DEVELOPMENT COMMITTEE
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Boards of Governors of the Bank and the Fund
On the
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Statement by

M. Bohoun Bouabre,
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, Democratic Republic of Congo, Republic of Congo, Côte d'Ivoire, Djibouti, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Madagascar, Mali, Mauritania, Mauritius, Niger, Rwanda, São Tomé e Príncipe, Senegal, Togo, and Somalia (informally)

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M. Bohoun Bouabre
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This statement will address all of the topics appearing on the agenda of our meeting, which focuses on two major directions, namely:

1. **Strengthening Development after the Crisis; and**
2. **World Bank Group Voice Reform.**

We would first like to express our satisfaction with the quality of the work accomplished at a time when the world's leading development institution is required to tackle challenges related to the international crisis and the intervention capacities of the IBRD and IFC. We are also pleased to note that this document was prepared in close collaboration with the Executive Board.

1 Strengthening Development after the Crisis

With respect to **post-crisis strategic directions**, we recognize the relevance of the five proposed priority areas and welcome the World Bank's renewed focus on its mission to reduce poverty. In this regard, there is an urgent need to scale up efforts to achieve the Millennium Development Goals (MDGs), paying particular attention to the gender issue and the empowerment of women.

With regard to the coordination of the efforts of multilateral institutions with those of regional organizations, we recommend that World Bank actions be guided by the principle of complementarity and not by competition. Using this approach, it is important that selectivity and the division of labor among the multilateral development banks be geared toward the needs expressed by countries and that these countries also be responsible for their own priorities.

We call on the World Bank's management team to accord high priority in particular to Africa, through a substantial increase in investments in agriculture, in infrastructure with a view to improving productivity, in private sector development, and regional integration.

We are confident that the proposal submitted to us has the potential to improve the World Bank Group's position, providing instruments to respond to any future crisis. However, in order to maintain the focus on the challenges and commitments vis-à-vis IDA countries, fragile countries, or conflict-affected countries, we call on the World Bank's management team to ensure that appropriate mechanisms are developed during this exercise. We encourage the World Bank and the IMF to ensure that these mechanisms include a special debt reduction component under the HIPC Initiative and the MDRI for the other countries, in order to facilitate their post-crisis fiscal adjustment, structural reform consolidation, and macroeconomic stability.

With regard to **internal reforms**, we endorse the underlying vision of the World Bank Group's reform program for the delivery of top-quality global knowledge and financial services to clients—poor countries, fragile States, middle-income countries, and/or the private sector.

We are of the view that the foundations for IBRD/IDA reforms are essentially based on (i) the modernization of services; (ii) enhanced service delivery to clients; (iii) the performance of systems; and (iv) the obligation to achieve results and compliance with standards. The level of progress in the implementation of these reforms varies from one area to the next. Significant strides have been made with some reforms, while others are at the conceptual, consultation, or still at the decision-making stage. We believe that once completed, these reforms will strongly reflect transparency, results management, and risk management.

We also encourage IFC's management team to continue its reform efforts in the four areas identified. These areas pertain to (i) streamlining investment processes; (ii) clarifying rights relating to decision making and accountability; (iii) developing a knowledge platform and defining the "global center" role; and (iv) managing talent more effectively and developing leadership. We remain confident that upon conclusion of these reforms, IFC's effectiveness and resource generating capacity will be enhanced through complete decentralization coupled with the increased accountability of its entities and modern management of human resources and knowledge.

In the case of MIGA, we note that significant steps have been taken in recent years to enhance its effectiveness and reduce constraints related to procedures for private investors and bidders.

We note that the number of trust funds managed by the World Bank has risen in recent years. We endorse the reforms aimed at aligning the management processes for these funds with those being developed for investment loans and analytical activities. We call on the World Bank to introduce measures to avoid the ever-increasing fragmentation of the trust fund portfolio. We also urge the World Bank to better integrate into its budget the trust funds and other external resources that it manages.

With regard to the **review of IBRD and IFC financial capacities**, we endorse management's analysis of the need to increase IBRD and IFC capital. We support the recommendations calling for the strengthening of the financial positions of both institutions.

We strongly support a general capital increase (GCI) in combination with the "contingent pay-out" option, which would make it possible to transfer to IDA, on a priority basis, any surplus resources that are likely to arise from a clear underutilization of IBRD capital.

This option allows for the inclusion of low-income countries with no direct access to IBRD financing. It also sends to the donors of IDA, the 16th replenishment of which is now under discussion, a strong signal of the World Bank's commitment to fulfill its dual mission. The first mission is to provide loans at competitive rates to its client countries, while the second promotes the transfer of resources to IDA, provided these transfers do not undermine its financial integrity, to contribute to poverty reduction in the poorest member countries.

We also endorse an increase in IBRD's callable capital. In view of similar increases granted to other international financial institutions, we believe that this increase is necessary for the IBRD to maintain its preeminent role in the area of development financing.

We welcome the promising start to discussions on IDA-16 replenishment in Paris last March. We call on the management and the donors of IDA to fully focus their efforts on these discussions, in order to guarantee its complete success, in parallel with efforts underway to increase IBRD's capital.

We also commend the efforts by IFC's management team to strengthen IFC's means of intervention in the context of the current crisis and we wholeheartedly support the initiatives and work proposed by management. We have always held the view that IFC should be provided with the resources to help our countries promote private sector development, which is recognized as the engine of growth.

2 World Bank Group Voice Reform

We commend the management and staff for their tireless efforts to produce the scenarios and the document submitted for our review today.

We note that in October 2009 in Istanbul the Governors agreed to the second phase of voice reform, the guidelines for which have been clearly outlined in the document.

We would, however, like to cite two of these guidelines aimed at measuring the success of this second phase of reforms. They entailed providing an increase of at least 3 percent of the voting power for developing and transition countries, in addition to the 1.46 percent achieved during the first phase, and protecting the voting power of low-income countries.

Although the objective of obtaining a net 3 percent increase in the voting power of developing and transition countries was achieved, it bears noting that in a number of developing countries this measure was unable to save, protect, and preserve the gains they had achieved during the first phase of reforms. In fact, we note with regret that at the end of the calculation method used to adjust consensus votes, the voting power of six countries in our Group declined relative to gains made in the previous phase.

In a spirit of constructive cooperation, we support consensus in order to facilitate the timely conclusion of these discussions. However, we would like to urge the World Bank's management team to focus on preserving the voting power of all low-income countries and protecting them against any possibility of a reduction in future adjustment formulas.

We are also of the view that there is a need to ensure the security of the financial contributions to IDA by including appropriate weighting in the formula, which provides incentives for substantial contributions to IDA.

Lastly, we believe that the underlying principle for voice reform in the International Finance Corporation (IFC) is to align the shareholdings of member countries with those of the IBRD. Against this backdrop, we support a selective capital increase in combination with an increase in basic votes to at least 5.55 percent of total voting power.