

**Keynote Address by
Bert Koenders
Minister of Development Cooperation, the Netherlands
And Outgoing Chair of the Parliamentary Network on the World Bank
Seventh Annual Conference of Parliamentary Network on the World Bank
Cape Town, South Africa
March 16, 2007**

Monica Frassoni: We have an address by Bert Koenders who is the outgoing Chairperson of PNoWB, recently appointed Minister of Development of the Netherlands. For those of you who don't know Bert Koenders, Bert is one of the founders of the PNoWB and the one who has been pushing extremely strongly for this network to work and making it what it is today and I believe that it important that we listen to him today even if it is a virtual presence of him.

Bert, well, this is the meeting in Cape Town and we are all eager to listen to you but let me first of all congratulate you on behalf of all of us for your nomination to your very high post. We are absolutely certain that you will go on supporting PNoWB and that your acts says minister will be absolutely perfect, but without talking too much please, I give you the floor and welcome.

Bert Koenders: I would like to apologize to all of you. I had promised to be in Cape Town and I was very much looking forward to this important event which is organized in South Africa by the Parliamentary Network on the World Bank in corporation with the World Bank. As you know, I was the Chairperson of the Steering Committee that I see now is being reflected presiding over the gathering today in Cape Town. I will explain why I am not there because I'll be very open about it. We had today in the Dutch Government where I am the new Minister for Development Cooperation, a key meeting on my budget. As you know, the develop ministers have to have sufficient funds to abide by the promises that have been made internationally on growing aid levels up to 0.7%--we have in the Netherlands at the moment, 0.8—and I wanted to make sure that we keep that. So, I needed to struggle with the minister of finance.

Secondly, I was also able to increase the budgets necessary to build on what of the priority I think in this time in aids. That is to make sure that when we talk about climate change, we do not only look to the interest of the rich nations but especially to the interest of the many poor people who do not have access to clean energy sources and there two billion people around in the world who don't have that access which costs people their lives simply because they don't have sufficient clean air.

But even more than disappointment may be for you, it's a great disappointment to me. I am sure that with the people that we have on the Board representing the PNoWB in South Africa, it is for me a big disappointment not to be there. We are at a key moment of the international development debate and I think we have been able in the last couple of years to build the voices of the people, in setting the policies of international development, be it fair trade, be it steeper debt reduction, be it anti-corruption, but more importantly maybe increasingly accountability of large international donors including the International Monetary Fund and the World Bank. And think you can all be proud that this year this meeting takes place the first time in the South, where it should take place and I think it is appropriate to send the Minister of Finance of South Africa Trevor Manuel and also especially the South African Parliament who were willing to host this magnificent Conference.

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It is in my view clear that we want to abide by the great promises that have been made by all our leaders, in 2000 regarding reaching the Millennium Development Goals, that this can only happen if we do this on the basis of political leadership. The political leadership has to come from the representatives of the people. We have to emancipate our Parliaments towards our National Governments where they set policies and towards the international financial institutions and for that matter, many other donors, but also the private foundations and the businesses that together can really make a real case to make sure that there are the proper policies to reach Millennium Development Goals.

We have at the moment some countries that probably are represented by you in which possibly we will only get to the Millennium Development Goals by 2107 and I am very concerned in some areas. For instance, when it comes to the health of mothers, child care, family planning, reproductive rights and the rights of women we are far behind in some countries the goals that we have been put forward. So, we need an extra emphasis there and that requires common activities of parliamentarians in many donor countries that have to budget and to hold in their part on increasing levels of aid, for instance to reproductive health or for instance, to the replenishments of the funds of the World Bank who deals with that.

We have to make sure that that we know for sure that, that money is actually going to the people who deserve it, and that's complicated. We need Parliamentarians in many countries to make sure that it happens. I remember very well a few years ago when we were visiting important project in Ethiopia with the PNoWB, where we looked to what extent money that was being spent on improving health systems actually came not only to the capital but to the smallest villages and in the outer parts of Ethiopia. And it was very important we did that together Parliamentarians from Uganda, from Ethiopia, from other countries in Africa, and some countries in the North including the United States (at that time the representative Betty McCullum who I know cannot be in Cape Town today because she has to vote in the US) but it was very important to have that bond of Parliamentarians that helped the Parliament in Addis Ababa to confront their own government with what worked and didn't work and at the same time to have the information to confront the World Bank and all the donors on to what extent the money that was spent actually led to improved health care for the people in the most remote villages.

We as Parliamentarians—I should say **you** as Parliamentarian because I am now member of the executive—have probably the most important role to play. I have been in government for three weeks but I immediately realized the forces of change have to come from non-government organizations, from Parliamentarians, and from coalitions of the willing, who are willing to put forward this struggle against poverty in the forefront. We are living in the world in which all the emphasis these days goes to the big problems in the world be they Iraq or Afghanistan or elsewhere, and I think they are both very important but if we would put to same political emphasis and support into making sure that we end poverty, we could be a lot further today.

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I think the parliamentary network on the World Bank has developed itself over the last six years as probably the key group in the world that looks at these problems. Professionally knowing what's going on, on the basis of proper advice but translating it to activities in different regions.

I am very proud that so many Members of Parliament have organized themselves in regional groups. It's good that we are a global organization. The people from India and from Tanzania and from Colombia meet each other to discuss and to learn from each other. How they can emancipate themselves towards strong positions on this and simply to learn what works and what doesn't work, when it comes to infrastructure projects or rural development on how they should deal with the International Monetary Fund of the World Bank. But I think its important that we also look very carefully at the national setting or the regional setting and we're stretching our regional groups in order to do the work and I think its magnificent how many of these groups have developed themselves sometimes, without any aid from others and are doing the job that is necessary and therefore make themselves very important in their own countries.

So, I would like to just say that I am very happy that that happens. You will I think in the next two days have an enormous amount of information that comes to you from when development works and when development doesn't work. I think we have to be very open, very candid, very critical to what we are doing on development these days. In many instances, the type of work that we are doing together on development has not worked. I see in my own new capacity as Minister for Development (we had a meeting of the ministers of development cooperation at the European Union this week under the leadership of the German Minister Heidemarie Wieczoreck-Zeul) that many of us still don't work together. We have programs in some of the countries in the neighborhood of South Africa, and Mozambique, in Namibia, it's all out pet projects while the poor themselves don't have the voice to decide to what extent the programs work.

The parliaments in these countries are not approving those programs and in fact the bureaucrats and the government leaders in those countries are confronted with I don't know how many consultants and how many different organizations. So we have to harmonize our aid. We have to work to get to make sure that it is more effective. So I think that is also an agenda which is a very key the harmonization agenda on aid.

Last but not least, I think you have a great opportunity this weekend to meet also with the central leadership of the International Monetary Fund and the World Bank. In Bonn this week we had a great opportunity to discuss with the president of the World Bank where his priorities lie in the near future. We had a possibility to link that and that's why I think you are meeting at such an appropriate time, with the German leadership which is not only the leadership of the European Union but also the G8. And if you look to these two power blocks, you know that many of you are not represented in having a voice on what they decide later on—on what we do is debt reduction and what we do with additional aid, and if it's actually coming, to what

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extent actually your Parliaments have something to say in the country assistance strategies of the World Bank and so on and so forth.

It would be key that the regions develop a policy tonight and tomorrow, to make clear to the leadership of those institutions and of government representatives where your priorities lie and priorities are priorities. We cannot do everything at the same time. But we can help to set the agenda to translate them in Parliamentary debates in our countries and to make sure that the government maintains the priority that we all promised would be the priorities two years ago.

In the next month will be the Spring Meetings of the International Monetary Fund and the World Bank. I will represent my country in the Development Committee. Many of your governments will be there either in the Development Committee or the committees that are relevant in the International Monetary Fund. I think the Parliamentary Network of the World Bank should make sure that they can at least observe those sessions, so we know what happens there. These are the central committees in Washington DC where general policies are being made. And I am concerned—and I won't hide this from you—that at the moment the strategy of the World Bank, in terms of setting the priorities for the government is unclear. We do not know where the priorities of the World Bank are at this moment. This will come up in the Development Committee and it will be very good if you also discuss these matters this weekend. What do you think? Where should the World Bank which is an important and most possibly, the most important development institution put its main emphasis in the next three or four years? It would be very good to discuss this also with President Wolfowitz.

I think when it comes to the International Monetary Fund it should be clear that this organization which is so key for the international monetary system—as is the World Bank for the International Development—that it should be periphery at the role of the International Monetary Fund in the poorest countries. In many of the middle income countries at this moment, at least the International Monetary fund does not have a large role to play. Most of the countries have repaid their debts and the IMF has become more an advisory institution. But in low income countries, they still have a very large role and we have to decide and we have to think about how this role can be combined with necessity for giving more room for maneuver of our countries to choose its anti-poverty fiscal strategies. They call this Fiscal Space.

That it is to say it is up to countries like Zambia, like Mozambique, like Colombia, like Guatemala, to decide in their Parliaments, what should be the different economic scenarios for development and they should be linked to the Poverty Reduction Strategy Papers. If we don't do that, basically the voice of the people, in terms of what are the best poverty strategies, is not translated into action and therefore it doesn't have its place because I strongly believe that development cannot take place unless the people who are working on have a voice.

So in the upcoming meetings I'm sure, you will talk about these issues. What is the role of the International Monetary Fund in the poorest countries? Is it clear what the

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role and the division of labor is between International Monetary Fund and the World Bank? I don't think it's very clear right now. I think we need a clarification on that in the interest of development. And I think the people that are assembled there, the voices of the people should make sure that the poorest countries have a much larger voice in the committees that decide on policy in Washington: the IMF and the World Bank.

The PNoWB has been setup to assist you as Parliamentarians in this work, to be the advocates for development, to be the voice of your constituencies when it comes to confronting your governments with alternatives for effective development policies. I have said before that we are not fans nor critics of the Bank, we think that the World Bank is very important as a development institution. We shouldn't lose them, they are a key instrument to helping the poor but they can only do that if they work together with Parliamentarians who want to take time, effort and energy in making sure that these institutions can work. And I would like to say to all of you that I wish you lots of success in making that happen.

I hope that many of you will really put time and effort in increasing the role of the Parliamentary Network of the World Bank. I yesterday spoke to Hilary Benn who is the Development Minister from the United Kingdom. The first thing he mentioned is how he important found this institution and there are more powerbrokers in the world who see the rising importance of the Parliamentary Network of the World Bank. I am very happy to have been able to serve that organization, I am very committed to remain on working with you in this capacity and at the same time, I am very proud of all these people that are now representing the board and are there, Monica and Janette and so many others that take a leadership role in this organization and I wish you all a very, very good conference.

Janette Garin: Thank you very much Bert or would you rather call you Your Excellency.

Bert Koenders: Janette you don't have to call me Your Excellency. I am still in politics with all of you and it is great to have you as a colleague from the Philippines taking a leadership role in the Parliamentary Network.

Janette Garin: Well Bert, all the participants and members of the Parliamentary Network on the World Bank are thankful for the support that the Dutch Government has been continuously giving the Paris office and for the information of everybody, Bert, Minister Koenders has conceptualized this baby which was not only born but has grown to be an organization with a privilege relationship with the Bank and other international financial institutions. As the Dutch Government has said forever will remain to be very supportive of this cause. Bert has been very busy these past months of course with a very tough election and being the minister, being at the cabinet now, but despite that very heavy schedule he had to find time in helping with the organization of this Annual Conference. He has connected us to people and he has represented this organization for years and of course before became minister. The Dutch Government has always been there, considering this organization as a

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development forum and as a forum that will make possible the privileged communication between us Parliamentarians and the funding institutions to make aid more effective. And of course Bert we have here Kimmo. Kimmo Your Excellency.

Kimmo Kiljunen: Hi Bert, nice and excellent that you were able to address to us. we are most grateful for that. You remember very well seven years ago when we established this network we could have never have dreamed how successful we would be in terms of creating this parliamentary network and its advancing so well. Thanks very much indeed for your work for the organization. You deserve your post so now in the Cabinet of Netherlands and we will cooperate. Thanks.

Bert Koenders: I will continue to see the parliamentary network on the World Bank as a key, if not the key interlocuter on the next development strategy which the World Bank and the IMF. I will be happy to continue to support this organization and good luck is everything and thank you Monica, Janette and Kimmo for all your work that you are doing and good luck.

Monica Frassoni: Okay thank you very much we were wondering whether there was time for questions because we perhaps have five-ten minutes for that perhaps some of your people, yes please but very briefly and please say your name.

Speaker: Well congratulations, Mr. Bert Koenders for all the organizations with your colleagues for this Annual Conference and for your new mission as Minister of Development Corporation. This afternoon when we talked with the President Paul Wolfowitz of the World Bank, our group from Latin America asked him whether the World Bank would be considering the alternative not only of income transfers with conditionalities such as the Bolsa Familia and oportunidades in Brazil and Mexico respectively, but also the alternative, although not so easy to do it like that from day to night, of an unconditional basic income, a citizen's basic income.

Well, since you are still a member with us of this Annual Conference I would like to propose and ask you whether you would consider my proposition that in the next Annual Conference there is also a session for all the Parliaments in the world to know all the pros and cons of a citizen's basic income. I know that in the Netherlands this has been started. There are many people in favor of it, others that are not in each country so I since in Brazil there has been a proposal that was approved in this direction to be instituted gradually, I will like others to know about it and my proposal is that you really discuss with brilliant philosophers and economists that have been in favor of a basic income.

Monica Frassoni: I see that the President of the South African Parliament doesn't not have a button that we have in Europe to cut someone off... Anyway thank you very much but if you want to make another question, I need it to be 30 seconds and then give the floor to Bert.

Moses Asaga: My name is Moses Asaga, MP from Ghana. I also want to acknowledge the African Development Bank's participation in this our Annual

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Conference. This has been something that we have been looking for and they have done a lot for us. Also I want to congratulate the whole board and especially to congratulate Chairman Mao who has been working relentlessly for PNoWB, thank you very much.

Eva K Sundari: Thank you. My name is Eva, I am from Indonesia. I just want to transfer what we have been discussing here about the issue how to institutionalize the Parliamentarians into the frameworks of the World Bank. Maybe because now you are on the other side then you can bring our voice there just to make World Bank and also IMF to be more accountable in bringing in Parliamentarians into the process in policy making, thank you.

Monica Frassoni: Bert you have the floor.

Bert Koenders: Thank you very much for all your comments and your questions. I will quickly try to answer them at least. Thank you very much for the comment from Latin America I think your point is very well taken to begin with, I think especially in Latin America we see last couple of years that enormous changes have taken place in many aspects but especially on the issue of equity, there is little progress. And you see that also reflected in the political reactions that take place in Latin America on the last couple of years. What in my view would be the priority, except for the idea of the basic income or sometimes its called a negative tax credit so that even the poor people will have some income, is to come to the next stage of policies in Latin America which create safety-nets for those who are unemployed. I think in many countries for the very poor people, there is no system of any insurance, be it for health, or for unemployment, because they are not either not in the formal sector or they simply cannot have any other income when they are in dire straits. And I would think it would be very important if the World Bank together with some other institutions in Latin American countries—and there are beginnings of such systems in Brazil and elsewhere—could develop these insurance systems that can also be based on contribution of poor people because you can see that in some countries even those systems can lead to an enormous amount of security for those people and this creates in itself wealth of possibilities.

So itself, I think the question is key but it will be country-specific. In some countries this will lead to for instance new ways to cooperating between employers, employees and the government. This is in some of the richer countries, where you can make sure that the safety nets are expanded to the poorer segments of society. In some countries where the very poor when this is not really possible yet or the employers or employee negotiations are such that they are not very fruitful I could see a lot of possibilities for the basic income support systems for the very poor that are being tried by President Lula of Brazil.

Second point on the issue of the representative from Ghana, I just wanted to congratulate the representative from Ghana, its 50 years of Independence/ I think Ghana is one of the countries after a very difficult time in the 70s and 80s with economic and political deterioration, which is now one of the winners of Africa with

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high growth rates, with modern productive sectors, where also poor people can get some work and that's exactly an example where Development Corporation can work. I think it's very good that the PNoWB will work with the African Development Bank.

We have meetings with the President of the African Development Bank here in the Hague on the PNoWB. I know the Bank is very, very willing to work with this organization and to increase the voice of Parliamentarians and to support for Parliaments in Africa to be able to know and to check on what's happening in development. I think there is the key role still to play. There are so many Parliamentarians that simply don't have the information to check on the governments. They don't know the figures when it comes down to what happens in the budget for different reasons. The World Bank and the IMF are, just through this process, very much engaged with some Parliamentarians and I think that's very good.

I see Jean-Christophe Bas coming in and I will greet him because he is been a great friend in the Bank in working with us.

The last thing – there was the question of the colleague from Indonesia and I remember very well the speech of your President Yudhoyono during our conference a year-and-a-half ago in Helsinki which was extremely impressive. I think Indonesia is a country which will be key in developing our relationships in South East Asia.

Indonesia is a country with an enormous potential with high growth rates and at the same time still remain in poverty and quite a few natural disasters that you have been going through just very recently.

Let me just say one or two ideas, I think first of all, I think to strengthen the role of Parliamentarians in the donor community and in the World Bank and the IMF, you should make a demand to the organizations through your own governments or directly through the World Bank and the IMF that country assistance strategies of the World Bank, that poverty reduction strategy papers, all these nice words for the different papers that are there to make sure that development reaches the poor, that they are approved in the parliaments that you are a member of, that they are put on the agenda and that you have to vote on it that should be a standard operating procedure.

If that happens, your voice is a voice of power, you will have to discuss them with your constituencies. Because if you do it only in the capital, obviously, the Parliament will be the next stage or the next circle of actors that would be not be responsive to their own constituencies. So make sure that that happens, country assistance strategies, or PRSPs should be approved by the Parliament.

Secondly, I think we should try as PNoWB, to be at least an observer at the Development Committee and I will be happy as the Dutch representative in the World Bank to fight for that. I'll be happy if to take some resolution from there in South Africa that we can bring up with us when we intervene in Washington during the Spring Meetings.

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And last but not least, I think it is very important that we make very practical the parliamentary discussions on issues. You have quite a few issues to be discussed in the next two days. Make sure that you have a good final session—and I'm sure that the leadership of PNoWB will do that—in which you are really acting on what has been discussed, because it is action that in the end makes development happen.

Monica Frassoni: Thank you very much indeed Bert and I think that everybody appreciated the chance to speak with the Dutch minister of Development who is certainly a friend and let's keep in touch. Thank you very much and now don't leave a very important announcement from Kimmo.

Kimmo Kiljunen: Yes, friends, I have an announcement concerning the Parliamentary Network of World Bank Board elections. So, I will read this one to you. In February, PNoWB members were asked to submit nomination lists. Each list contained the names of four candidates wishing to stand for election to the PNoWB Board. The deadline for submission of the list was yesterday, Thursday March 15th at noon. By the deadline only one officially completed list had been submitted. As a result, the voting process has been deemed to be unnecessary. We don't want to organize Soviet style elections. That's why it's unnecessary and the four candidates on the sole list are hereby declared to be elected unopposed to the Board.

Janette Garin: If you agree; of course.

Kimmo Kiljunen: Yeah, I'm asking that. The names of the new Board members are Hugh Bayley, United Kingdom; Yunus Carrim South Africa; Monica Frassoni, Italy; and Kimmo Kiljunen, Finland. These are the new names. Would you agree?

[Applause]

Okay. Thank you and the other members that you know who are the other members. Hideki Wakabayashi, Japan; Janette Garin, Philippines; Santiago Castro, Colombia; Suresh Prabhu, India; and Betty McCollum, United States. These are now the new Board. Obviously and I have already earlier indicated to you very clearly that this is not actually an exclusive club. The Board is only helping us to work and we try to do this in the best possible way, so that all who are active and willing to cooperate are actually part of the organization in different ways.

I can only tell you one idea, for example. The idea is that when we have these regional chapters, the Chairs of the regional chapters would be somewhat included in the Extended Board framework. We will discuss that on the Board and in terms of our rules we might even make arrangements, but the idea is really that in future the work is very much also at the regional level and the Chairs of the regional chapters should be also involved in terms of the Extended Board. So, this is not then a fixed club and somewhat isolating but it's a common ground for all of us to work for the common sake we have discussed several times.

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Monica Frassoni: Kimmo can I take the floor briefly, because I think that when you said that the elections are unnecessary, some people were looking strangely and I don't think that is the concept we want to say that the elections are unnecessary. It is simply that we ask if there are no oppositions and if you agreed that we don't organize the ballot that those people are declared elected by acclamation but I see here on my left there are some people who would like to ask questions.

Speaker: We want to know who came up with a list because I was one of those who submitted a name.

Abdoulaye Lamana: I'm Abdoulaye Lamana from Chad. I just simply want to congratulate those who have been elected. If they are here I would like them to stand up so that we can see them. I don't know if that is in conformity with the usage and also wish that the list shall be submitted, so that everyone tomorrow can have access to those who have been elected and who help us in our action. Thank you.

Monica Frassoni: Perhaps we can ask the members of the Board who are here to stand up, because not everybody knows us so there are three here and --Suresh.

Monica Frassoni: We're going to print the names and distribute it.

Kimmo Kiljunen: The idea is actually is that tomorrow when we have the ending session we will actually close the whole thing up, then we will have a new chair, etcetera. We have actually organized the Board because there are also issues like Vice-Chairs etcetera, and tomorrow we'll introduce all of us. But, if you want now - Yunus is behind there. Tomorrow we will introduce ourselves. Its better to do it that way, isn't it. So, it's more organized that you know exactly. It's a very good remark, very good remark.

Kimmo Kiljunen: Then the last point. The new Board meets immediately to organize ourselves. Thank you very much.