STATEMENT

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Minister of Finance and Economic Development
Zimbabwe

For Africa Group 1 Constituency
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1. Introduction

The year 2015 stands as historical landmark in the timeline of development, as we transition from the Millennium Development Goals (MDGs) to the Sustainable Development Goals (SDGs). Despite an outlook of robust growth in Sub-Saharan Africa (SSA), several dynamics will either aid or disrupt our ability to attain the SDGs and complete the unfinished business of the MDGs. Factors considered helpful include effective macroeconomic management, discoveries of natural resources and their prudent management, enhanced governance, increased participation and innovation of the private sector and a vision and commitment of African leaders to transform the Continent and reduce poverty. Further, enhanced trade and regional integration and South-South cooperation are expected to also contribute in the pursuit of our development aspirations. However, the region may have to contend with various disruptive factors including lack of fair trade opportunities, increased leakages of resources through illicit financial flows (IFFs), energy shortages, infrastructure inadequacies and intensified climate change and related vulnerabilities, high unemployment and a youthful demographic profile amidst limited educational and training opportunities, amongst other factors.

Currently, the region faces serious external head winds that risk reversing recent gains. Slower growth in emerging market economies, and the concomitant fall in commodity prices, ranging from oil, metal to agro-related products, and the strengthening of the U.S. dollar have put our revenues and currencies under severe strain, compromising critical fiscal expenditures. Collectively, these contemporary and medium term challenges constrain our ability to improve and sustain economic performance, raise the living standards of our people, attain the SDGs and complete the unfinished agenda of the MDGs. Hence, close collaboration with our development partners will remain essential to secure the financial and technical support necessary to attain these goals.

2. The Role of the World Bank Group (WBG) and International Monetary Fund (IMF) in Supporting the Implementation of the 2030 Agenda for Sustainable Development (The 2030 SDGs Agenda)

The 2030 SDGs Agenda remains ambitious; however, we believe that success can be realized by capitalizing on the lessons learnt from the experience of the MDGs and adopting the right approach with sustained commitment from all stakeholders. We note the endeavor to fine-tune the core operations of the WBG and the IMF to suit the changing environment that will define the post-2015 era, as articulated in the documents on the role these institutions can play in the pursuit of the SDGs.
We welcome the leading role that the two institutions have taken to elevate the dialogue on international tax issues and introduce new analytical tools to assess the fiscal trade-offs associated with robust infrastructure spending. We, however, call on both institutions to strengthen collaboration in areas where their mandates are complimentary. These include translating the “billions to trillions” agenda into actions, establishing specialized products to assist countries diversify their economies, and enhancing the tax effort in developing countries. In addition, we call on the two institutions to embrace the recommendations of the African Union (AU)/United Nations Economic Commission for Africa (UNECA) report on IFFs and to work with the UN and other development partners towards curbing these outflows with urgency. Relatedly, we note that uplifting the poor will, among other things, require SSA to increase its share in global trade and mitigate the effects of global warming. As such, we call on the WBG and IMF to assist countries improve their competitiveness to gain access to larger markets and to build and strengthen their Global Warning Systems to Africa on global and regional dynamics. Finally, we call for greater assistance in building the statistical capacities of our countries to ensure the generation of accurate, good quality data to measure progress.


We welcome the 2015 Global Monitoring Report (GMR) and take note of the alignment of the WBG’s twin goals with the SDGs and the need for multi-dimensional approaches to complete the MDGs’ unfinished agenda. Significant progress has been made in meeting the MDGs globally, though this masks lags in different regions, including SSA where income and non-income poverty remain prevalent. Additionally, projections indicate that by 2030 the world poorest will be concentrated in the region’s natural resource-based countries and fragile and conflict-affected states (FCS). We, therefore, urge the WBG to ensure that analyses of the unfinished agenda and the demographic structure for each country are captured in the Systemic Country Diagnostics (SCD) to inform policy advice and the Country Partnership Framework (CPF).

4. **World Bank Support for Crisis Prevention, Preparedness and Response**

With its multiple challenges, including frequent humanitarian and other poverty-inducing crisis, which constitute a threat to sustainable development, SSA as a region is faced with compelling and competing priorities. The Ebola crisis that affected Guinea, Liberia and Sierra Leone is still fresh in our minds, as the challenge of dealing with it largely remains an unfinished business. We, therefore, cannot overemphasize the need for well-integrated multi-sectoral approaches and innovative financing modalities to mitigate the threat from crises and emergencies.

In this regard, we urge the WBG to fast-track the establishment of the Pandemic Emergency Facility (PEF), which was proposed as an instrument to provide rapid support to countries and other entities during the outbreak of pandemics in the future. Similarly, we reiterate our call for the WBG to deliver on its promises related to the actualization of the Marshall Plan, which the Ebola-affected countries need to complete the post-Ebola recovery as well as for their economic development. More generally, the WBG needs to allocate more resources, enhance and fast-track support to help our countries manage natural risks, including droughts and floods, as well as to ensure food security – here, we would like to draw the WBG’s urgent attention to the recent flood that has devastated Sierra Leone and impaired the country’s efforts to get out of crises. In the same vein, we call on the WBG to strengthen its partnership with the relevant UN agencies to help overcome security challenges that some of our countries are confronted with at the moment.
5. The 2015 Shareholding Review

It has been 13 years since the Monterrey Consensus (MC) was put out, calling for enhanced participation of Developing and Transition Countries (DTCs) in the decision-making structures of the WBG and the IMF. In this context, while we welcome the progress thus far and agree with the importance of regular shareholding reviews for the legitimacy of the WBG, we need not lose focus on the original objective of the MC. Therefore, we reiterate that the 2015 shareholding review needs to aim to achieve the original objective of the MC and ensure that no developing country faces dilution of their shareholding in voice and representation.

6. Other Recurring Development Issues

Diversity and Inclusion: We take note of the on-going efforts by the WBG to improve and meet the diversity targets set for SSA nationals. In particular, we welcome the D&I Compact, the diversity talent desk, modifications to the Young Professionals Program and the recruitment drive in SSA. While applauding these efforts, we urge Management to ensure that gains are sustained and improved in terms of the SSA staff strength both at the technical and managerial levels across all the WBG entities.

Support to Africa’s Middle Income Countries (MICs) and Small Island Developing States (SIDS): We regret the delay by the WBG to articulate an appropriate strategy tailored to the needs of the Middle Income Countries (MICs) of SSA, despite our repeated calls. We ask the WBG to consider this as an urgent matter and deliver the required instruments, through a constructive engagement process with the concerned countries. Likewise, while we appreciate the WBG’s role in promoting the Small States Forum and the establishment of the Small Islands States Resilience Initiative, we urge Management to ensure the roll out of this Initiative and use WBG’s convening power to mobilize adequate funding to help these states tackle threats borne out of climate change.

Debt Relief: We welcome the efforts by the WBG to reengage with the Republic of Zimbabwe and to resolve its debt burden. We urge the WBG to expedite this process. At the same time, we are frustrated with the continued delays by the WBG and other development partners to complete the debt resolution of other heavily indebted countries namely, the State of Eritrea, Federal Republic of Somalia, Republic of the Sudan and Republic of South Sudan. The debt burden and other challenges seriously undermined these countries’ efforts to meet the MDGs and will limit their chances to achieve the SDGs. We, therefore, reiterate our call for the WBG to champion the debt relief effort for these countries using the set aside provisions in the IDA17.

WBG’s Environmental and Social Safeguards Policies: We recognize and remain supportive of the ultimate objectives of the WBG’s Environmental and Social Safeguards Policies, which aim to protect the people and the environment. However, we are deeply concerned that the proposed second draft that is out for consultation, as part of the ongoing review exercise, did not take into account the views and suggestions provided earlier by our countries at various occasions including during the African Caucus Meeting held in September 2014 in Khartoum, Sudan. Our concern in this regard mainly relates to the use of the terminology ‘Indigenous Peoples,’ which remains unacceptable to us. This terminology contradicts with the provisions of our countries’ national constitutions and undermines the strenuous efforts and progress made in promoting social cohesion and unity among our peoples. It also has the potential to create strife among our citizens. We, therefore, urge the WBG to consider our views and come up with universally acceptable terminology.
7. **Conclusion**

African countries have made appreciable efforts to attain the MDGs with mixed results. However, much remains to be done to achieve inclusive, equitable and sustainable development. We remain committed to tackling poverty and inequality, providing productive employment and empowering our women as well as addressing challenges associated with the fast growing population of the youth in Africa. We also reaffirm our commitment to continuing our efforts on domestic resource mobilization. In the same vein, we reiterate our call for innovative (long-term, non-traditional) financing mechanisms and quality and predictability of external financing, which are necessary for economic transformation and achieving the 2030 SDGs Agenda.