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135th IPU ASSEMBLY AND RELATED MEETINGS

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Report of the Standing Committee on Sustainable Development, Finance and Trade

*Noted by the 135th IPU Assembly
(Geneva, 27 October 2016)*

The Standing Committee on Sustainable Development, Finance and Trade held its sittings on 25 and 26 October 2016 with its President, Ms. S. Tiouloung (Cambodia), in the chair.

Parliamentary contribution to the 2016 United Nations Climate Change Conference

This segment discussed the preliminary draft outcome document of the Parliamentary Meeting at the United Nations Climate Change Conference that would take place on 13 November in Marrakech.

The session started with an overview of the Paris Agreement on climate change. Mr. S. Huq, Director of the International Centre for Climate Change and Development, summarized the main provisions of the Paris Agreement, as well as the ratification mechanism and highlighted that the ratification process was quicker than expected, especially in comparison with the Kyoto Protocol. He expressed the hope that members of parliament from developed countries would press their governments to provide funds and technology to developing countries to cut gas emissions. He also encouraged parliamentarians from developing countries to put in place accountability and oversight mechanisms to ensure effective use of technical and financial resources.

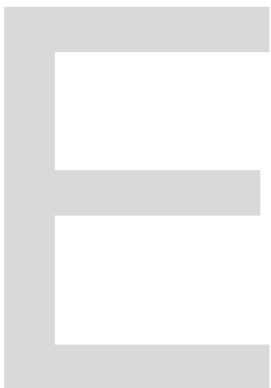
Mr. A. Touizi, member of the House of Councillors of Morocco and rapporteur to the Parliamentary Meeting in Marrakech, introduced his draft document to the Committee. He stressed that the Parliamentary Meeting in Marrakech could be fundamental to help understand how the policies and provisions set out in the Paris Agreement would be implemented at the national level. He emphasized the need for a human dimension to climate change, which also included reflections on gender equality.

Fourteen delegates took the floor and provided comments on the draft outcome document. They largely expressed agreement with the current text and highlighted that the Paris Agreement was an occasion for all countries to transition from non-renewable to renewable sources. They were encouraged to submit all comments in writing.

In his final remarks, Mr. Huq noted that climate change had increasingly become an issue that was being taken up across party lines and was no longer a trigger of political conflict in countries.

Debate on Promoting enhanced international cooperation on the SDGs, in particular on the financial inclusion of women as a driver of development

At the beginning of the debate, the Committee endorsed the appointment of Mr. N.K. Premachandran from India as a rapporteur, to replace Ms. P. Mahajan, also from India.



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This debate was organized around the theme of the future Committee resolution, expected to be adopted at the 136th Assembly in Dhaka, Bangladesh. The purpose of the debate was to provide the Committee with an opportunity to exchange views about challenges that stood in the way of ensuring the financial inclusion of women. The debate would also provide the co-Rapporteurs with initial information about how IPU Member Parliaments might approach the issue.

The debate was chaired by Mr. J. Fried, Ambassador and Permanent Representative of Canada to the World Trade Organization. It included a panel of experts consisting of Ms. G. Fraser-Moleketi, Special Envoy on Gender of the African Development Bank; Ms. S. Iqbal, Manager of Women, Business and the Law Project, World Bank Group; and Ms. D. Tembo, Deputy Executive Director of the International Trade Centre.

Ms. Fraser-Moleketi presented the results of a recently-published study from McKinsey on how advancing women's equality could add US\$ 12 trillion to global growth. She pointed out the importance of countries coming together to raise funds for implementation of gender-sensitive policies in view of the economic empowerment of women. She added that national ownership of funds and technical assistance from key development partners were vital for success and that technology in particular was a way to empower women and facilitate their participation in national economies. Ms. Fraser-Moleketi also drew the Committee's attention to the role that parliaments could play in this context. She affirmed that they not only had a pressing moral and social duty to approve supportive legislation but also had to create an enabling environment in terms of attitude leveraging their representative role.

Ms. Iqbal briefed the Committee about the work that the World Bank was conducting on the issue of the financial inclusion of women, especially on the collection and analysis of data in view of evidence-based recommendations to countries. She mentioned the example of the Democratic Republic of the Congo that had recently approved new legislation that allowed women to open a bank account without permission from men. She added that effective implementation of supportive legislation was likely to produce positive outcomes in terms of women's health and access to education. She also stated that the financial inclusion of women was the result of an ecosystem-wide effort where all actors and stakeholders were called to play a decisive role. Ms. Iqbal informed the Committee that according to a World Bank study, the presence of women MPs in parliament was a strong driver of renewed legislation on the issue, as well as positive change in terms of attitudes.

Ms. D. Tembo stressed the critical inequality factor among women living in urban and rural areas, according to which a one-size-fits-all approach would not be able to generate positive outcomes. She emphasized that parliaments and other political institutions should aim to maximize positive outcomes of the most vulnerable women, especially the ones living in hard-to-reach areas. While it was important to achieve equal representation between women and men in parliaments, she identified the involvement of men in renewed legislation as a critical factor for changing attitudes at the community level. She invited members of parliament to exercise their oversight role to make sure that legislation was effectively implemented.

A total of 21 delegates took part in the debate that followed. Most of them shared the good practices that their countries had put in place for the financial inclusion of women as a driver of development. Several delegations provided concrete examples of laws and policies that their parliaments had developed in this area. Some pointed out that affordable housing and childcare would be instrumental to supporting the financial inclusion of women. Others mentioned the practice already adopted by some countries to avail themselves of a gender-responsive budget and highlighted the pivotal role of the private sector in turning the financial inclusion of women into reality.

At the end of the debate, the rapporteurs, Ms. G. Cuevas (Mexico) and Mr. N.K. Premachandran (India) reflected on the input received and how they would like to include it in the draft resolution. They invited the panellists and delegates to send them written comments by 16 November.

Panel discussion on *The role of parliaments in countering the activities of vulture funds*

The panel discussion was chaired by the President of the Standing Committee on Sustainable Development, Finance and Trade and benefitted from the expert contribution of Mr. A. Gwynne, MP, United Kingdom, Mr. S. Crusnière, Member of the House of Representatives, Belgium, and Mr. T. Stichelmans de Castro Freire, Policy and Networking Analyst, European Network on Debt and Development (Eurodad).

Mr. Stichelmans explained that vulture funds were private entities that acquired distressed debt on the secondary market for a lower-than-face value. Vulture funds then waited for an improvement in the financial situation of the debtor State to sue the debtor to get reimbursement of the full value. He affirmed that they undermined countries' capacity to invest in development and poverty alleviation. Mr. Stichelmans outlined a set of solutions that were being discussed at the global level to counter vulture funds, pointing out that the best possible solution would be the creation of an independent international sovereign debt mechanism.

Mr. Gwynne explained how he had managed to have a landmark bill on vulture funds approved in his country and why it was a first attempt, hence a precedent, to protect poor countries from being sued for vulture funds using the UK judicial system.

Mr. Crusnière presented the main provisions of Belgian legislation on vulture funds, which was considered as the most advanced worldwide. He outlined the main provisions of legislation that limited the duty of countries to repay vulture funds, especially if there was a demonstrated disproportion between face value and issue price.

Nine delegations took the floor in the ensuing debate. Members of parliament highlighted the need to counter vulture funds to put in place better strategies for national development and poverty alleviation. They agreed that vulture funds represented a human rights abuse perpetrated by the rich. Members of parliament also pointed out that vulture funds were not illegal and therefore an extraordinary effort from countries was needed to be made in order to have the issue regulated at the national level. They called for the issue to be further examined in plenary at a future IPU Assembly.

Elections to the Bureau

The Committee elected Mr. C. Tursunbekov (Kyrgyzstan) to fill the vacancy for the Eurasia Group.

In addition, GRULAC nominated Mr. R.F. Acuña Nuñez (Peru) to complete the term of Mr. J. León (Peru), who was no longer an MP. Mr. Nuñez's term will therefore end in October 2019. The Committee endorsed the change.

The Committee approved the proposal from the Bureau to dedicate time allocated to the Committee at the 136th IPU Assembly to the drafting of the resolution.