



## PARLIAMENTARY NETWORK ON THE WORLD BANK

### European Parliament: International Financial Institutions in the development cooperation process

7 April 2010

Ms. Corina Cretu, PNoWB Board Member and Vice Chair of the European Parliament's Development Committee, on 7 April 2010 hosted a lunch meeting of the informal dialogue group on "International Financial Institutions' (IFIs) role in the development cooperation process". Members of the European Parliament (MEPs) and the European representatives of the World Bank, International Monetary Fund, Asian Development Bank, European Investment Bank, European Bank for Reconstruction and Development attended the meeting, the first in a series. The event is an initial step in establishing a cross-committee forum for regular interaction between MEPs and IFIs.

During the meeting, participants exchanged views on what should be the role of IFIs in supporting least developing country measures post financial and economic crisis. The European Parliament recently adopted a [Report on the Effects of the Global Financial and Economic Crisis on Developing Countries and on Development Cooperation, Supporting Capital Increase for MDBs](#). The Rapporteur of the report, MEP Enrique Guerrero Salom, explained that, in addition to calling on EU Member States to deliver on their international aid pledges, the report favours the financial transactions tax and a temporary debt suspension, to help developing countries mitigate the impact of the crisis. Sandor Sipos, World Bank Special Representative to the European Union Institutions, welcomed the report and expressed his support for the informal dialogue group as a voice structure of the European Parliament. He noted and appreciated that the Bank's Brussels Office had been consulted during the drafting process.

Another issue discussed during the meeting was the potential expansion of the European Investment Bank's (EIB) mandate. Dominique de Crayencour, Head of the EIB Brussels Office, indicated that currently development cooperation outside of the EU makes up only 10% of EIB's activities. If there is a consensus that these activities be expanded, the EIB would need increased personnel, especially outside the EU, access to grants and a change in governance to reflect an increased concern in third country development issues. Mr. de Crayencour added that the EIB has recently undertaken much work in regard to offshore financial centres and climate change.

All participants welcomed the increased cooperation between MEPs and IFIs. MEP Wolf Klinz stated that the crisis cannot be a missed chance. In terms of financial regulatory measures, he stated that, seeing the difficulties in coordinating regulation across the globe, Europe has to apply its own measures. He announced that the European Parliament's Special Committee on the Financial, Economic and Social Crisis will discuss the possible expansion of the EIB's mandate on 29 April 2010. Mr. Klinz highlighted the potential of the informal dialogue group for spontaneous suggestions to IFIs without constraint by Committee timetables.

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