



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-SEVENTH MEETING
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Statement by

Bohoun Bouabre
Minister of Economy and Finance
Côte d'Ivoire

Constituency of Benin, Burkina Faso, Cameroun, Cape Verde, Central African Republic, Chad, Comoros, Republic of Congo, Democratic Republic of Congo, Côte d'Ivoire, Djibouti, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Madagascar, Mali, Mauritania, Mauritius, Niger, Rwanda, São Tome & Príncipe, Senegal, Togo, Somalia

I. Introduction

My statement will focus primarily on the two items on our agenda for today's meeting. I will conclude with some brief observations on the debt problem of the heavily-indebted poor countries, harmonization issues, and trade.

II. A Framework for Monitoring Policies and Actions

One year ago, following the Monterrey and Johannesburg summits, the international community adopted a partnership, the Monterrey and Johannesburg consensus, between the developing countries and countries in transition, on the one hand, and the more industrialized countries, on the other hand. At the same time, a smaller-scale partnership, the New Partnership for Africa's Development (NEPAD), was born. The two pacts share a common impetus. The developing countries, for their part, affirmed their determination to adopt sound policies and good governance with a view to creating an environment conducive to rapid economic growth and sustainable development. The developed countries, for their part, indicated their resolve to join the developing countries in their efforts to accelerate growth. The ultimate objective of this dual approach is to achieve the Millennium Development Goals and, in particular, to bring about a significant reduction in poverty.

It is timely now, after a year of efforts, to take stock of the progress achieved and determine what challenges lie ahead. In this regard, we are pleased to note that many countries have made substantial progress, especially with respect to macroeconomic stabilization. Other countries have expanded their external trade in order to benefit from globalization. Unfortunately, however, these developments have not had a tangible impact on economic growth and poverty reduction. In particular, given the current growth rate of the Sub-Saharan African countries (only three percent as opposed to the seven percent average growth rate required to achieve the Millennium Development Goals), the likelihood that they will be able to attain these goals by 2015 is slim.

The countries in our constituency are keenly aware of the need to make considerable progress with regard to institutional strengthening, particularly when it comes to establishing the rule of law, a sound legal framework, and basic infrastructure conducive to improving the climate for investment. They are equally aware of the need for good governance and an efficient civil service. Efforts to promote growth should not only endeavor to target the poor more effectively; they should also be accompanied by capacity-building policies to enable the poor to help themselves. Our countries are therefore determined to do their utmost to promote the development of human resources by giving priority to allocating increased financial resources to education and health programs.

The industrialized countries, for their part, need to translate the commitments they made in the Monterrey and Johannesburg consensus into reality. These countries undertook to increase the volume, and enhance the quality, of their external assistance. However, the volume of new aid commitments proposed by our partners in this context, including the IDA replenishment and bilateral aid resources, thus far barely exceeds US\$15 billion. Experts indicate that it will be

impossible to achieve the Millennium Development Goals unless this figure is increased substantially. We therefore appeal to donors to increase the resources allocated for official development assistance, which have continued to show a downward trend in recent years. These additional resources can be utilized effectively as our countries implement programs under our poverty reduction strategies (PRSPs) and the Heavily-Indebted Poor Countries (HIPC) Initiative. At the global level, the industrialized countries should also honor the commitments they made in Monterrey and Johannesburg, as well as those undertaken in Doha, Rome, and Kyoto.

We welcome the idea that a monitoring report, supplemented by interim reports on specific topics, will be prepared on an annual basis, and not solely for the Committee's next session. Finally, we welcome the methodological approach envisaged and the proposal by the staff of the Bretton Woods institutions to strengthen the framework and the data on which it is based, in order to monitor progress towards achieving the Millennium Development Goals. Naturally, we recognize that these proposals will entail costs that will have to be carefully evaluated.

III. Scaling Up: Education for All, Health, HIV/AIDS, Water and Sanitation

We welcome the progress report prepared by the two institutions on the Millennium Development Goals focusing on Education for All; health, including the scourge of HIV/AIDS; and water and sanitation.

Regarding Education for All, we wish to thank those of our external partners who have agreed to provide the additional resources we need in order to achieve the objectives of this initiative. We urge all other donors providing external aid to translate the commitments they have made in this sphere into concrete action. We also call upon the World Bank to consolidate its contribution to education, and we value its catalytic role. The International Development Association (IDA) has a particularly important role to play in the poorest countries, which have a more pressing need to invest in education than do other countries. Countries in conflict and low-income countries under stress should be among IDA's highest priorities.

With respect to HIV/AIDS, although new resources have been committed, a financial gap remains. Priority should be given to country-level implementation and monitoring and evaluation of programs. We also hope that close attention will be paid to the regional dimension of the effort to combat the AIDS pandemic. Lastly, we wish to underscore the need to find an appropriate solution for countries with payments in arrears and those that are not IDA-eligible, with a view to enabling them to receive financing suited to their budgetary constraints.

While water and sanitation are key factors affecting public health, they also have an impact on economic growth and the fight against poverty. We are therefore pleased that the international community, including the World Bank, has mobilized to support this sector and is seeking ways to promote its development.

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

The issue of representation in the Bretton Woods institutions has two key dimensions: strengthening the capacity of the offices of our Board representatives, and regional representation on the Boards.

As to the first of these dimensions, it should be borne in mind not only that the African Executive Directors represent the most countries on the Boards of the Bretton Woods institutions, but also that these countries are the beneficiaries of most of the programs in operation. It is therefore important to ensure that the offices are in a position to effectively represent the countries that appoint them. The operational capacity of the offices should therefore be strengthened with additional human and financial resources. Our representatives have submitted specific proposals on this matter to their respective Boards.

I welcome the consensus that has emerged regarding this request, which has already enabled the two institutions to approve an increase in the number of staff of the African offices. I nevertheless wish to point out that for us, the question of the developing countries' "voice" does not hinge solely on bolstering office capacity. To enhance the voice of developing and transition countries, it is also important to introduce changes in the level of representation on the Boards as well as in voting rights.

Sub-Saharan Africa, with 48 countries, has only two chairs on the Board of each of the two institutions. To enable the African representatives to give each country the attention it deserves, we believe that increasing the number of chairs representing Africa on the Board could help to lighten the workload of each office. Moreover, voting rights in the Fund and the Bank are linked to each country's quota and capital subscription, which are in turn based on its economic power. Although we definitely are not in favor of a system of governance based on the "one country, one vote" principle, we do believe that there is a strong case for making the governance rules of the two institutions more flexible in order to enhance the voting rights of the developing countries. For example, we would be in favor of restoring the value of basic votes, which has declined since the institutions' founding, to their initial relative value of 10 percent.

We recognize that our proposals have complex technical and political implications, and we support the informal proposal by South Africa and the United Kingdom calling for the establishment of an independent consultative group to study these issues and submit its conclusions to us at our 2004 Spring Meetings, and perhaps a progress report as well at our Fall 2003 Meetings.

V. Implementation of the Heavily-Indebted Poor Countries (HIPC) Initiative

The indications Mr. Wolfensohn provides in the Note he has submitted for our consideration suggest that little progress has been made since the 2002 Annual Meetings in implementing the Heavily-Indebted Poor Countries (HIPC) Initiative. Only two countries, Mali and Benin, have reached their completion points. I welcome the fact that these two countries are

members of my constituency in this Committee. However, 18 countries are between their decision and completion points and 12 have not yet reached their decision points.

We welcome the contribution announced by the international donor community in October 2002 of an additional US\$850 million that will enable the regional development banks to contribute to the Trust Fund.

We urge the international community to take the measures required to accelerate implementation of the Initiative. In this connection, we encourage the World Bank and the IMF to relax the conditionalities that must be met for countries to benefit from debt reduction. Delaying debt forgiveness could delay the reforms needed to reduce poverty and increase the costs.

VI. Harmonization of Donors' Operational Policies, Procedures, and Practices

We wish to take note of the substantial progress made in recent years on the harmonization program, which aims not only to reduce aid transaction costs, but also to enable beneficiary countries to adopt efficient operational procedures applied by all development partners.

We welcome the conclusions in this regard reached by the High-Level Forum that met in Rome on February 24-25, 2003, to explore ways to facilitate the harmonization of donors' procedures and rules. We urge all our development partners to base their actions more on each borrower country's own budgetary and planning procedures, while adhering to generally applied standards.

VII. External Trade

In conclusion, we wish to take this opportunity to reiterate our countries' interest in international trade and to underscore the role such trade plays in promoting growth and development. We note the steps a number of countries, including African countries, have taken in this regard when preparing their poverty reduction strategies. However, we note with concern that no significant progress has been made since the Doha Ministerial Conference last year and the Agreement reached on that occasion. In the interests of implementing the Doha Agreement, we urge the industrialized countries to open their markets more rapidly to exports from the developing countries. The question of agricultural subsidies, in particular, merits special attention. We also wish to underscore how important it is for our countries, especially the poorest among them, to obtain assistance from the international community so that they can put appropriate management systems in place, in particular in the agricultural sector, to enable small producers to protect themselves from fluctuations in the prices of their main exports.