

Congress of the United States
House of Representatives
Washington, DC 20515-1407

Financial Services Committee
Full Committee Hearing: "The 15th Replenishment of the International Development
Association (IDA) and the 11th Replenishment of the African Development Fund
(AfDF)"

Opening Statement for Congressman André Carson
June 18, 2008

Thank you, Chairman Frank and Ranking Member Bachus for holding this hearing today regarding the 15th replenishment of the International Development Association (IDA) and the 11th replenishment of the African Development Fund. As we consider these proposals today, we face critical questions about the effectiveness of current aid and how we can work to rebuild failed or fragile states.

I am pleased that the Administration sought significant increases in the U.S. contribution to the IDA and for the African Development Fund. We must target these crucial multilateral resources towards fighting the HIV/AIDS epidemic, combating global climate change, stabilizing weakened governments and addressing the global food crisis.

Yesterday, I met with David Miner, Chair of the Board of Directors for Bread for the World and a highly respected member of the Indianapolis community. He highlighted the severity of the world food crisis and how imperative it is that we give weight to this problem in examining how global assistance through the IDA is directed. He said the following:

"After making significant progress in the last two decades, the current high food prices represent a significant setback. At this point, we don't think the world community has fully realized the impact of this. We are delighted that these conversations are being held because this is a very important issue."

I could not agree with him more and I would add that during my recent trip to Haiti, I was deeply moved by those I saw suffering from extreme poverty and hunger. In a world with such wealth and resources, we must aggressively fight to make sure the resources we devote to foreign assistance can truly bring about the substantive structural changes within governments to help those living at the margins of society.

Another important concern is ensuring this assistance reaches citizens more directly. The Bank has a history of working with primarily the politically elite in weak and failing recipient countries, which were not being held accountable for the needs of their citizens.

So I am pleased that during negotiations for IDA-15, donor countries focused on the needs of fragile countries.

These fragile states only account for one fifth of IDA recipients, yet they represent over one third of the extreme poor. The World Bank's practice of being detached from resolving conflicts within these fragile states is outdated and I am pleased to see that in this budget, there is increased commitment in staffing and resources towards bringing about stability in recipient countries.

Further, I appreciate that since 2005, the World Bank has been increasingly open to suggestions about policy and has recognized, to some extent, the negative implications of imposing of harsh conditionalities on recipient countries. Privatization of public services and user fees on secondary education, health care and even water have not stimulated economic growth in these countries; rather, they have served only to exacerbate the dire circumstances of the citizens within recipient nations. I hope that the Bank continues to build on the Good Practice Principles with regard to conditionalities.

Lastly, I think it is important to note that Chairman Frank has been a leader in promoting transparency and accountability within the World Bank. I commend him for his work and would note how important it is for affected citizens to be able to weigh in the policies imposed by the Bank and offer opinions on how to strengthen those policies.

I would like to thank the witnesses for attending and I look forward to this important discussion today.