

World Bank President Paul Wolfowitz Highlights Key World Bank Priorities to Members of the European Parliament (MEPs) in Extraordinary Session of European Parliament's Development Committee

In a packed Extraordinary Session of the European Parliament's Development Committee World Bank President, Paul Wolfowitz met with a cross section of MEPs to discuss current World Bank priorities. The meeting, chaired by Italian MEP Luisa Morgantini, also included a speech by EU Commissioner for Development, Louis Michel, on the World Bank's cooperation with the EU.



Paul Wolfowitz with Robert Sturdy

In his list of priorities, Mr. Wolfowitz ranked Africa at the top. While acknowledging the serious challenges Africa is currently facing, such as malaria and the HIV/AIDS epidemic, he argued that Africa is beginning to turn the corner. According to the latest World Bank African Development Indicators, about a third of African countries have now registered significant growth of 4 or 5% or better over a 10-year period. While this growth is not yet high enough for Africa to make real progress in achieving the Millennium Development Goals, it's definitely an improvement over the past years. In explanation of this upturn Mr. Wolfowitz said, *"We're seeing much more accountable government in Africa and many more leaders who feel that their job is to help their people rather than to enrich themselves"*



Paul Wolfowitz with Luisa Morgantini & Max Van den Berg

Other priorities for the World Bank included promoting good governance; addressing poverty in middle income countries; strengthening the World Bank's ability to respond to emergencies - both natural and man made; and delivering global public goods such as clean and efficient energy to the developing world.

In his speech, Commissioner Michel emphasized the good level of cooperation and shared priorities between the World Bank and the EU. However, he acknowledged divergences between the World Bank and the European Union, which according to him, are simply due to the different nature of the two institutions. *"The World Bank is a Bank with its own imperatives which are not the same as those of the European Union, and particularly not the Commission, which has a more political dimension to it."*

During the ensuing discussion, MEPs put forward a number of searching questions to the World Bank President. These included the following:

On governance Dutch MEP Max van den Berg questioned Mr. Wolfowitz on what the possible areas of cooperation between the World Bank and the EU could be on governance. In response, the World Bank President suggested that an efficient division of labour between the World Bank and EU Member States would be for the Bank to focus its attention on public finance management, while EU Member States tackle issues of a more political nature like strengthening parliaments and the press.



Lili Gruber with Paul Wolfowitz

Concerning **the Extractive Industry Review**, Italian MEP Monica Frassoni asked why the World Bank had not followed the Review's recommendation, which states that the World Bank should focus less on big oil investments and more on renewable energy and small scale investment. But President Wolfowitz replied that by staying involved in investments on extractive industries the World Bank could help improve the outcome of projects in these areas.

With regard to **debt**, Italian MEP Mauro Zani called on the World Bank to play a more incisive role on debt reduction. Adding to this, Luisa Morgantini inquired whether the World Bank was prepared to forgive so called "illegitimate debts" accrued from loans to dictatorships and regimes practising bad governance like Liberia and Rwanda. Mr. Wolfowitz's response was that the World Bank was playing a major role in debt reduction by arranging, through the Multilateral Debt Relief Initiative, the cancellation of all debt owed to the World Bank by a number of Highly Indebted Poor Countries. On writing off illegitimate debt, the President said he believed that *"Any government or any institution that helped to fund machetes in Rwanda should write that debt off right away"*.

However the World Bank can only take an ad hoc approach to such cases of illegitimate debt, as each case would need to be examined individually.

On trade UK MEP Robert Sturdy asked for the World Bank's view on the regional trade agreements, which the EU is negotiating with African Caribbean and Pacific countries - Economic Partnership Agreements. In response, Mr. Wolfowitz said that while he would prefer to see trade agreements that cover all countries, regional agreements like North American Free Trade Area or the Everything But Arms initiative in Europe have proven to be useful. He added, *"given my concern about Africa, I'd be prepared to give up a few WTO principles if we could get some special treatment for Africa. But the best thing would be to get special treatment for all developing countries"*

In his closing remarks Mr. Wolfowitz invited the parliamentarians to send a delegation to Washington to meet with World Bank experts to further discuss issues of mutual interest. Luisa Morgantini on her part as Chair, expressed her appreciation of the meeting and her interest in hosting Mr. Wolfowitz in the European Parliament on future occasions.