Statement by

Mr. Daniel Kablan Duncan
Prime Minister and Minister of Economy, Finance and Budget
Republic of Côte d’Ivoire

On behalf of the Group II African Countries
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My statement focuses on (i) the report prepared jointly by the multilateral development banks (MDBs) and the International Monetary Fund (IMF) on post-2015 financing for development, and (ii) the note on the economic impact of lower oil prices.

I. Post-2015 Financing for Development

We commend the staff of the World Bank for selecting the issue of financing for development for discussion by the Development Committee. We also welcome the fruitful collaboration between the MDBs and the IMF during preparation of this joint note. We endorse, in broad terms, the report’s main conclusion that all sources of financing—private, public, domestic, and international—should be mobilized and used as efficiently as possible for development.

However, we note that the report does not provide any innovative approaches or new frameworks for development financing that would be used by the MDBs and the IMF to catalyze or leverage private sector financing. We therefore urge the MDBs and the IMF to improve the report by including a section on lessons learned from financing the Millennium Development Goals (MDGs) and best practices in this regard. In the case of the World Bank Group in particular, in light of this report’s findings, specific proposals on what it will do better or differently, beyond its coordination role, would augur well for the future.

We note the report’s overall assessment, which underscores the importance of Official Development Assistance (ODA) as a critical source of development financing and the decline in recent years in the volume of ODA flows in real terms to Africa. For this reason, we are availing ourselves of this opportunity to sound a clarion call to the bilateral partners to honor their commitment to allocate 0.7 percent of their Gross National Product (GNP), in order to finance development and improve the quality of ODA. Furthermore, we are confident that multilateral financing will remain a key link in development financing architecture, paving the way to tap other sources of development financing.

In this regard, we would have wished for a more critical and in-depth analysis, by the MDBs that prepared this report, of the financing arrangements and terms that meet the requirements for sustainable development. We believe that MDBs must assume a more ambitious role through a more significant contribution and a firm commitment to the mobilization of financing if the twin goal of eradicating extreme poverty and sharing the fruits of growth and the sustainable development goals (SDGs) are to be
achieved. To that end, the MDBs and the IMF have comparative advantages, in particular in terms of advisory services, expertise, and credibility that can be used to mobilize adequate financing.

In our view, while the goal of mobilizing more private financing is an altogether commendable one, we would have liked to have seen a review of the conditions and features that could support the concrete and effective mobilization of private financing for the less-developed countries, of which our Group is primarily composed. In addition, we note the scant attention paid in the report to the role of the international partnerships, including those that have delivered such innovative solutions as blend financing.

The section in the report on illicit financial flows and the role of MDBs in combating tax evasion could, in our view, be strengthened. This would be a missed opportunity if a clear commitment from the development community on the issue of illicit financial flows is not secured. The consequences for Africa are both numerous and devastating, and take the form of the development of an underground economy, crime, and terrorism, in particular. To that end, we call on the Bank to play a more decisive role in combating this scourge, by supporting efforts to build capacity and outline policy actions at the national and international levels, with a view to eliminating, to the extent possible, the scourge of illicit financial flows.

We note that the report does not cover trade facilitation. In light of the fact that the international community is shifting more toward private sources of financing, it is increasingly apparent that trade facilitation is a tool that should be fully taken into account for the mobilization of international private resources. Furthermore, trade facilitation, as is the case with South-South cooperation, is an area in which the WBG has extensive expertise.

We believe that, with respect to infrastructure financing, an area in which Africa has enormous needs, new financing plans should be devised and the work of the development partners optimized. To that end, we call for greater synergy among the WBG’s different financing instruments and more robust collaboration among the MDBs, in order to maximize the financing potential and ensure the coherence and convergence of interventions.

Lastly, we look forward to specific case studies that will identify the various sources of financing for implementation of the SDGs at the country level.

II. The economic impact of lower oil prices

With respect to the note on the economic impact of lower oil prices, we commend the staff of the World Bank for the relevance of the analysis and the recommendations on the reforms to be implemented.

Our Group represents 15 net oil importing countries, 5 net oil exporters, and 3 new or future producers, which are all affected variously by the decline in prices.

With regard to the net oil exporting countries in our Group, we urge the Bank to use its knowledge products and analytical and advisory tools to help these countries formulate the best policies to respond to shocks, in particular for the implementation of structural reforms needed to promote economic diversification and inclusive growth in the non-oil sectors.

In the case of the countries that recently discovered oil fields, and which may have had to delay oil extraction because of its non-profitability at current crude oil prices, we call for more robust action by IFC and MIGA for these countries, with a view to offsetting the potential decline in FDI and enhancing the business environment.
With respect to the oil importing countries, whose economies are tied to those of the oil exporting countries, we call on the World Bank Group to play a vital role in the diversification of their economies and strengthening of their business environments.

Lastly, with regard to all of our countries, we agree with the assessment that the decline in oil prices presents an opportunity to reduce fuel and energy subsidies and use the savings to support poverty reduction projects and programs.