

THE WORLD BANK

VIDEOCONFERENCE DISCUSSION

with

MR. WOLFOWITZ and CSOs

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## PROCEEDINGS

MS. REYNOLDS: Good morning, everyone. Thank you for joining us today. We have six countries that are participating with us on this videoconference. We have colleagues in Mali, Germany, Colombia, Pakistan, Zambia, and Poland, and we look forward to a rich discussion.

Without further ado, let me introduce President Wolfowitz.

MR. WOLFOWITZ: Good morning. I guess we'll get a clear idea of everyone who is on the screen as we go around the world. I was just getting a clear idea of how many people on my staff work on civil society issues. We have a large group here this morning and obviously, a great deal of interest.

I appreciate this opportunity to take advantage of modern technology to be able to share ideas across many different countries, and I assume we will be touching on many different issues.

I would like to just begin a little bit by giving you my personal feelings about the importance of civil society in the development process and the importance of this kind of dialogue between civil society groups and the World Bank and, indeed, the larger development community. And I would actually like to begin by saying that I am grateful to Jim Wolfensohn for the active role he played in promoting that dialogue. I know how strongly Jim felt about it, and I knew him long before I ever thought I would be his successor, and I was impressed with the emphasis that he put on civil society even in private conversations; it was something that was genuine and close to his heart.

It is close to my heart as well. Those of you who have read my Annual Meetings speech will notice that I began it by saying--and I have felt this for a long time, and it is a view that I think I started with when I became Ambassador to Indonesia some 20 years ago, but it was very much strengthened by my time there--that the development process depends on a great many factors, many of which are not economic. And with all due respect to economists, they have part of the answer but not all of the answer. In fact, I think none of us has all of the answer. Part of what is challenging in this business is trying to figure out exactly what makes development work.

But I think experience through a very long period of time says that successful development, I wouldn't say is absolutely dependent on, but it is certainly greatly strengthened, greatly enhanced, by strong civil society organizations.

If you think about it, one of the first books written about a developing country, and I think still one of the best, was a book written about the United States 200 years ago by a Frenchman named Alexis de Tocqueville. Tocqueville comments on how important--he doesn't exactly use the term "civil society," but he talks about the American tendency to form associations. And that is exactly what we mean by civil society--the voluntary coming together of people for a common purpose outside of organized government. And it is a factor that certainly in my own country has strengthened the development process.

I think, from what I saw in Indonesia, civil society groups in that country were a major contributor to the successes that Indonesia has enjoyed. It is my own feeling that they would have been more successful if the Suharto regime had actually encouraged a more active development of those civil society groups.

So I think civil society groups are a critical part of the development process. They are in many cases--Bangladesh is a stunning example, where I visited in August--they are a major contributor to development. One might even argue on Bangladesh, from what I saw, that civil society organizations deliver more in the way of development than the government itself, and that is less a comment on the government than a comment on the outstanding work done by BRAC and Grameen Bank and other civil society groups.

The other big contribution is in the area of voice and accountability, and I think there, we have in a sense two different civil society groups. We have the civil society groups in developed countries who I think are very important representatives of the donor countries and have, as a part of donor countries, an important interest in holding institutions like the World Bank accountable; and the civil society organizations in developing countries that have this kind of dual function of being both part of the development process but also, I think, mechanisms not only for accountability for the donors and the large multinational organizations, but accountability for their own governments.

And accountability is always a difficult thing if you are the institution being held accountable, but on the whole, I think it is much better to hear criticism, to know what people think of what you are doing, to know

where people think you are making mistakes, because then, at least you have a chance to decide whether they are mistakes or not and to try to correct them, than to proceed along in ignorance. And it's a point that I would make every time I get a chance with leaders and governments that we interact with. It is one of the reasons why I think the institution of the free press, which is I guess typically classified as a civil society organization, but it is certainly part of what contributes to successful society, is an important institution even when they are asking questions-- or maybe especially, when they are asking questions that are uncomfortable.

So I appreciate the kinds of dialogue that have been started here at the World Bank with civil society groups, and I look forward to continuing them.

I think one other thing I would add, and that is--and I have heard this already from different groups as I travel around--I think it is very important to listen. At the end of the day, we have to make our best judgments about what will in fact contribute best to the development process, and with so many different views on that subject, we are never going to come to complete agreement or consensus.

But I do think we have complete agreement on what we are basically out to achieve, and I have said that that's one of the wonderful things about the development process--at least there is very strong agreement on the goal, and the goal is to enable poor people to enjoy the opportunities that those of us who are more fortunate enjoy, and particularly to give them a chance to take care of themselves and to live independently, and I suppose most importantly, to give their children the kind of future that they deserve.

It is something that I have noticed even in the poorest communities in Africa and India: I have met very few parents who don't desperately want their children to have a better life. I think we are all around here, around this screen, around this development community, committed to doing our best to make that possible.

So I look forward to our conversation this morning. Carolyn, are you our master of ceremonies here?

MS. REYNOLDS: However you wish.

MR. WOLFOWITZ: Okay.

MS. REYNOLDS: We'll go to each of the sites in alphabetical order, by capital. So let me first turn to Bamako and ask the chair there to briefly introduce the group and to make the first intervention.

REPRESENTATIVE OF MALI: Thank you very much. I am the Country Manager who is chairing the meeting on this side. Thank you, Mr. President.

The Mali Country Office is very delighted to participate in this meeting with the Malian civil society organizations. I would like to welcome our guests and thank them for having accepted our invitation.

The assembled group from our side comprises 12 participants. It includes the National Civil Society Council, four networks of NGOs and associations, and activist organizations advocating for cancellation of debt of developing countries, farmers' organizations, women groups, the Association of Law Professionals, two unions, and the Secretary of the Mali Press Center.

The Bank's country team is also attending this meeting. Thank you very much.

MS. REYNOLDS: Please, Mali, go ahead and invite the first intervention.

REPRESENTATIVE OF MALI: Okay. I think the first intervention will be in the education sector.

REPRESENTATIVE OF MALI [Interpreted from French]: We are all convinced of the importance of education on people's political and socio-economical development. If we all want schools to be more efficient and credible, why don't we get rid of the heavy disbursement and privatization procedures? Considering the lack of job security for contractual teachers, the deficit of professional teachers and the inadequacy between training and employment, why does the Bank oppose the conversion of teachers into civil servants? In Mali, "fundamental education" corresponds to 9 years divided into two cycles. The World Bank finances up to 90% of the first cycle, which leads to higher numbers of pupils in the first cycle and a loss of pupils during the second cycle. Don't you think, Mr. President, that this financing policy should be revised? Considering the high poverty of the Malian population, don't you think, Mr. President, that the state should be involved in the management of decentralized education? I thank you.

MS. REYNOLDS: Thank you very much. I think we caught most of the question. There was a little bit of interference with the French translation, but I think if we understood correctly, the issue was about the education sector and access to education in the community schools and the impact of adjustment. So we will respond on that.

Let's go next to Berlin, Germany. Please say hello and make your first intervention.

REPRESENTATIVE OF GERMANY: Good morning to you in Washington from Berlin, and to all the other participants, good day. We are six people from the NGO development organizations in Germany, gathered here in the Ministry for Economic Cooperation in Berlin. Briefly, I would like to introduce to you two representatives of the German NGO platform--VENRO on my right side, and then Ms. Daniela Setton from the NGO, World Economy, Ecology and Development here in Berlin. And then we have three others who are from church development organizations, both from the Protestant as well as from the Catholic side. Thank you very much for this opportunity. It is important to say that the national NGO platform has about 102 members, small and big organizations, working with their partners in developing countries as well as doing development education here in Germany. And most of us are also part of the board of the German Jubilee Campaign for the debt cancellation movement in Germany.

Thank you. Now, the first intervention from Georg Stoll from Misereor.

MR. STOLL: Hello again, and thank you very much for the opportunity. Let me make two small preliminary remarks on the kinds of basic assumptions that underlie the particular points that we would like to make. The first of these assumptions would be that we have always had, and still have, a lot of concerns about the predominant role of the World Bank and what concerns staff management. Both from the technical side and especially from a perspective of global governance, we don't see a real legitimation for this predominant role of the World Bank, and concerning debt management, we would prefer to see a real neutral process, procedure, institutions to take care of this.

A second basic assumption would be that we don't see sufficient feedback to the World Bank as concerns creditor responsibility. These two points are linked a little bit, and now I would like to come to three particular points regarding debt sustainability--or, debt management. The first would be debt sustainability exactly. Looking at the track record, let's say, of the World Bank in calculating debt sustainability, one

has to admit that usually, these assessments are very overly optimistic as regards economic growth and as regards export revenue, and thereby coming to results which leave countries with unsustainable debt but officially, debt sustainability. So this is a real important problem that we have had before HIPC, that we have with HIPC, and that we have even after the Multilateral Debt Relief Initiative. One point into this is that so far on the Debt Sustainability Assessments, there is no coherence with the rhetoric on the famous Millennium Development Goals. There is no real way the cost of fighting poverty in a systematic manner gets into the debt sustainability calculations. Therefore, one point would be that if you really take seriously the reports about the Millennium Development Goals, more countries would need debt relief than actually receive debt relief--more countries than the HIPC, more countries than the MDRI. And also, again, the systematic question would be that the predominant role of the World Bank should not be maintained. We would need more domestic input from the countries concerned from the debtor side on debt sustainability assessment. The HIPC finance ministers have made this point already some two years ago. So we would like to see more progress on both the quantitative aspect, more relief for more countries, and we would like to see more progress on the side of independent debt sustainability assessment.

The last point on the debt management issue would be the conditionalities. Again, we see that there is a point of having an eye on how the resources from debt relief, also the ODA resources, are used in the country. We see a point for having some fiduciary conditionality, but we don't see it same way concerning the economic and structural conditionality. We don't see real progress on ownership regarding conditionality. Therefore, our point would be as regards fiduciary conditionality, okay, that would be fine, but please do it in dialogue not only with the governments, but do it in dialogue with parliaments and with civil society. It is up to the people there. Good governance is mainly a concern of people in the poor countries and not a concern of donors. And as regards structural and economic conditionalities, if at all, these conditionalities should grow from a real and serious policy dialogue, again, not only with the governments but also with parliaments and civil society in the countries concerned. Thank you.

MS. REYNOLDS: Thank you, Berlin. Let me go next to Bogota. Thank you.

MR. LOPEZ: Good morning. This is Miguel Lopez, and I am the Bank's new Country Manager in Colombia, and we are delighted to be here. We are here together with a group of very distinguished guests from civil

society, representing NGOs, social foundations, some of them linked to the private sector, peace and development programs, indigenous peoples, academia, and business organizations. And to get started here, the area in which questions or comments will be made will be regarding peace and development.

REPRESENTATIVE OF COLOMBIA: Good morning. I represent a social foundation that works with children and youth, and our question is in terms of peace and development. In Colombia, as you know, we are living in internal conflict, and one of our main concerns is that most programs offered for both IDPs and ex-combatants are formulated in general terms and rarely take into account youth expectations on these subjects and their reintegration into civil society. Most programs that are offered both by the government and international cooperation rarely ask youth what their expectations are on employability, on health issues, on education. And we know that this process, in order for a process to be sustainable, reintegration programs must be effective. Our question is, what is the Bank's view on this issue, and how can the Bank offer different programs that have been implemented in different countries that have taken into account youth expectations and different issues that are important to them to make these processes effective and sustainable. Thank you.

MS. REYNOLDS: Thank you very much, Bogota. Let me turn next to Islamabad.

REPRESENTATIVE OF PAKISTAN: Good morning to you in Washington, and good evening here. We have five members of civil society--two women and three men--all of them are in one organization or another; three are the founders or heads of their organizations. I think all of them in one way or another are service delivery and some advocacy organizations. We drew lots to see who was going to go in which order, and the winner of the first one was Dr. Perveen Azam, of Dost Foundation.

DR. AZAM: The NGO that I represent works with drug users, prisoners, refugees, sex workers, and street children--all marginalized and vulnerable and in desperate need of help. The NGOs in the Northwest Frontier of Pakistan have been waiting for over seven months for release of World Bank allocated funds for a project to protect vulnerable people from HIV. This has resulted in delay and reduction in services, significantly increasing the risks of HIV transmission. In my experience, local NGOs are most closely involved in the delivery of services to those in need and are best placed to identify timely solutions. Government officials are often too far removed to fully understand the real issues and

the urgency for timely action. How can you ensure that your governmental partners involved in the award and allocation of funds have the skills, capabilities and commitment to efficiently get World Bank money to those in need, particularly with an issue so time-critical as HIV presentation and intervention?

MS. REYNOLDS: Thank you very much for that comment and question. Let me turn to Lusaka.

MR. WOOD: A very good morning to you, Washington and Colombia, and a very good afternoon to all of our other colleagues at the other sites. My name is Dennis Wood, and I'll be chairing the Lusaka site. We have just over 23,000 registered CSOs in Zambia, and since we couldn't fit all of them into one room, we managed to get 20 representatives from the CSOs. We have some from gender and development, others from economic policy, trade unions, economic associations and chambers of commerce, the use of ICTs for development. We also have representatives looking at poverty as a justice issue. Private sector development are also here; children's rights are represented; governance and anti-corruption, agriculture, small-scale farmers and exporters, public opinion polling, and several observers. We also have staff from the World Bank; the Country Manager is also here, Ohene [Nyanin], and we also have other representatives--various observers from the press. Now, we will open up with a special guest, Peter Henriot. I understand that he was a classmate of Paul Wolfowitz. Paul, I don't know if you remember Pete, so he'll kick off with a comment, and there will be a question raised, so—

MR. WOLFOWITZ: I remember Peter very well, which shows that my long-term memory isn't too bad.

MR. HENRIOT: Thank you very much, Paul. We sat together and studied many years ago Alexis de Tocqueville and civil society, so I'm glad we are having an exchange today. Paul, here in Zambia, I think our government is making quite a pledge to wealth creation in our budget since we reached the HIPC Completion Point. I come from a group, the Jesuit Center for Theological Reflection, which hosted the Jubilee Zambia Campaign, so we are quite pleased with the kind of response that we have had. But in your own foreword to the very important "World Development Report 2006" entitled "Equity and Development," you emphasized that equity is essential to economic growth. So could you please give us some idea of what the Bank will do to emphasize for Zambia and other developing countries what it will do to assure that the equity approach really does take place as we promote wealth creation, for

example, with the World Bank as a partner? Will it affect, for example, your emphasis--the Bank's emphasis--on adjustment policies and other macroeconomic issues? Equity, you say, before economics. Can we hear what you will do with that?

REPRESENTATIVE OF ZAMBIA: My name is [name inaudible] from One World Africa. I will focus on HIV and AIDS. It is a fact that it has become a threat to development. Indeed, the response has not been quite holistic. A case in point is the roll-out of ARV drugs which in most cases are in short supply--but again, only those with a very low CD-4 count can get drugs, whilst those who test positive have to wait in agony for their turn. At times, they wait until it is too late. Drugs for children are not always available, depleting the human resources. I would like to find out what you are going to be doing in order to make access to drugs for everyone.

MS. REYNOLDS: Thank you, Lusaka. Finally, let's turn to Warsaw.

MR SREDZINSKI: Hello from the capital of Poland. My name is Pawel Sredzinski, and I am the chairperson for today's meeting. We are representing different societies and different projects from civil-society [interpreter interrupts]--I would like to give the first intervention, not to exceed our time, Ms. Dorota Stasikowska-Wozniak.

MS. STASIKOWSKA-WOZNIAK: My name is Dorota Wozniak. I am the President of The Silesian Center for Equal Opportunities. [Interpreted from Polish]: I live in Silesia. It is a region covered by mining, industry transformation, specifically hard coal mining. Our organization is helping people who are affected by industrial restructuring. Specifically, we mean children from dysfunctional families. Thanks to the World Bank grant, we managed to conduct a number of projects helping these people, and I would like to thank you for that. My question is: Is there a possibility, or how can you view the possibility, whether in the EU member-states, the group of countries that are already developed, will it be possible to obtain financial assistance for NGOs in Poland, in our country, in the form of grants? Can we count on further involvement by the Bank, grants to NGOs, civil society organizations in developed countries, and is it possible for the Bank to participate with nongovernmental organizations directly, not through the intermediation of the government? Thank you.

MS. REYNOLDS: Thank you very much, Warsaw. That was a very rich set of comments and questions, so thank you very much. I think there were a number of issues raised--we had the issue of user fees and access

to education in Mali; the issue of debt sustainability, conditionality, and ownership raised from Germany; from Bogota, the issue of peace and development and how we are engaging youth in the development of our programs and policy; in Islamabad, the question of access to and release of funds needed for HIV/AIDS programs; from Lusaka, the issue of how we are going to apply the approach to equity in our work going forward; and finally, from Warsaw also, the issue of support for civil society organizations, how the Bank can give direct support for civil society, which we do in many cases. Let me turn to Mr. Wolfowitz to respond.

MR. WOLFOWITZ: I'll do part of it. I have a large team here to chime in also, and I invite people to add to or amend my comments, and on the part of the specific issue in Pakistan, I'll ask John Wall to help answer part of that question.

Let me start with the question of education in Mali. I think that over the last three years, the Bank, the IMF and the Government of Mali, in recognition of the huge growth in the community schools and the burden that has placed on families with school fees, have agreed to finance one-quarter of the salary of contractual teachers in community schools in the form of subsidies to reduce the cost for families, and in 2006, about \$4.2 million from the HIPC Initiative will be used to finance salaries in community schools.

The Bank is preparing a second phase of the Education Sector Expenditure Program to present to our Board in July of this year. Along with a group of ten donors, we have agreed with the government that the salaries of teachers in poor community schools will be entirely financed by public resources, while school management remains at the community level to provide free basic education for the families. Textbooks and basic supplies will be provided to community schools to improve quality, and \$35 million in IDA funding will be allocated for this upcoming project.

One thing that has really impressed me, and in Burkina Faso last summer, and then again more recently, visiting some self-help groups in India, in the State of Hyderabad--is just how desperately poor people want their children to have an education. This will come into the point that was also raised about equity--that the investment in education is not just of benefit to the individual who is educated; it is a benefit to the whole society, and it fundamentally alters what that individual is able to do for the rest of their lives.

I think it is therefore one of the places where the Bank has placed a lot of emphasis, is promoting Education for All, encouraging governments to invest in their children, but I think also in keeping open the opportunities for parents to invest in their children.

I was struck when I was in Pakistan at some of the programs that have been done to promote higher school enrollment, particularly of girls. The State of Lahore I think is doing some work that at least statistically looked very significant to me. One of the civil society groups I met with in Pakistan said, you know, the most important thing is the quality of the education. Poor parents seem to know whether it is worth sending their kids to school or not--when the teachers are good, there is no problem with attendance; when the teachers are not good, or in some cases, even worse, when the teachers are what they told me are "ghost teachers," that don't come to teach, unsurprisingly, the kids don't go to school. I think it shows on the one hand the enormous desire even by the poorest people in the world to sacrifice to give their children a better future, but also that this has to be measured in terms of the quality of the education that is being delivered and not just the quantity. And I think it has got to be one of our highest priorities, and I am happy to learn, coming here, that it is.

Berlin raised some very big issues about this whole issue of debt sustainability. My own personal perspective is somewhat colored by seeing what happened after the fall of Suharto in Indonesia and seeing a new government that had nothing to do with the theft that he had made of World Bank loans and other loans, burdened with paying back those debts. So I have enormous sympathy with particularly governments that are attempting to reform, dealing with conditions of debts incurred by their predecessors. We have that challenge right today in Liberia, where a brand, new government has been inaugurated, and one of the challenges we have is clearing the arrears for Liberia.

It is not a simple issue, unfortunately, because maintaining the framework in which governments are able to borrow, I think is very important to the development process. So this is a complicated set of issues, and what I would say is that I think we have made a lot of progress through the HIPC Initiative and now through the Multilateral Debt Relief Initiative to relieve a significant amount of some of those unfair burdens that have been incurred in the past--and they are not all unfair, but some of them, I suppose you could say, were improvident. You made reference to the idea that the ability of some of these countries to repay was perhaps overestimated, and I think it is a reason why we are moving, although not totally, but moving increasingly to grant assistance, and there are issues there as well. But I think the bottom line is that we do need more grant

aid, and I am very happy that at Gleneagles, the G-8 countries committed themselves to major increases in development assistance over the next five years, and I hope we can see those promises made reality.

I would be interested, either in writing or if there is time here, in an exchange as to what you think of this more neutral body that the German CSO proposed. I was frankly quite impressed as a newcomer with how the multilateral governance process managed to work from an initiative taken by eight industrialized countries at the Gleneagles Summit in January to achieving consensus among all of our shareholders when they met here in September. Trevor Manuel, the Chairman of the Development Committee and the Finance Minister of South Africa, described it very succinctly as "going from a G-8 agreement to a G-184 agreement"--and on something that was quite substantive. There are still some nontrivial details that we are working through, and we are doing it through the mechanism of the IDA Governors, and that seems to me to be a neutral and effective mechanism.

If you have a better proposal, I am open to hearing it, but I'm not sure--let me just say you need to understand the challenge of matching debt relief, matching the need on the one hand with encouraging donors to step up to make up for those losses so that poor people can continue to benefit from the institution of IDA.

On the question asked from Colombia about how to meet youth expectations with respect to internally-displaced persons and reintegration, I can see on reintegration that there is a special role of youth. Actually, it seems to me on IDPs, we are talking about how to meet everyone's expectations. But if I could just say a word on the more general issue of youth attitudes, I had my first encounter with what the Bank calls its "Youth Voices" Program which we conduct in a number of countries, when I visited Bosnia, and I was very impressed at the young Bosnians I met with in that program and what they were able to bring in the way of a different and, frankly, fresher perspective on Bank programs than the government officials with whom we met. It doesn't mean that because they are fresh, they are always right, but it does seem to me that often, we need to look at different ways of doing things, and young people bring that freshness, and that is important.

Also, young people are the future, and investing in young people is--I hate to say this as someone who is over 60--but it is a much higher return than investing in people my age. And we had a good conversation when we were in Bosnia about just the challenge of universities and the

educational system, and obviously, students with whom I was talking were real experts on the problems of their own educational system.

So I am pleased that we are doing that. I have met with Youth Voices participants in other countries, most significantly, the group that I met with in Pakistan, which was a multinational group from all over South Asia. I think it is something we want to continue to work on, and the World Development Report for 2007, which is the one we are working on right now, does have youth as its focus--youth not only as people with views on the development process but as very critical elements of the development process--and I think that will be another opportunity to promote policies that take better account of the role of youth and the views of youth.

I'm going to ask John Wall [Bank's Country Director for Pakistan] to comment on the specific question of the release of funds for these vulnerable populations in the Northwest Frontier.

On the more general question of how we can ensure that government partners have the ability to get assistance to those in need, that is an absolutely basic question. I wouldn't say it is just government partners--it is partners in general. And I think one of the challenges in development in general and in the health field in particular is that we have an enormous amount of generosity, an enormous willingness by donors, including huge private sector groups like the Gates Foundation, that are prepared to give massive assistance on specific diseases, particularly HIV/AIDS, but also malaria and also tuberculosis.

But the somewhat more down-to-earth routine--and I suppose a little bit less exciting--issue of health delivery systems is sometimes neglected. And I think a major role for the Bank and one that our health people concentrate on--is that you need to look at the whole system. You need to look at not just the medicines and not just the doctors, not just the nurses, but also at some of the basic things like the facilities and the electricity and the clean water, or the need for clean water, and that the delivery is a critical and difficult issue. And I think the questioner implied that sometimes perhaps delivery can be better accomplished by civil society organizations than by government agencies, and certainly, I think that is something that we should be open to. I doubt if there is a general rule, but I think if there is a general rule, actually, it should be whatever works best is something that the Bank should try to support, and that is going to be different in different countries.

Pete, you asked me about what the Bank can do to promote equity. I, by the way, wouldn't understand it to mean equity before economics. I would understand it to mean that equity is part of economics. And we do have to have growth. We are not going to reduce poverty without economic growth. But I think a major conclusion from the World Development Report is that not only is there going to be a fairer distribution if we pay attention to basic needs like education for poor children, but in fact, we'll get more growth, and that one of the things that is hampering growth in some countries where the equity problems are huge is that it results in terrible education or no education at all for large segments of the population, and it means that for the rest of their lives, they are a burden on society instead of contributors. What can the Bank do? I think a major emphasis, especially in middle-income countries like Brazil, where I just visited, of our programs is to support government efforts to allocate more of their resources in ways that directly benefit the poor. And in Brazil, a significant part of our work is on something that the government calls the Bolsa Familia Program, which is a conditional cash transfer program where money goes directly to poor families in return for them making sure that their children attend school. It struck me as a very successful program; in fact, so successful that the next question is how to try to make sure that the schools that the kids are attending are in fact of the quality that they deserve.

On the question of what the Bank is doing on HIV/AIDS, it is a very broad question. We are a significant player but by no means the largest player or the only player. We work with the Global Fund. We work with the Gates Foundation. And what we are trying to do, as I said in my earlier comments, is to put our emphasis on strengthening the health systems that deliver these drugs.

The question from Poland was what we might be able to do to provide direct financial support to the civil society sector. Our options are limited, because most of our lending is to governments--this is not only true in the case of Poland-- but we can support civil society organizations through government programs. We have some limited capability to provide direct support to civil society. An example of what we can do in Poland is a project that our Board will consider this month called the Post-Accession Rural Support Project, which that envisages a very active role of civil society organizations in the country and tackling the country's social exclusion problem. One of the components is an approximately \$50 million element that will provide funding for social services in the 500 poorest districts across the country over a four-year period, and it is anticipated the bulk of these delivery services will be contracted to local civil society organizations.

It has been correctly said that because of the way we work, which is to say through lending to governments, that we are extremely dependent on governments--some people might say sometimes we are too dependent on governments. I don't think you are going to have successful economic development without governments that are committed to it and government policies that are committed to it, but I am also very open to the idea of exploring how we might do more in the way of direct support to civil society, because as I said in my opening comments, I think they are a very important part of the process. This is another reason why we have to look at [ways to get more] grant funding, but grant funding also puts a much greater burden on the donor countries, and one of the reasons for the whole system we have that has created some of the debts that we are now forgiving is that we are trying to get the balance right so that as countries grow, they are able to pay back, and as they pay back, what they pay back can go to help the poorer countries that haven't done as well. It is a constant balancing process, but I think in the balancing effort, I would be happy to look at ways in which the balance might be tilted a little bit more in the direction of the World Bank working directly with civil society organizations.

John, did you want to add a comment about Pakistan?

MR. WALL: And I wish I could say that Dr. Perveen's problem was the worst case, but it is not; at least in her case, there isn't an active outbreak [of HIV/AIDS] in Peshawar where she works, but there has been in Karachi, where I have had to spend a lot of time trying to cut through a lot of red tape to get crime reduction services contracts awarded by rather reluctant governments. We had the choice when the government asked us to do HIV/AIDS projects to minimize our risk by focusing on one particular province or one particular area, or to work nationwide. And in this case we do have a nationwide program. We do work through sometimes reluctant provincial governments. In normal cases, where the issues aren't as urgent and serious as HIV/AIDS, and there is not an epidemic quality to them, we could chalk up to institution building that we let the government's gears grind to sort out these problems, and we supervise it every three months--but we can't do that in the case of AIDS, so there is a fire-fighting nature to what the World Bank has to do, I think, when it comes to particularly epidemics or outbreaks of AIDS, to cut the red tape, to get the contracts awarded, to get the services provided. And that is what we have done, and that is what we'll have to continue to do in these particular kinds of projects. Thanks.

MS. REYNOLDS: Thank you, everyone. Let's proceed with another round of interventions. Let me go back to Bamako.

REPRESENTATIVE OF MALI: I think the next question is still on debt cancellation.

MS. TOURE [Interpreted from French]: I thank you. I am Barry Aminata Toure, and I am the chairperson of the Coalition of African Alternatives for Debt and Development, and we militate for debt cancellation for Third World countries--total debt cancellation, I mean. My question relates to the debt issue. In a pitch often made by the World Bank, it is said that we have to fight against poverty. And the World Bank does have poverty reduction programs here and there. In September 2005, there was a report by the Board of Trustees of the World Bank, which submitted a program for Africa. The program was adopted by the G-8 Summit, and it was announced that there would be 100 percent debt cancellation for 18 countries. But the question is when are our countries going to benefit from the fallout of this debt cancellation mechanism? And also, what are the conditions related to such cancellation? We know that the facility never helped the Malian Government get additional resources which could finance the development process. Every year, we pay 65 billion of our CPA francs for debt reimbursement. My question is what is the World Bank doing to further the civil society to get involved in managing funds coming from the debt cancellation mechanism? Also the World Bank is still funding some companies in the extraction sector, and when they are in rural areas, they get land from the villagers, they get their own land, which is an injustice, because the villagers lose their land and their rights, and these companies continue destroying the environment, and at the end of the day, this only exacerbates poverty at the local level--and yet the World Bank continues funding these companies. In your report, your experts say that companies which are in the extraction business should not be funded because they impact negatively on the environmental issues. So those were our concerns in general in Mali, and we wish to thank you again.

MS. REYNOLDS: Thank you very much, Mali. Let me turn to Berlin.

REPRESENTATIVE OF GERMANY: Yes, thank you. Now, in the second round, we would like to turn to the role of the World Bank in trade and finance, but before we go to that, just one or two remarks on what has been said previously. One, on the question of the neutral body for debt cancellation. The German Jubilee has been very active in promoting such a model. It is called the Fair and Transparent Arbitration Procedure. That was discussed at the time when the SDRM was in discussion, the

Sovereign Debt Restructuring and Management proposal, on the table at the Bretton Woods Institutions. But it has been submerged. We would like to take this offer up and communicate in writing to you. The second point is on conditionality and ownership in the context of the Bank lending. We would appreciate very much if you could give an answer to this question, which has been omitted. I would like to turn now and hand over the word to Daniela on trade and finance.

MS. SETTON: Thank you very much, everybody, and thank you very much for the opportunity to share views with you. I would like to make a comment on the Bank's trade agenda. There is an intense collaboration of the World Bank with the WTO. The World Bank is supporting the WTO negotiations, and it is complementing the WTO's work on trade with addressing the behind-the-border trade issues. We don't think that this is an appropriate role for the World Bank as one of the leading agencies for poverty reduction. The Bank's line is basically openness equals growth equals poverty reduction. We think from civil society that trade liberalization has not achieved its objectives in terms of poverty reduction. Nevertheless, the Bank keeps supporting the WTO trade liberalization agenda with its own programs and its instruments. There is a very powerful and unaccountable role exerted by the World Bank's research machinery in shaping the negotiation environment for the WTO negotiations. So we think it is not the role for the World Bank to mitigate concerns of developing countries with regard to multilateral trade liberalization, and to convince them to further liberalize their trade. Together with a lot of colleagues from civil society from around the world, we don't think that the problems developing countries face with further trade liberalization could be counterbalanced or appropriately mitigated by aid for trade. So the delivery of technical assistance and capacity building by the World Bank--the World Bank is a big provider of this--should not be linked with pressing for further trade liberalization. In the World Bank's Conditionality Review findings from June 2005, some developing countries also criticized the World Bank's role or World Bank's advice for being too narrow, and policy-based lending for insufficiently considering policy alternatives. And one of the examples of this is the Integrated Framework. One of the objectives of the Integrated Framework is to integrate trade into national development strategies--for example, the Poverty Reduction Strategies of the countries--and the World Bank is one of the leading agencies. So we fear that the World Bank, through the back door, tries to further pressure for trade liberalization through the mechanism of the Integrated Framework, and we are highly concerned with that, because for us, this runs counter to the principle of country ownership. So we would really ask you to make this more accountable, what you are doing there, because we think that the goal of

mainstreaming trade is generally desirable as an opportunity to link trade with poverty reduction, but it could also be misused to justify and legitimate existing trade rules on the ground of poverty reduction. So, as you might be already expecting from us, we call on you to really make a paradigm shift in the trade and finance agenda, and this specific redirection should be guided by improving livelihoods for the poor and not to be focused at the beginning to expand trade or exports. We would like the World Bank to counterbalance the WTO dominance rather than support it. We would like the World Bank to restore policy space for developing countries and to support them, the developing countries, in creating more and demanding policy space. We would deem it very important to implement guidelines for the capacity building and technical assistance work of the World Bank to make it more accountable to the people in the developing world and to strengthen country ownership. You mentioned in your remarks at the beginning the importance of civil society, so we would really like to call on you to listen to the civil society concerns around the world with regard to trade liberalization, which is really often damaging to the very poor. So we would really like you to listen to them and to make civil society, especially in the South in the developing countries, more participating in formulating the trade agenda of the World Bank, which is really important. There is need for an impact assessment of trade policy reforms of the World Bank, and we would like you to ensure that you are not pressuring governments to enter trade and financial arrangements that undermine the social policies and their ability to meet their human rights obligations. There is one last point which is also kind of a question. It is concerning the environment. You also on your home page and on publications, you mention that expanding international trade has huge environmental impact; this is damaging the environment. We don't see any appropriate initiative of you to really counterbalance this damaging effect of expanding international trade. So my question to you is what is your agenda in that sense? How could you counterbalance this negative effect?

MS. REYNOLDS: Please, can you wrap up?

MS. SETTON: Okay. Concerning the guidelines for the capacity building and technical assistance, there is an initiative of NGOs around the world to draft some of these guidelines. I don't know if you have already heard about it, but we would be happy to hand it over to you if you are interested in it. Thank you.

MS. REYNOLDS: Thank you very much. Let me turn to Bogota, and again, in the interest of everyone having an opportunity to participate, let me ask you to be brief, if you can. Thank you. Bogota?

REPRESENTATIVE OF COLOMBIA [Interpreted from Spanish]: The programs representing [inaudible] World Bank programs are the areas affected by the conflict in Colombia. The World Bank has been testing a government index in different countries, which measures, among other important things, the capacity of these countries to listen to populations that are most excluded. Further, this capacity is very important to be able to build a sustainable proposal. The Colombian Government has implemented [inaudible] involved to enhance this capacity, but not at the pace that we consider necessary. We even see that some of the projects that have been developed increase the capacity to listen [inaudible], projects in recent years. For example, a project to protect [inaudible] in areas where placement internally, the people have been affected, we have not seen the reforms there. What are the mechanisms by the Bank to [inaudible] the countries to devote more intense programs to develop this capacity?

MS. REYNOLDS: Could you repeat the last part of the question just to make sure we fully understood you. It was on the capacity issue.

REPRESENTATIVE FROM COLOMBIA [Interpreted from Spanish]: What are the mechanisms that the World Bank would use to improve countries' capacity to listens to the excluded and poor people? [Interpreter interrupts.]

REPRESENTATIVE FROM COLOMBIA [Interpreted from Spanish]: The World Bank has an index that measures the government's capacity and accountability. In Colombia, this is very low according to the measuring by the World Bank. What mechanisms is the Bank going to use to increase the capacity for countries listen to their poorest excluded populations?

MS. REYNOLDS: Okay, thank you very much, Bogota. Let me turn next to Islamabad.

MS. NISAR: My question is regarding the recent earthquake that struck most of the areas of Pakistan, especially the Northwest Frontier Province. Pakistan has received large assistance for the earthquake-affected families, and keeping in view the poverty rate in Pakistan, how does the Bank intend to assist in the long term, self-sustainability of individuals with disabilities, especially the ones who were affected by the recent earthquake?

MS. REYNOLDS: Thank you very much for that. Let me turn now to Lusaka.

MR. HENRIOT: Thank you, Washington. Here are the questions.

REPRESENTATIVE OF ZAMBIA: Thank you. My name is Justin Chisulo from the [Zambia Chamber of Commerce and Industry]. The private sector takes a business approach to development, covering quality policy formulation and quality policy implementation. We look to the World Bank and our government to support and facilitate this process and the sectoral development and economic activities as a catalyst for further economic development policy reform. This is manifested in the marble industry, the timber industry, fishing and food processing. Furthermore, we note that the World Bank focuses on sustaining development in an unstable world, and Africa's conflict hinges on gold, diamonds, oil, and the arms trade, with developed countries being the major beneficiaries. What is the World Bank's plan of action on these issues? Thanks.

REPRESENTATIVE OF ZAMBIA: My name is Tom Ngenda from the Economics Association of Zambia. Now that Zambia has achieved the HIPC Completion Point and massive debt relief, how can the World Bank help in ensuring that Zambia has strong economic management and good planning by the government, and what measures has the Bank put in place to ensure that our government stays committed to poverty reduction beyond the HIPC Completion Point?

MR. HENRIOT: Back to you, Washington.

MS. REYNOLDS: Thank you, Lusaka, and finally, to Warsaw.

MS. ROGGENBUCK [Interpreted from Polish]: This is Anna Roggenbuck, Poland, the Polish Green Network. Recently, I participated in the initiative undertaken by a number of organizations from different countries regarding extractive industries. Specifically, they questioned the ability of the country in governing and managing projects and revenues coming out of extractive projects. I would like to share with you my observations and those of the persons working together with me. With respect to indicators quoted by the Bank, I believe the Bank is favoring fiscal economic indicators in favor of human rights, political rights, or ability of the country to carry out the development of extractive industries. I would like to ask whether the Bank is trying to figure out a more coherent methodology to establish indicators on management capacity assessment and whether the Bank is willing to work to link this methodology with the decision-making process. I have an additional

question regarding the [development] of new IFC [safeguard] policies, [in which] I believe is lacking, something that I fail to understand--why the entire assessment of the management aspect is not going to be made available in project documents, but only just a summary, which I believe is contradicting the announcement made previously by the [Bank's] Management Board after the EIR. Thank you.

MS. REYNOLDS: Thank you, everyone. Let me just quickly recap the issues that were raised. From Mali, we had an additional question about the issue of debt cancellation and also the issue of involving civil society in monitoring debt relief, something we are supporting in many countries. And from several countries--from Mali, from Zambia, and from Poland--we had the question about the Bank's work in extractive industries, in particular following up on the Extractive Industries Review. From Berlin, we had a question and comment about the Bank's role in trade and finance, mentioning several points about the Bank's role in that area, and also a follow-up on the question of the Bank's use of conditionalities and on our support for the environment. From Bogota, a question about the Bank's work to support participation of marginalized and vulnerable groups in particular, and from Pakistan, a question about the Bank's response to the earthquake, and particular attention to the situation of persons with disabilities. And finally also from Zambia, there was an issue about HIPC Completion and how does the Bank ensure that the savings from debt relief does in fact go into poverty reduction programs. Let me turn to Mr. Wolfowitz.

MR. WOLFOWITZ: I guess we have some very specific questions and also several broad ones that are very much on the table, and when I think of the broad ones, particularly this whole question of what do countries do with resources made available through debt cancellation, the large issue about trade liberalization, and the issue of extractive industries.

I will try to cover the big ones and perhaps manage to cover the detailed ones at the same time. I'll do my best and then look for some help from people on my side. Judy, you may want to add something about our own disabilities program; Judy Heumann is here. And I will ask Steen Jorgensen about how we get Voices of the Poor into the process.

I think one point that ought to be made is that--I don't know how to put this exactly--the Bank is neither as powerful as our friends would like us to be nor as our critics fear we are. We are in some cases an increasingly small part of the picture. I was in Brazil, for example, and the point was brought home to me that Bank lending to Brazil, even at \$2 billion, which is, I admit, a large number, is only 10 percent of what the Brazilian

Development Bank does. Obviously, Brazil, as a large middle-income country, is in a different category from a small poor country like Mali, but the second point is that quite a few of you have brought up the issue of country ownership, and I think we have moved over the years increasingly, I think, to understanding that unless countries own their policies, trying to impose policies on them is probably wrong and certainly going to be unproductive. When I say "probably wrong," it is because I think people who come from outside, no matter how much we think we know about a particular subject, may not know the conditions in which it is being applied.

I still very much remember a comment made to me by a Governor of a State in Nigeria, who impressed me as somebody who really was engaged in the problems of his country, who did talk to the poor people, who made no attempt, as some officials sometimes do, to stop me from stepping into a crowd and talking to a random citizen--at least, I did plenty of that, and he didn't seem to be bothered by it. He said he was a little tired of Ph.D.s from distinguished American universities--he named one in particular, but I think I'll protect the guilty here--coming and telling him how to solve his problems when they didn't even take the time to understand what his problems were. I hope that is not World Bank practice today. I hope it wasn't our practice in the past. But I certainly think it is very important that we take the time to listen. That is number one.

But the second reason why ownership is so important is my experience going back many years is that when policies are imposed from the outside, they are not implemented in a serious way. I remember from my time in Indonesia being very struck by a story told to me by Professor Wijio [ph.], who was the dean of Indonesian economists and a very significant positive force in his country for development. He said that at one time in the 1980s, their colleagues in the Philippines had come to them very excited because through the IMF, they had been able to impose a reform program on Marcos.

And Professor Wijio said his reaction and that of his Indonesian colleagues was if the only way you can get Marcos to do the right thing is by the imposition of the IMF, he's not going to do it-- that [Marcos] is a wily, clever man, and he will find dozens of ways around it. [The Professor] said we spend our effort trying to persuade our authorities that the policies we are recommending are good for Indonesia and ultimately good for them. And obviously, Indonesia is only a partial success, and I am afraid to say on the success that quite a bit of it was lost by excesses of the 1990s. But I think that it is correct to say that unless countries

own their policies, they will find ways *not* to implement those things that are imposed from the outside.

So what we are trying to do with the debt cancellation process is by relieving governments of these impossible debt burdens--and in some cases, I think, unfair debt burdens, because they were incurred by their predecessors-- is to free up resources to be used basically on the principle of country ownership.

Now, what we can do, and what we do, is try to make our own judgments through an index called the CPIA, of how well countries are performing in poverty reduction and try to direct more of our resources towards those countries that are performing well. And by doing so, our resources are now in fact effectively increased, because we are not using so much of our own money to basically pay back our own debts.

It is not conditionality. It is an attempt to basically support country-owned programs that look to be successful. We can talk some more about this. It is a large subject. It is a subject that has been addressed already just in my short tenure at the Bank and in one major discussion in our Board, and it is something that we will be coming back to. And there is a recent Bank publication, on this whole issue of conditionality and ownership.

I think on the question of trade liberalization, there are obviously some very deeply diverging points of view, and I am happy to continue the dialogue in some form. But let me just say the view that I heard from Berlin that seems to suggest that trade liberalization is generally harmful to the poor. I guess I would come back to you and say I find it shocking that \$280 billion--let me repeat the number, because it is enormous--\$280 billion is more than the total by far of development assistance from every institution and every government in the world--is paid by taxpayers or consumers in developed countries to subsidize their own agriculture. That is not only money that could be used for development purposes, but these are the markets that are denied to developing countries. And that is the major focus of the current WTO Round, to try to eliminate or at least reduce as much as possible those subsidies and those market barriers. And I think poor people in developing countries will certainly benefit from that.

That's not to say that there are no poor victims of trade liberalization. And in fact, part of the challenge is that some of the people who will be hurt in developing countries are among the poor people in those countries.

That's not an argument in my view against liberalization. It is an argument in favor of efforts to support trade adjustment. It is an argument in favor of making some of these liberalization moves more gradual over time. We aren't look for an overnight elimination of subsidies; we are looking for a commitment to draw them down steadily and eliminate them at some point.

Aid for trade, by the way, is not meant to compensate for those kinds of damages. It is principally meant to assist poor countries in taking advantage of trade opportunities as they open up. Without adequate ports, without adequate roads, without the technical capacity to manage exports, many of the opportunities that we hope will open up through trade liberalization may not be exploited by poor countries.

One example that comes to mind is just the simple question of how to reduce the pesticide residue on roses from Kenya so that those roses could be exported to the European market. It is principally a matter of technical assistance, and it is a problem that, with some technical assistance, can be solved. But without it, Kenyan roses would have had residues that would have prevented them from being exported.

You raised this question in the context of country ownership, and I think I have already made clear that country ownership is a good thing. But unfortunately, we do get into questions of which voice speaks for the country. And my own experience says that in developing countries, the people that benefit from existing trade restrictions--and they are in some cases enormous--are the rich people of the poor countries, not the poor people of the poor countries, and that protected industries in poor countries benefit interests that you can identify--and this is true, generally speaking--but the people who will benefit from liberalization don't have the positions yet, don't have the voice yet.

I also think that if you look at just the amount of trade protection that exists between poor countries in Africa, look at the degree to which they close their markets to one another, I think is an enormous drain on economic opportunity for the poor. The fact that it is so difficult to trade across borders in Africa doesn't benefit Africans; it hurts them badly.

So it is a complex subject, and I would accept that liberalization has its negative impacts, and we need to try to figure out how to ease those impacts. But it sounds to me almost as though you think liberalization is generally a bad thing, and I would just say I have to disagree with that. I think the experience of those countries like China and India that have made huge inroads in poverty reduction and that make it possible to say

that the last 25 years have seen more people escape poverty--hundreds of millions of people escape poverty--would not have been possible without an open trading system.

The issue of extractive industries is a very difficult one. We are obviously wrestling with it in the real world right now with respect to the agreement that we struck with the Government of Chad six years ago to support the Chad-Cameroon Pipeline.

Again, if I might refer to my Indonesian experience, another country that had significant oil resources, and you can argue exactly how much of it went into development, but I remember being told in the 1980s that it was one of the success stories because at least 50 percent of Indonesia's oil revenues went to the poor and particularly the rural poor, and that you could see this in a successful agricultural development in Indonesia. My reaction at the time was if that's one of the best, then I would hate to see the others. Well, I have seen some of the others, and now I understand what people were talking about.

Unfortunately, oil seems to be as often a curse as it is a blessing, but it is there, it is the reality. I think what the Bank has been trying to do with things like the Chad-Cameroon Pipeline Agreement is to try, by participating in the development of these large revenue streams, to put some boundaries around them to ensure that a significant portion of them goes to help the people of those countries and particularly the poor people of those countries. It is a risky business, as I think the difficulties we are having with Chad demonstrate, but I think if we want to see that those potentially large sources of revenue actually go to help the poor, then it is going to be, I think, necessary to try to continue to see how our involvement might support better development of extractive industries. If we simply stand back and say we'll have nothing to do with it, the development will certainly go ahead, but it will go ahead presumably with none of the attention to the issues that we are concerned about. So I think it is something we need to work on, and we certainly would welcome views from civil society as to how that role might be used most effectively.

The question from Poland that says we are favoring fiscal and economic indicators rather than social indicators or environmental indicators--I don't think that's a correct assessment of how we look at these projects or look at our participation in these projects. For example, in the Baku-Tbilisi-Ceyhan Pipeline that we played some role in, one of our major concerns at the IFC was to look at how the project handled the rights of people displaced along the course of the pipeline. And I think that is, in

our view, a major reason for Bank involvement in these projects, not just the pure fiscal/economic one. Again, there is no simple answer. It's a matter of getting the balance right. And I think most of these have to be discussed in the context of specific projects.

I'll ask my colleagues if they want to comment any further on the specifics, and Steen, if you might want to comment on the general issue of giving a voice to the poor.

I would like to add that in the Bank we are making significant efforts to make sure that our Bank staff with disabilities are able to be full participants in our activities, and it is not a simple issue in the aftermath of, let's say, an earthquake in Pakistan, and there are limits to what we can do, but I certainly would entertain ideas, and I'll ask Judy Heumann if she might say something. Steen, would you comment on the question of voice?

MR. JORGENSEN: Thank you. My name is Steen Jorgensen, and I am the Director for Social Development at the Bank. Just on extractive industries, there is also a principle enshrined in the Board decision on this which is that there has to be broad community support going forward, and that should ensure that there is broad participation. On broad participation, we do it in three ways. We're trying to do it in more direct ways, working directly with communities, getting information to communities. For instance, in Uganda, there has been a lot of effort on getting access to information on how much money is supposed to be going to each school. We actually imposed conditionality on Peru, even though our German colleagues seem to think that's a bad idea, which was very much driven on getting information on the budget out to civil society and people. And it does seem to be working -- there is much more transparency around the budget in Peru and that does seem to help. We also support community scorecards in many places where, basically, communities rate the services they get, and again, the early indication is that this is working quite well--and obviously, we still support community development in many places where communities themselves take charge of the decisions and so on. Turning to the specific questions on how we help strengthen the government capacity, I would say that it starts from the planning side, where the PRS [Poverty Reduction Strategy] process does help, in many of those countries that have PRSPs, in terms of opening up that process. We do get requests from governments, like Ghana, to strengthen their capacity to do this. So I think the question is the right way forward. We are working with a number of local governments such as Porto Alegre [Brazil] on participatory budgeting initiatives and trying to spread the news and ideas of how that can be done better. And once

the budget has been spent, there is a lot of work going on engaging people in monitoring the impacts. I think that is again a difficult thing. We are beginning to see some good results. For instance, again in Peru, there is an accompanying technical assistance effort to strengthen civil society through its ability to work with this.

Finally, once the services have been done or not done properly, I think the important point is strengthening the judiciary and the parliaments' ability to really monitor and follow up, so there is some dispute resolution mechanism in the system where the people have redress if all else fails. I think also specifically, we are realizing that we need to be better at measuring these aspects. We do have the accountability part of the governance index, but we are working very hard now to come up with an index that better captures those aspects, because we are seeing increasingly the importance of this. It is again work in progress. But I think that overall, there are efforts on this. It is sometimes difficult for us because we need to build the capacity of governments and of civil society, but at some point, civil society organizations, need to be able to say you are independent of us and therefore can critique us and continue to do it. So we do run into some sort of practical issues in this. But there are a lot of good examples. I think a lot of the problem we are having right now is spreading that news and getting the knowledge shared across countries.

MR. WOLFOWITZ: Judy, do you want to make a brief comment on our work with the disability community?

MS. HEUMANN: My name is Judy Heumann, and I am the Advisor on Disability and Development here at the World Bank--and thank you very much for this question. What we have been doing over the last few years is helping to build the capacity of the Regions within the Bank, and each one of the Regions now has a coordinator on disability. And also in Pakistan specifically, we have seen great leadership on the part of John Wall, who had integrated the issue of disability into the work of Pakistan way before the tragic earthquake. So what I think we see in Pakistan is a need which is being addressed in part because the country and the World Bank have been prepared. There was a National Disability Policy which was developed, and I think this policy, which may have lain dormant, is now being seen as much more urgent to be implemented. Additionally, the office in Pakistan has been working with civil society and with the government, and as a result of the earthquake in Pakistan, they are also applying for funds, \$5 million, which will be going specifically to address the issue of disability, including issues of sustainability, employment, et cetera. And they have been doing work on the issue of independent

living, which is one of the areas that the disability community internationally has been focusing on, and have a number of programs that they have been supporting there. So I think that at the end of the day, we see \$5 million which is going to be available in the country specifically to address the issues of post-workplace; and a Development Marketplace Project which was put in place prior to the earthquake.

MR. WOLFOWITZ: On the other hand, we have so many issues and so many people interested and limited amounts of time. I would like to look at how we can strengthen this process, and one of the things I would definitely welcome would be if each of the different groups on the screen were to--submit the two or three most important issues that you didn't get to ask or that you still want to continue getting more detail on, and I will ask our respective country teams to provide you with answers in writing, and I will promise you that I will not only read the questions, I'll read the answers.

I think it is helpful to me as a manager to understand how we are interacting with civil society at lower levels, and answers from me are perhaps helpful, but ultimately, we need ownership within our institution as well, and it is frankly what our country teams do that counts the most.

In fact, one thing I forgot to mention in respect to the question about debt relief in Zambia is that part of reaching the HIPC Completion Point, of course, is to have a significant poverty reduction element in the National Development Plan, and we think that the HIPC has contributed positively to making poverty reduction a significant part of Zambia's National Development Plan. Now it is up to everybody--I would say particular to you as Zambians--to hold your government accountable and try to make sure that the Poverty Reduction Strategy of the government is adhered to. It is also our job to stress to the government the importance of keeping poverty reduction a central focus, and our country team will continue to do this through our various interactions.

What I would suggest we do for wrapping up would be to just go around the world, so to speak, and let each of you make a final comment. I guess the next time we do one of these dialogues it is going to be with a different six groups of countries. So in terms of continuing the dialogue with this group, I really would encourage you to submit some questions in writing, and I will have the staff answer them in writing as I promised. So why don't we start with Mali and a final comment from Mali?

REPRESENTATIVE OF MALI: Thank you very much. I would like to give the floor to one of the representatives of a women's group who would

like to talk about women's rights, which they are very concerned about. Thank you.

REPRESENTATIVE OF MALI [Interpreted from French]: Thank you very much, Chairman. We have been quite pleased and satisfied by the debate, as other speakers in other countries did experts some of our ideas and views, especially about the need for the World Bank to get more involved with civil society involvement and that they work toward liaising directly with civil society and not through government--because in Mali, there are a number of associations which have benefited from World Bank support in promoting the legal status of women, and in the next weeks, we will have funding through a Japanese grant disseminate the training of paralegal women. We are involved in a very sensitive area where everything can be very fragile, reversible, because we are working with an old society, organized groups, Islamic groups--Islamic groups which are fighting to maintain women under the religion and under customs. That is why we have to fight hard. We know that the World Bank supported Mali for the development of a family code without any discrimination. The process started since 1996, and up to date, it is not adopted yet. So we wish to ask the World Bank as a partner to the Malian civil society and as a partner to the Malian plight to really impact on this, to do everything to help Mali to adopt this Family Code, because it is one thing to add on the economic and political sphere, but it is another to strengthen the capacity of women to enable them to blossom and fulfill all of their rights as full-fledged citizens, because the laws which are enforced on Mali always ask the woman to obey her husband. Since 1960, the laws have not changed in regard to the status of women, but the time has come for Mali, in view of the image of our country in promoting democracy as well as enforcing human rights, for us to adopt this Family Code. The second concern is that the World Bank support is for two- to three-year periods. That is not enough. It is not enough because one has to suspend [inaudible]. So you need to support us in longer periods, we, the women. And also, the money allocated to us is not really very important, because it is not just working in the capital cities--no--we want you and us to go deep down into the hinterlands, because there is inequity between women in urban areas and women in rural areas, too. Mr. Chairman, those are basically the concerns that Malian women want to raise. We want also in development programs the World Bank to make sure that women, women's groups, women's associations, may be involved in the design, implementation and assessment of all World Bank programs. I thank you.

REPRESENTATIVE OF MALI: Chairman, the partnership was dealt with, but can we come back to it, if you want to deepen that issue, because NGOs through our country, Mali, have gathered vast experience and

expertise in the area of sustainable development for poverty reduction, and this experience is capitalizing in many projects funded by the World Bank. However, the types of partnership that you have with NGOs are such that the NGOs are just service providers. So, Mr. Chairman, in implementing the Millennium Development Goals and in view of the various Poverty Reduction Strategy Papers, second generation, that will soon start, don't you think that it is important to trigger a new type of partnership with NGOs, to assign them new responsibilities in the design, implementation, monitoring and evaluation, too? So, Chairman, what are the major obstacles for you to launch this type of new partnership? Thank you.

MR. WOLFOWITZ: We're going to have to move on to Berlin. We are over time, and we are going to be fairly late before we finish, so please, if everybody could keep their closing comments brief, and as I said, we will continue this dialogue in writing. Go ahead, Berlin.

REPRESENTATIVE OF GERMANY: Thank you very much, Mr. Wolfowitz, and we thank very much all the others from the World Bank. We appreciate as German NGOs in development to have this opportunity to talk to you. Of course, it was much less than we expected in terms of what we could bring across the table. We would like to invite you, whenever you have an opportunity to come to Berlin or to Germany, to have a discussion with us face-to-face. We would have liked to remove some misconceptions on trade liberalization. We would have liked to hear more on the ideas of the Bank to prevent environmental impact of trade. We would have liked to follow up on some ideas that you hinted on in terms of the debt that dictators have left after they have gone away. For instance, in the Philippines, there is the "doctrine of odious debt," and we would very much encourage the World Bank to look into this doctrine and see that it has a lot of potential, and it would just be a matter of justice to apply this doctrine and cancel "odious debt." We would like to talk to you further on conditionality and particularly also on the democratization of the World Bank itself in terms of global governance. There is, of course, no time now, but we would very much like to meet you here in Germany and have a discussion on these issues. Thank you very much.

MR. WOLFOWITZ: Thank you, and I look forward also if you want to send me more in writing. Bogota?

REPRESENTATIVE OF COLOMBIA [Interpreted from Spanish]: I represent [inaudible] Association. We have brought projects with great quality improvement in conjunction with the state, but what we do not have in our country is that our communities do not have participation in

these projects, either in formulating them or in putting them into practice. And we have lots of capacities and knowledge so that they can be more involved in their own [inaudible], and if they are not, then these projects will have very little impact on poverty reduction in the long term. This is a topic we are very interested in Colombia. Colombia is one of the countries with the most inequities, and we look forward in our communities to be able to develop our knowledge, our technical abilities. And with the help of our civil society organizations that are helping our communities with their own development and in their capacities and aptitude so that they can become involved in their own development process, with the Bank being able to support them. And also for our Native Indian populations, what would be the [inaudible] for the Bank to be able to support the indigenous programs and projects. Thank you very much.

MR. WOLFOWITZ: Thank you. Islamabad?

MR. WALL: Okay, thanks. Okay. Imran on my left decided to give the floor over to Harris on our right, who is the best at holding us accountable. So, Harris.

MR. KHALIQUE: Thank you, John, and thank you, Mr. Wolfowitz, for giving us this opportunity to speak to you and to your colleagues. And on behalf of Pakistan civil society, what I am trying to put across actually falls between a question and a comment, and then it becomes a concern, really--that the policies of the Bank sometimes carry limited legitimacy and ownership and are questioned, rightly or wrongly, by the Pakistani civil society, because we see the Bank a bit too much aligned with the American foreign policy, and we see it as a concern, and we would like you to do something about it. And also, we want to see a more secular and nonpartisan Bank which to many of us, it is not currently, although we appreciate what the World Bank has done for the civil society in Pakistan. And also, when you really align yourself with, on the one hand, the Bank and other international agencies' emphasis on good governance, on democracy, on rule of law, and on the other hand, in countries like Pakistan and other countries like us, there isn't really enough emphasis on real democracy in the country while working with non-democratic leadership.

MR. WALL: That was a softball. I thought, Harris, you were going to say something.

MR. KHALIQUE: I was polite tonight.

MR. WOLFOWITZ: Lusaka?

MR. WOOD: Thank you very much, Paul. As CSOs sitting around this table, we are very pleased to note that one of the four broad principles that guide the Bank's support to the member states is that outcomes depend on effective participation at all levels. I'm sure you know that. So we strongly urge the Bank to continue with this type of country dialogue, and we are very, very thrilled to note that our own country office here has dramatically altered how business is done and is in constant dialogue with CSOs and various stakeholders here in Zambia, and you can see the number of CSOs around this particular table. Finally, Paul, you did mention in your opening remarks that it is important to listen. And we are very happy to note that the World Bank is now a "listening Bank." Thank you very much for that. We will hold both you and our government accountable--don't forget that--for poverty reduction in Zambia, and we look forward to planning your visit here to Zambia. And I'm sure your colleague Pete Henriot is looking forward to seeing you here in Zambia. Thank you very much.

MR. WOLFOWITZ: Thank you. And finally, Warsaw.

REPRESENTATIVE OF POLAND: Thank you. I would like to raise the issue of gender equality, because I am from Poland, from Europe and Central Asia Region. And this issue, the gender equality issue, is extremely important. According to the World Bank report, it is the only Region where women, because of the transformation, were the biggest losers, because it is the only Region where the activity rate of women decreased enormously. In other parts of the world, the activity rate of women increased, but this is the only one. Then, I know that in our governments in ECA Region in the World Bank, there are certain stereotypes, that gender equality already exists in Russia, in the post-Soviet countries, but it is not true. And then, I would like to ask, what are the gender equality programs of the World Bank, what are the current and planned programs for this Region for gender equality? This is one question. Has the budget for this program increased in the last time or decreased, and how is it planned? The second question is related to the Millennium Development Goals and the gender equality goal, because gender equality in the Millennium Development Goals is related to equal access of boys and girls to education. So what is the policy of the World Bank on how to achieve gender equality in our Region? This is quite an important issue and a necessary condition for development—and it was also raised by my colleague from Mali. So this is my last comment and the most important, I hope. Thank you.

MR. WOLFOWITZ: Thank you. We are going to have to close this, unfortunately, and I am learning something also about the challenges of having a dialogue with so many people on so many issues, and I want to do what I can to improve it. And as I said--and I really mean it--I would like you to put questions in writing. I'd like to see how my own staff responds, and I think particularly if you take a question like what is the Bank doing in Poland, I hope you are getting a good answer from the Bank staff in Warsaw. Daniela Gressani, are you on the screen? Yes, okay. I know your Country Director, and I will hold her accountable. She was my temporary office director here, and she did a great job.

I think part of what we are trying to accomplish with this electronic dialogue is to improve the conversation and the dialogue at the level where it really can make a difference, which is at the country level. But part of what I can do through that, or what you can help me do through that, is to educate me more about where there are issues. So I would appreciate that.

We don't have time for me to answer specifics, but just two general points. I would be particularly interested, Pakistan, when you come back in writing if you can say more specifically what you mean about the World Bank being too aligned with American foreign policy.

When I visited Pakistan, the kinds of projects I saw were rural development projects, education projects--a pretty stunning education project, I thought, in the State of Lahore. I always make allowance for the fact that I don't expect people to show me the worst things on a visit, and I expect them to show me the best sides of the things they do show me, but I must say, as you dug into the details of what the State of Lahore was doing to reallocate its own funds toward girls' education and take advantage of the additional funds that the World Bank was able to provide, I thought it was a very impressive program. I am quite sure that my former colleagues in the U.S. Government would support the idea of educating girls in Pakistan, but I don't see that as making the Bank an instrument of American foreign policy, nor do I think the kinds of rural development programs, community development programs, that I saw in Pakistan and in India are an instrument of any country's foreign policy, except to the extent that most of our shareholders, including the United States, believe in general that poverty reduction is something that serves their own interests. They don't just do it out of a sense of moral obligation, although I'd like to think a lot of them do feel some moral obligation, but they do it out of a sense that these large inequities in the world are ultimately going to come back and have the potential to hurt everyone. Conversely, when poor people have the opportunity to fully

contribute and fully take advantage of their talents and their creativity, we all benefit. So that is how I saw the World Bank in Pakistan. If I'm missing something, I am happy to hear about it. The question of how we relate to governments that are not democratic or are less than democratic is a complicated one, and we'll have to save that for a further discussion.

The last comment I would like to make, though, is about the role of women, which has come up now both from Mali and from Poland. I would just like to say in general I think that what the Bank is doing to encourage more equal participation by women in the development process is the central part of our mission. I have encountered some people who say, "You are just trying to impose some sort of Western view of women on countries that have different views." I would respond to that by quoting a good friend of mine who is a very devout Muslim and who was once the Deputy Prime Minister of Malaysia, Anwar Ibrahim, who once said, "I have no use for countries that call themselves Islamic and then deny basic rights to half their population." Or, equally eloquently, from a village woman in Pakistan who said, "Development is like a cart with two wheels, the men and the women; and if one of the wheels isn't turning, the cart won't go anywhere." Half of the population has got to participate fully if the development opportunities that we are seeking for the poor are going to be fully realized. So I think it is an important part of our agenda. I think we have made a lot of progress on that in recent years, but I would like to make it even more substantial.

Thank you all for participating. I can imagine, because I feel a little frustration at the fact that we really need another three hours, and we don't have it, that you must feel the same way. I really would encourage you to take up my invitation to put more in writing and the opportunity to get staff to respond to you in writing, and hopefully, we can continue this dialogue. Thank you very much.

[Whereupon, the videoconference was concluded.]