

**STATEMENT BY GOVERNOR OF THE CENTRAL BANK OF NIGERIA  
CHIEF (DR.) J. O. SANUSI, G-24 CHAIRMAN  
TO THE DEVELOPMENT COMMITTEE**

**WASHINGTON DC, APRIL 30<sup>TH</sup>, 2001**

1. The Chairman, Mr. Wolfenson, Mr. Kohler, distinguished ladies and gentlemen, it is an honour to address this Committee as the Chairman of the Group of Twenty Four.
2. The deterioration in global economic prospects, arising mainly from the slowdown in the US economy, unsuccessful recovery efforts in Japan and low growth in Europe, is a source of concern to G-24 Ministers. The adverse world economic outlook has created uncertainties, especially with respect to resource flows to developing countries, and has made economic management a Herculean task for them. These difficulties are further compounded by weak demand for primary commodities in industrial countries and the secular decline on their prices.
3. G-24 Ministers welcome the progress made under the Enhanced HIPC Initiative, but are concerned that only one country has reached completion point. They deem it necessary to have more eligible countries reach completion point as soon as possible and to have access to adequate and additional concessional financing for achievement of increased growth and long-term debt sustainability. Ministers also emphasise the need for HIPC relief to be directed towards poverty reduction, with priority given to social spending in the areas of education, health and HIV/AIDs.
4. Ministers note the progress made on the poverty reduction Strategy Paper (PRSP) process, but emphasize the need to keep conditionality simple, realistic, and focused on a few major issues. They also indicate that the preparation and approval of the PRSP be designed in a manner consistent with existing institutional framework in the country concerned. They welcome the Poverty Reduction Support Credit (PRSC) instrument of the Bank and stress the importance of avoiding unnecessary overlap, conflicting advice and cross-conditionality with IMF Poverty Reduction and Growth Facility (PRGF).
5. With respect to resource flows to developing countries, Ministers note that negotiations for the 13<sup>th</sup> replenishment of International Development Association (IDA) resources are currently underway. They urge donors to ensure that IDA-13 is adequately funded to meet increasing needs of the poorest countries.
6. Ministers underscore the need for the BWIs to ensure that developing countries have a larger voice in the decision making processes of these institutions. They note that the workload of the chairs representing developing countries – particularly the African chairs – on the BWI Boards has increased significantly as a result of the PRSP process, the HIPC Initiative, and post-conflict and arrears cases. In this regard, they welcome the recent decision of the Fund Board to increase the staff of Executive Directors' offices, and they urge the Bank Board to

follow suit. Moreover, Ministers encourage the BWIs to enhance the representation of developing country-nationals as staff of these institutions.

7. As a major element in their economic programs, many developing countries have implemented trade policy reforms in order to take advantage of the benefits of globalisation. It is therefore, an irony that protectionist practices such as non-tariff barriers, countervailing duties, as well as subsidies in developed countries have limited access of developing countries to their markets, and thus hindered the realization of the benefits of global trade and income generation by developing countries. The G24 Ministers urge that these barriers be removed in order to improve market access.
8. In conclusion, Mr. Chairman, I would like, on behalf of the G24, to express sincere gratitude to the Committee for the opportunity given me to present the views of our Group. We thank the Managing Director of the International Monetary Fund and the President of the World Bank for their support and hope that our Group would be assured of their continuous support.