Statement by

H.E. Alamine Ousmane Mey
Minister of Economy, Planning and Regional Development
Cameroon

On behalf of the Group II African Countries
This written statement on behalf of the Africa Group Constituency II focuses on the four topics appearing on the Development Committee’s agenda, namely: (1) Human Capital: A Project for the World; (2) Disruptive Technologies and the World Bank Group - Creating Opportunities - Mitigating Risks; (3) The Bali Fintech Agenda; and (4) Debt Vulnerabilities in Emerging and Low-Income Economies.

I. Human Capital: A Project for the World

We commend the World Bank Group for selecting this important topic of human capital development for our Development Committee meeting and for the quality of the work accomplished. We also welcome the fruitful collaboration between WBG staff, the Board of Directors, and our countries throughout the preparation of this far-reaching project. We believe that this is a very comprehensive document that includes (1) an extremely thorough analysis of the World Bank Group’s current and future aid-giving capacity, and (2) targeting of the Bank’s priority areas for intervention with a view to tackling human capital development challenges in our countries.

We endorse the report’s main conclusion that human capital is critical to the World Bank Group’s goals of ending extreme poverty by 2030 and boosting the incomes of the bottom 40 percent in all countries. We also agree with the experts that human development indicators in our countries fall well short of what is needed for our people and our economies to survive and prosper in a rapidly changing world.

We therefore wish to thank the World Bank Group for the support that it has already provided in the area of human capital development and welcome the three action areas proposed by Management and staff, which will cover data, measurement, and research, as well as country engagement. We note with great interest the Bank’s decision to develop a new human capital index; launch a program to strengthen research and measurement as a public good; and help countries remove the most difficult barriers to human capital.

However, we believe that if the human capital development project is to provide added value to ongoing discussions on development policies in our countries, the report must draw a clearer distinction between the indicators for the Index that the World Bank will develop and similar indicators, particularly the United Nations Human Development Index (HDI).

We further believe that the report does not clearly articulate the issues relating to employment and economic transformation challenges, particularly in IDA countries and small States. We therefore wish to seize this
opportunity to reiterate our call for much greater focus on the issues of employment and transformation in our countries in particular, in conjunction with the human capital development project.

We broadly support the process for implementing the proposed human capital development project. We welcome the publication of the names of the countries and, in particular, the commitments undertaken by the Bank in the first 27 countries to adopt the project, including two from my constituency, owing to the interest shown by these countries in engaging with the World Bank Group prior to publication of the index.

We view this process as evidence of strong ownership and robust national leadership of the project in each country, as each government has appointed a focal point to lead government-wide discussions. We nevertheless encourage the Bank to adopt a phased approach to the publication of the indices that will be developed, beginning with the 27 countries that have already adopted the index. This phased approach will pave the way for the Bank to encourage careful use of the index and engage with each country in a more equitable and transparent fashion.

While we welcome the transparent manner in which the human capital development project was developed, we lament the absence of discussion on data limitations and the criticisms that composite indices always elicit. In this regard, we believe that the report could have underscored the importance of strengthening partnerships with our countries to collect data and build capacity.

II. Disruptive Technologies and the World Bank Group: Creating Opportunities; Mitigating Risks

We would like to thank the World Bank’s senior management team for the quality of the report and welcome the WBG’s growing interest in the disruptive technologies agenda and the application of these technologies in our countries’ development.

We appreciate the arguments put forward in this document to underscore the significance of technological development as one of the key drivers of long-term growth, and which demonstrate how innovations such as mobile Internet, the Internet of Things, and cloud computing could revolutionize production processes and improve the standard of living, particularly in developing countries.

To this end, we support the “Build-Strengthen-Mobilize” value proposition to help countries capitalize on opportunities and avoid the risks associated with disruptive technologies, and we concur with the arguments expressed in the report to justify this approach.

Given the foregoing, we thought that the document should provide additional clarification on the opportunities for collaboration with the private sector with respect to information technologies in order to promote the implementation of this agenda.

Furthermore, as the International Telecommunication Union has developed an ICT development index to monitor progress achieved by countries in creating an enabling environment for information technology, we encourage the WBG to present a plan for collaboration with this institution.

III. The Bali Financial Technology (FinTech) Agenda

We are grateful once again to the staff for responding to our requests and for producing a quality report in such short order on the contribution of the WBG and IMF to the financial technology agenda. We welcome the timeliness of this report, which comes at a time when the Maximizing Finance for Development (MFD) agenda revolves around the search for innovative and inclusive solutions for all our countries.
We believe that the range of recommendations proposed on the various aspects of the agenda as well as the use of financial instruments and products will play an important role in shaping such a global, innovative and inclusive response. We note and welcome, in particular, the opportunities that could be afforded to our countries through the application of the agenda, notably: increased access to financial services and financial inclusion; the deepening of financial markets; and improved cross-border payment and funds transfer systems.

Nevertheless, if our countries are to make use of these opportunities, the Bank and the IMF should help them to prepare, strengthen their institutional capacity, and put in place operational and assessment frameworks that incorporate the participation of all stakeholders, institutions, governments and competent bodies.

It is with this in view that we invite the WB and the IMF to prepare a plan of action to help our countries take advantage of these opportunities and to implement a well-documented, carefully tailored approach in each country, which, as opposed to a single approach, takes account of the different levels of progress that the respective countries have made in the application of financial technologies. We also request that emphasis be placed on South-South Cooperation in the implementation of this program.

IV. Debt Vulnerabilities in Emerging and Low-Income Economies

We congratulate the staff of the Bank and the IMF on the preparation of an objective and detailed report on the issue of debt vulnerability in emerging and low-income economies. We welcome the rigorous analysis of debt sustainability and of the elements that help to clarify the fragility of the debt dynamics in our countries.

Generally speaking, we share the main conclusions of the report that show that debt vulnerabilities in developing countries have increased significantly over the past few years. We also believe that this situation is associated with increased access to non-Paris Club creditors and market-based fixed term debt financing that has brought additional financing to our countries.

We welcome the commitment of the World Bank and IMF to take concerted actions to help our countries contain public debt vulnerability. We are also pleased to note the proposals advanced under this multifaceted approach, including improved assessments of public debt vulnerability, better early warning systems, greater transparency of data on debt, enhanced support for structural reforms designed to reduce vulnerabilities, and the building of debt management capacity.

We take this opportunity to reiterate our request for the strengthening of medium-term debt management capacity in our countries, which will help preserve macroeconomic stability and financial equilibrium. We welcome the Bank’s approval in May 2018 of a project totaling US$35 million to strengthen the capacity of regional financial institutions in the CEMAC region. We therefore encourage the Bank to continue in this vein and urge the institution to increase its technical assistance to BEAC and CEMAC.