extraordinarily disappointed at the response of the wealthy countries on the issue of provision of funding for education. It is a fight that I have taken up for several years. And I think you will be able to see after the meetings that far from looking internally, the Bank is very vocal on this question, and we will be doing everything we can to encourage additional funding, not just for the primary school education but also for preschool education, because we are so deeply concerned with it.

On Father Jansen's question from Venezuela, I agree with you that there is a profound crisis in a number of countries including your own, but I just want to tell you personally, Father Jansen, that I have been to your country many, many times; I know it well; I have been right through the Venezuelan Amazon, I have been with the Yanamame [ph] Indians--I have been all over the country and love it and feel a great identity with it. But I have not been to Venezuela for four or five years, and the reason that I have not been down is that frankly, I'm not sure that I am terribly welcome, and I'm not sure that the things that I would say would be particularly listened to or helpful.

I am afraid that the changes in Venezuela need to be driven from the inside. I think you are very well aware of the political dynamic in your country. So what we are doing as an institution is trying to be as supportive as we can on social issues, as I described, but the issue of politics and the issue of the nature of your society, I'm afraid is something that needs to be driven by Venezuelans.

Certainly, even with my long experience in your country, I don't think there is much that I can do, but if there are things that you think we could do, I hope you would speak to my office in Caracas and just recognize that involvement in the political process is not something that we are able or entitled to do directly.

In Senegal, let me say that the issue that you are facing in terms of competitiveness as the market has opened is one that is true of all developing countries, and clearly, we have spoken to President Wad [ph] about what can be done. I think he has a very clear strategy on infrastructure, on power, on roads, on centers of communication in ports and airports, on the issue of training, on the issue of research and competitiveness. And let me say very simply that I am really impressed by the way that President Wad is trying to both encourage investment in the country and a high level of technology so that Senegal can compete. He is looking very much at the issues of education and capacity building, and we will do everything that we can to support him.

There is no reason why an African country cannot be competitive. It may be that it has to catch up in terms of infrastructure and education and technology, but there is no inherent reason why it cannot do that. And what we are looking to do is to try to support those African countries that are moving to competitiveness and we will be ready to do that both in the Bank and in IFC.

On the question from the second round of our colleagues in Peru, let me say that we are already publishing a Youth Guide, and your group, Group Number 1 in Peru, was really charged with the responsibility of moving beyond Lima into the other centers, and we assisted you with finance, but the initiative was taken by you, and I congratulate you on the fact that you now have centers in five cities in your country. We continue to support that, and of course, what always happens when we start an initiative, whether it is on debt or on youth or on anything, is that for the first year or so, people congratulate us, and then they start saying as you are now saying, "It's not enough. What more can you do?"

And the answer is we will continue to try to expand, and you will continue to tell us that we are inadequate. I'll just remind you that three years ago, there was no Youth Voices Group in Peru, and we hope very much to work with you to develop not only your activities in Peru but, as we agreed some time ago, to have you work in other parts of Central America and indeed throughout the world, and we hope that if you are talking about the next five years, you will not only complain about us, but that you will also take initiatives that will help all of us build the youth initiative.

And finally let me say in response to the Tokyo question that we agree with you that growth alone is not enough, that equity is the issue, and unless we can deal with the issue of equity in development, there will be no peace, and there will be no hope for many poor people. And I think all of us at this table, all my colleagues and I, are deeply committed to the notion that it is not just growth, and it is not just poor countries--it is the so-called middle-income countries that we need to deal with as

well, and that the issue of poverty is broadly distributed in poor countries and in middle-income countries.

And I want you to know as a final word that I think that the team that we have around this table here at the Bank and the 10,000 other people who are here are deeply, deeply committed to the same goals that all of you are in civil society. We are not the enemy. We work in a very different way because of our special function, but the one thing that I am sure of is that if we can work more effectively with civil society, if the process of criticism and questioning from civil society continues as it has in a constructive way, we will continue to perform better, civil society I hope will continue to perform better, and together we will be able to make the sort of difference that we want to make in terms of making the world a more equitable place and more peaceful place.

Well, this is probably my last such meeting with you in this format. I hope that after June the first, I still continue to survive in a modest way--probably running a hot dog stand somewhere, trying to make a living--but I assure you that even when I do that, I'll be thinking of all the work that you are doing, and I hope at some time in the future to continue to have the opportunity of associating with you.

I thank you for 10 years of really exciting work, and I look forward in the future to see great progress being made by the partnership between the Bank and civil society.

Thank you all very much, and this meeting is now adjourned.

[Applause.]

[Whereupon, at 10:30 a.m., the discussion was concluded.]