WORLD BANK GROUP

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL FINANCE CORPORATION
INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES
MULTILATERAL INVESTMENT GUARANTEE AGENCY

J

INTERNATIONAL MONETARY FUND

Press Release No. 24

October 22, 2007

Statement by the Hon. **OUSMANE KANE,**
Governor of the Fund for **THE ISLAMIC REPUBLIC OF MAURITANIA,**
on behalf of the African Caucus
at the Joint Annual Discussion

Statement by the Hon. Ousmane Kane,
Governor of the Fund for the Islamic Republic of Mauritania,
on Behalf of the the African Caucus
at the Joint Annual Discussion

Honorable Governors,
Ladies and Gentlemen,

Over the recent years, macroeconomic performance has been strong in African countries. Economic growth rates have reached levels unseen before, supported by prudent policies and sustained macroeconomic stability. At the same time, it has become common perception that many African countries will not achieve any of the **Millennium Development Goals**, while others will at best meet only a few of them.

In order to improve the prospects for attaining the MDGs, these countries certainly need to register higher growth rates. Yet, the repeated efforts that our countries make to accelerate growth are often undermined by the poor quality of infrastructure, which is perpetuated by the difficulty of mobilizing the necessary financing. To fill the gap, the Bretton Woods Institutions must be more supportive of efforts to implement innovative financing mechanisms and to improve access to concessional resources and international capital markets. In parallel, we see ample scope for more flexibility in their policies pertaining to low-income countries' access to non-concessional financing, provided that the returns and viability of related infrastructure investments are appropriate.

Improving the prospects for meeting the MDGs will also require that additional resources be made available to these countries. In this connection, it is regrettable that, despite the strong commitments made by the donor community, notably at the Gleneagles Summit held in July 2005, the scalingup of aid has yet to materialize. On the contrary, aid flows, in particular official development assistance, appear to follow a declining trend.

We call on development partners—particularly the Bretton Woods Institutions—to assist our countries more actively in their efforts to mobilize the financial resources needed for attaining the MDGs. We expect these institutions, and particularly the World Bank, to play a leading role in supporting these efforts, which requires, among other actions, the replenishment of IDA resources, the expansion of the IDA's Regional Pilot Program, active involvement in the coordination of donor aid, and the streamlining of modalities for existing funds such as the Africa Catalytic Fund and the Africa Infrastructure Fund.

Ultimately, we see a major role for the Bretton Woods Institutions in support of the efforts that we are making to graduate our countries from aid dependence and increase their access to market-based financing.

Let me now turn to the issues of Quota, Voice, and Representation:

African members remain very concerned that the decision- and policy-making processes as well as the legitimacy and effectiveness of the Bretton Woods Institutions have been weakened by the continued erosion of the voice and representation of African countries, as well as by the lack of diversity in their staffing.

To ensure ownership of these institutions by all members, and thus enhance their credibility and effectiveness–-beginning with the Fund, which has undertaken a package of reforms approved by its Board of Governors in Singapore—, it is essential to reverse the current trend by substantially increasing **basic votes**, which best protect the voting power of small member countries. Furthermore, the relative importance of the basic votes ought to be protected from shrinking at all times, by ensuring that any further re-alignment of quotas is synchronized with a commensurate increase in basic votes. This is precisely the spirit and the letter of the Singapore Resolution.

On the **quota formula**, the ongoing work at the Fund should not aim at maximizing the benefits of some individual countries, and we stress the need for a give-and-take spirit in reaching a consensus. A new quota formula should not aim at maintaining the status quo either, nor should it be skewed towards raising the quota shares of developed countries from their current level. Such moves would compound the current imbalance in voice created by the very formula we intend to change.

Good representation of the membership also implies that the **Offices of Executive Directors** representing a large number of countries can effectively fulfill their mandate. We call upon the Executive Board of the Fund to implement a more meaningful increase in the staffing of those offices as agreed by the Board of Governors. It is also important to expedite the amendment of the Fund's Articles of Agreement to enable those Executive Directors to appoint more than one Alternate Executive Director.

As for the World Bank, this institution should, in due course, engage in similar reforms. In addition, we advocate better representation of the African borrower countries in the IDA negotiations.

Last, but not least, let me add a few words **on the issue of diversity within the staffs of the Bank and the Fund**. Promoting staff diversity is an integral part of the mandates of the management of the Bank and the Fund. It is regrettable that meaningful progress is yet to be seen on this front. In particular, Africans are being left out when it comes to recruitment and even career promotion. We urge the two institutions to draw up effective action plans to increase the number of African staff at all levels, including the highest managerial positions, and to carefully monitor promotions and career streams, with a view to ensuring fairness and evenhandedness.

Thank you for your attention.