Statement by
Mr. Boniface Brito
Minister of Planning and Development
Republic of Côte d’Ivoire

On behalf of the following countries: Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Democratic Republic of Congo, Côte d’Ivoire, Djibouti, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Madagascar, Mali, Mauritania, Mauritius, Niger, Rwanda, Sao Tome and Principe, Senegal, Somalia (informally) and Togo
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The document now under review is a progress report on the monitoring of the implementation of the Monterrey Consensus. I would like to commend the quality of the document and express my appreciation to the respective departments of the two Bretton Woods institutions for preparing the report, which I hope represents the first in a series of reports designed to educate the Committee periodically about our collective approach toward attaining the Millennium Development Goals (MDGs) by the year 2015. My remarks will basically consist of a few observations concerning various items of the proposed agenda. I will then close with a few thoughts about enhancing the voice and participation of developing countries in the Bretton Woods institutions.

**ACTIONS TAKEN TO ATTAIN THE MDGs – GLOBAL MONITORING REPORT 2004**

The joint report gives an assessment that is worrisome both for individual countries and for international cooperation. According to the report, if current trends in the world economy are maintained, this situation will jeopardize progress in implementing the Monterrey Consensus and threaten the partnership established in Monterrey between developed and developing countries. Such a possibility is a matter of concern for the entire international community and means that we must fulfill our responsibility to rectify the situation.

For developing countries, the challenge is to pursue and bring to completion the economic and structural reforms undertaken since the Monterrey summit and even before Monterrey. Specifically, as regards the countries of Sub-Saharan Africa, many of which I represent in this forum, the delay in implementing the Monterrey Consensus is more pronounced. Our countries are determined to step up efforts to adopt strategies for attaining the MDGs by the year 2015. It should be noted that our countries have recently undertaken major efforts, sometimes requiring great political courage, within the New Partnership for Africa’s Development (NEPAD) in order to strengthen governance and anti-corruption initiatives. The gradual implementation of peer reviews is characteristic of this resolve. In many countries, economic and structural policies have also been adopted so as to create conducive conditions for growth and private sector development. Faced with slow progress in attaining the MDGs, our countries have no other choice but to deepen the reforms and persevere in our efforts to improve the climate for private investment. As the
report suggests, the objective should be to double the growth rate in the ten years remaining before 2015.

To support such efforts, the developed countries, for their part, should translate their own commitments into reality. For what do we find? With respect to foreign trade, for example, the negotiations of the Doha process reached a serious impasse in Cancun. Yet we all know that, in the long term, trade flows are very important and are destined to gradually replace development assistance. This is why the Doha trade negotiations should resume as soon as possible. In view of their weight in the international system of trade, the developed countries should set an example by establishing ambitious objectives for themselves, which might include, among other matters, the total elimination of customs duties on manufactured products from developing countries and subsidies for agricultural exports, as well as the elimination of local subsidies for agricultural production in the developed countries.

In this context, we hope that the interests of African countries will be taken into consideration in the trade negotiations, so as to permit them to gradually adapt to a system of trade that ensures broad access for all developing countries. Furthermore, during the interim period, the preferential tariff system between Africa and the European Union, established under the Cotonou agreement, should be preserved to enable African countries to gradually rebuild their competitiveness in relation to the more advanced countries of Southeast Asia and Latin America.

Finally, given the scope of the financial needs, we call upon the developed countries to increase the level of development assistance by a substantial amount. In this context, our countries support all proposals designed to increase the proportion of grants in relation to total resources. However, this should not constitute an obstacle to the search for other types of funding needed to make investments, particularly in the area of infrastructure.

**Education for All**

We welcome the progress that has been made during the pilot phase of the Education for All - Fast Track Initiative, specifically in terms of the structural and institutional aspects of the program. However, additional efforts are still needed in order to make this initiative a truly accelerated process, particularly with respect to its funding.

We would like to express our concerns in this regard. Our countries have carried out major reforms and earmarked substantial budget appropriations for the education sector. But, given our vulnerability to external shocks and the unfavorable trends in the terms of trade, our countries are in no position to generate the substantial resources needed to fully fund our education programs. It would therefore be desirable for the World Bank, UNESCO and other pertinent bilateral and multilateral institutions to step forward and, as an urgent matter, implement new financial instruments, as proposed in this report, to fill the funding gap.
Funding modalities

Within the framework of the Monterrey Consensus, the developed countries made a commitment to increase concessional funding. Little progress has been achieved in this regard, and the partnership’s credibility is therefore at stake.

With respect to the issue of absorption, recent studies show that the aid absorptive capacity is sufficient for additional assistance in the range of 30 to 60 billion dollars per year. And once the issue of absorption is resolved, another serious matter remains: the funding requirements for attaining the MDGs by the year 2015 are estimated at approximately 50 billion US dollars. Yet total funding promised to date by donor countries barely exceeds 20 billion. How can we hope to fill this gap? The report lays out a number of options for methods of funding this assistance. In this regard, our countries have a preference for two options. First, we support the French-British initiative which consists of prefunding the assistance by turning to the capital markets, with donor countries’ assistance commitments serving as a guarantee. This proposal appears to us to be easy to implement and it requires fewer negotiations on a global scale. Second, we support the concept of a global tax, which could mean the environment tax or the Tobin tax or even the creation of additional special drawing rights.

DEBT SUSTAINABILITY IN LOW-INCOME COUNTRIES

We commend the report’s analysis of the issue of external debt and, in particular, the need to maintain debt sustainability. The report emphasizes the need for debt relief through the HIPC Initiative, along with adoption of a framework for granting new concessional loans under terms compatible with the country’s borrowing capacity.

We are in favor of any initiative that aims to further relax the conditions for granting concessional external resources to our countries, including grants. However, the systematic search for such concessional lending or grants must not be allowed to become an obstacle to another major objective for our countries, namely the availability of concessional lending. To deny our countries the opportunity to continue to turn to concessional financing other than grants, while these very countries are trying to fund reforms in a current context where grants are not widely available, would constitute a serious setback in the global effort to support development and attain the MDGs. Apart from the availability of concessional resources, attention should also be given to the importance of their predictability when it comes to planning our countries’ medium-term actions.

Finally, it should be noted that, in most HIPC countries, many programs currently under way are based on the anticipated culmination of the debt relief process at the completion point, as well as on the savings this process should generate. If the programs are interrupted, serious disruptions could ensue, with incalculable consequences for the management of public finances in these countries.
The HIPC Initiative is a major investment that the international community has the duty of protecting in order to help recipient countries permanently escape the vicious circle of debt and poverty. In this context, we believe it is necessary to re-examine the duration of the Initiative’s automatic sunset clause so as to permit all eligible countries to fully benefit from the Initiative.

Enhancing the voice of developing countries

To conclude, I would like to say a word, at the suggestion of our Chairman, about the issue of enhancing the voice and participation of developing and transition countries in the Bretton Woods institutions. We will have the opportunity to return to this matter at the Fall meetings, where it will be on our agenda. In the meantime, on behalf of the group of countries that I represent, I want to express our support for the conclusions of the consultative meeting of African Governors of the Bretton Woods institutions held in Johannesburg on March 12, 2004. In Dubai, our Committee had requested that a road map be presented at the current session. We received the letter sent to us by Chairman Trevor Manuel on this subject. We believe that the proposals contained in this letter constitute a solid foundation for reforms to be introduced in the Bretton Woods institutions. I invite my colleagues to examine these proposals, if they have not already done so, and to give their reactions to our Chairman so that he can pursue the necessary consultations.