

**Statement by Chief (Dr.) Joseph O. Sanusi
Chairman of the G-24**

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1. I consider it an honor to address you as chairman of the Group of 24.
2. The G-24 ministers were concerned about the gloomy outlook for the world economy, which stemmed from the slowdown in the US economy, failure of recovery efforts in Japan and slower growth in Europe. We were worried that this has created significant uncertainties and risks and has made economic management in developing countries more difficult. The implications of these developments for developing countries are severe, in terms of their economic performance and resource flows, particularly against the backdrop of the weakening demand in the industrial countries and a secular decline in non-fuel commodity prices.
3. While welcoming the progress made under the Enhanced HIPC Initiative, the G-24 ministers noted with concern that only one country had reached the completion point. They considered it expedient to bring more eligible countries to the completion point at the earliest and emphasized the need to ensure these countries' access to adequate and additional concessional financing so as to facilitate the attainment of the objectives of high growth and long-term debt sustainability.
4. Mr. Chairman, developing countries, in the course of undertaking trade liberalization, have become major players in the global market, as their share of world trade has increased substantially during the last three decades. However, many of them, particularly the low-income countries, are yet to benefit from this trade expansion largely because of the protectionist mechanisms, such as anti-dumping and countervailing duties, as well as subsidies in advanced economies and the slow implementation of trade liberalization agreements, particularly with respect to agricultural products. Barriers to developing countries' exports in industrialized markets have continued to constrain the export potentials of developing countries and inhibiting their competitiveness.
5. Regarding the strengthening of the international financial system, the G-24 ministers noted the significant progress that had been made through the development of international codes, standards, and best practices, applicable to both developed and developing countries, but continued to emphasize that the observance of these standards and codes remains voluntary, duly recognizing the country-specific circumstances and stages of development, including administrative and institutional constraints. The Group also stressed that the observance of these standards and codes should not be incorporated in program conditionality and, in addition, underscored the importance of technical assistance to and capacity building in developing countries to facilitate their observance of these standards and codes.

6. Mr. Chairman, combating money laundering remains a matter of global concern and important to the protection of the integrity of the international financial system. A cooperative strategy by both developed and developing countries is essential in this regard and should at the same time encompass offshore and major financial centers. The involvement of the World Bank and the Fund in combating money laundering should, however, take cognizance of the lack of consensus on what constitutes financial crime and should be limited to their respective mandates.
7. While underscoring the catalytic role of the BWIs in the resolution of financial crises, our group welcomed the on-going work on involving the private sector in the prevention and resolution of financial crises, but stressed the need for maintaining a voluntary approach where member countries are ultimately responsible for negotiating with their private creditors.
8. On conditionality, the G-24 ministers welcomed the review initiated by the Managing Director of the IMF, but emphasized that conditionality be kept simple, realistic and focused on a few key issues while avoiding overlap, conflicting advice and cross-conditionality. They noted that excessive conditionality undermines national ownership of the programs, which is essential for their successful implementation and urged that the application of conditionality in Fund-supported programs be streamlined, made more focused, more effective and less intrusive while taking cognizance of the institutional as well as administrative capacity and domestic legislative processes of program countries.
9. The governance of the BWIs, particularly in the decision-making processes of these institutions, remains an issue of major concern to our group.
10. In conclusion, Mr. Chairman, let me, on behalf of the Group of 24, express my appreciation for the opportunity given to me to address the members of this august Committee. I also wish to express gratitude to the Managing Director of the IMF and the President of the World Bank for their continued support.