



DEVELOPMENT COMMITTEE
(Joint Ministerial Committee
of the
Boards of Governors of the Bank and the Fund
on the
Transfer of Real Resources to Developing Countries)



SIXTY-EIGHTH MEETING
DUBAI, UNITED ARAB EMIRATES – SEPTEMBER 22, 2003

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September 22, 2003

Statement by His Excellency Boniface Brito
Minister of Planning and Development, Republic of Côte d'Ivoire

For the following countries: Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Comoros, Congo, Democratic Republic of Congo, Côte d'Ivoire, Djibouti, Gabon, Guinea, Guinea-Bissau, Equatorial Guinea, Mauritius, Madagascar, Mali, Mauritania, Niger, Rwanda, Sao Tomé & Príncipe, Senegal, Chad, Togo and Somalia (informally)

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1. Supporting Sound Policies with Adequate and Appropriate Financing

The Monterrey Consensus outlined a framework for consultation and intervention aimed at expediting the attainment of the Millennium Development Goals (MDGs), which have been part of the United Nations Millennium Declaration for nearly four years now. At our Spring meeting, we examined the progress made towards these goals. We noted then that progress towards the MDGs was slow, and that we still had a long way to go.

Many developing countries have implemented the required economic, structural and governance reforms. They have, as a result, attracted investment, stimulated growth and reduced poverty in terms of incomes, education, production and access to safe water. Their efforts have also enhanced the efficacy of development aid. Other countries, however, have failed to progress for various reasons essentially related either to their lack of institutional and human capacities or to external shocks and natural disasters. In the specific case of sub-Saharan Africa, internal or neighboring conflicts are the main source of difficulties. As far as donors are concerned, financing pledges have not exceeded US\$ 16 billion, an amount that is obviously inadequate, given the needs.

Against this backdrop, we welcome the British Government's initiative aimed at doubling current annual aid flows from US\$ 50 billion to US\$ 100 billion. On the eve of this session, there was still no unanimous estimate as to overall financing needs. According to the World Bank's study, however, external aid needs to be boosted significantly if the Millennium Development Goals in health and public sanitation are to be met and the pockets of poverty in middle-income countries reduced.

I wish to be clear on this point. We are in favor of giving precedence, in external aid allocation, to countries where such aid can be deployed in a favorable policy environment based on the participation of the populations affected. Many of our countries are engaged in this kind of process as they draw up Poverty Reduction Strategy Papers (PRSPs). We cannot remain indifferent to the problems of Low-Income Countries under Stress, which are known by their English acronym 'LICUS'. We know that most of these countries are trapped in cycles of conflict and poverty, and lack the institutions capable of formulating coherent policies. This is why we feel that the international community should press on with its commitment to helping these countries enhance their capacities, lest they collapse economically and politically.

The World Bank should strengthen its instruments of intervention and adapt them to the situation of the LICUS. In this context, institutional development funds might be a good example of instruments suitable for LICUS.

Finally, external aid should be seen as an adjunct to the contribution that trade makes to the development of our countries. We should not forget the negative effects of subsidies and trade barriers erected by the developed countries. This is why our countries attach great importance to the ongoing trade negotiations taking place within the framework of the World Trade Organization (WTO).

2. Enhancing the Voice and Participation of Developing and Transition Countries

For the past year, the Bretton Woods institutions have been seeking ways and means of enhancing the voice of development and transition countries in the decision-making process of these institutions. At the Spring meeting, we approved certain technical measures intended to strengthen the offices of our representatives within these institutions. We take note of the complementary studies that have recommended diversifying and decentralizing these institutions. We hereby express our support for these recommendations.

We feel, however, that the issue of the voice of developing and transition countries within the Bretton Woods institutions, as well as that of their effective participation in the decision-making of these agencies, goes beyond problems of capacity. It is essential, in our view, that the goals in this area be clearly defined. We should give an appropriate working group a precise mandate and timeframe for providing us with recommendations on this subject, in accordance with the recommendations emerging from the Monterrey Consensus.

As for the issues related to capital structure and representation on the Boards of Directors of the Bretton Woods institutions, we feel that they are closely intertwined. We must therefore find a global solution.

Regarding the International Development Association (IDA), we feel that it is not necessary, at this stage of our deliberations, to change the underlying principles governing the allocation of voting rights within this agency. However, we are prepared to support the creation of a fiduciary fund that could help some IDA countries to free up their capital subscriptions if necessary.

Concerning the World Bank's capital structure, we are in favor of restoring the system of basic votes – which currently represent only 2.8 percent of the total – to their initial level of 11 percent, in order to offset their erosion over the years. We also favor a selective capital increase for countries whose relative economic power has increased significantly over the last few years.

Finally, regarding the composition of the Boards of Directors of the two Bretton Woods institutions, it should be noted that the offices of the two main African Executive Directors each represent an average of 24 countries, whereas their counterparts from other regions represent at most 13 countries. From a human standpoint, it is unreasonable to expect all the necessary attention from our representatives if they must at the same time participate actively in the day-to-day management of these institutions and in the definition of their general policies. Therefore, we feel it would be wise to increase the level of representation of sub-Saharan Africa.

3. Progress Report on Trade

We have duly noted the summary report prepared by the World Bank at the conclusion of the WTO Ministerial Conference in Cancun, Mexico. First of all, I would like to express our disappointment upon learning of the breakdown of negotiations at this meeting. The Bank's report indicates that it is still committed to strengthening the role of trade in development. We urge the Bank to keep up its work in this area.

We are also pleased to see the support that the Bank, through its technical analyses and advice, is providing to our countries within the framework of these negotiations. We likewise appreciate the studies that the Bank carries out on behalf of certain of the least-developed countries (LDCs), thereby facilitating their integration into the world economy.

For our part, we continue to have high hopes for the trade negotiations, particularly in the Doha Round. In this connection, we will also continue to support the initiative of certain African countries aimed at eliminating agricultural subsidies, and particularly those on cotton.

4. Implementation Report on Monitoring Policies, Actions and Outcomes Needed to Achieve the MDGs

Overall, we are satisfied with the efforts that have produced the first international implementation report on monitoring policies, actions and outcomes needed to achieve the Millennium Development Goals (MDGs). In order to ensure symmetry between the actors involved, we feel that the developed countries need to make additional efforts to introduce a comparable mechanism for the evaluation of their performance.

We also feel that the mandates of the IMF and WTO, as they are defined, would benefit from being broadened to include an assessment of the developed countries' contribution to the global partnership. We would like to emphasize that an evaluation of the international multilateral and bilateral financing institutions is of critical importance to the monitoring process. Finally, we think that, in addition to internal evaluation, there is a need for evaluation conducted by peers as well as by clients, particularly in the developing countries.

5. PRSP/HIPC Progress Reports

Regarding implementation of the HIPC Initiative, we have the impression that, after the initial attainment by a large number of countries of the decision point, the Initiative now seems to be marking time. Indeed, we are worried to see that, on the one hand, a large number of countries have not reached the decision point and, on the other, that the vast majority of eligible countries, having entered the Initiative's intermediate phase, have then been slow to reach the completion point. If implementation of the HIPC Initiative continues at its current pace, its credibility will be undermined.

We are therefore making an urgent appeal to the donor community to speed up implementation of the Initiative and to ensure its efficacy. In this connection, the World Bank and IMF should relax the conditionalities regulating the debt-reduction process. It is also important to respond appropriately to the need to involve a greater number of creditors in the mechanism. In addition, a decision should be made quickly as to how the debt relief adjustment is to be calculated at the completion point. For this purpose, and in order to ensure equitable treatment, objective formulas should be used to assess the vulnerability of each country and the sustainability of its debt.

Regarding the implementation of PRSPs, we are convinced that it is the African countries that have the most to gain from them. We would urge countries that have not yet drawn up their PRSPs to step up their efforts to design credible strategies for sustained growth and lasting development. It is particularly important, in the interest of ensuring ownership of the process, to broaden the dialogue to include various segments of the population and to obtain their actual involvement in developing the PRSPs.

6. World Bank Group Infrastructure Implementation Action Plan, including Water

We approve of the document that the World Bank has put before us for review. This document shows that Africa is the most under-served region in terms of investment. In order to reverse this trend, we need to ensure that existing infrastructures are better managed and that new ones are built. World Bank activities should be chosen based on the results of analytical work in each region, country and sub-region, in order to establish priorities and the combination and sequencing of managerial and infrastructure-creating interventions.

In sub-Saharan Africa, programs of physical infrastructure construction need to be augmented substantially in order to achieve a minimum infrastructure platform. We hope that this item will be on the agenda of the upcoming IDA-14 negotiations.

Finally, given the importance of water for Africa's development, we think that the Bank should allocate adequate financial and human resources to this sector, preferably at the field level, in order to provide more direct assistance to countries for project preparation and execution.

The great opportunities in the water sector are to be found in efficient water management, and particularly in the collaborative development of the main river basins and watersheds, as well as in the exploration and development of aquifers, where these exist. Since water is a public good with an international dimension, we urge the Bank to finance, through grants and in consultation with other development partners, a substantial portion of the studies needed in the area of water resource development and management.