



PERMANENT MISSION OF NIGERIA TO THE UNITED NATIONS

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STATEMENT

BY

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AT THE

**HIGH LEVEL DIALOGUE OF THE UNITED NATIONS
GENERAL ASSEMBLY ON FINANCING FOR DEVELOPMENT**

NEW YORK, 7TH DECEMBER 2011

Mr. President,

Nigeria appreciates the importance of this agenda item at a time when economies across the globe are grappling with the on-going recession and its attendant consequences. My delegation associates itself with the statement made by the representative of Argentina on behalf of the Group of 77 and China and the representative of Tanzania on behalf of the African Group and wishes to add Nigeria's perspective to the debate. We expect this meeting to come up with a salutary outcome that would justify its *raison d'être*.

The importance of the international financial system and how it could resolve the effects of the current economic crisis continues to gain global momentum in every debate on this subject matter and based on the lessons learnt, my delegation believes that in order to build a global financial system that will restore investor confidence, provision must be made for strong and vigilant regulatory oversight. The expansion of global economic imbalances in an increasingly interdependent global economy, international cooperation and adequate regulation are inevitable in the effort to stabilize financial flows between and among countries.

It is evident that developing economies are the most affected. They face difficult financial situations, culminating in reduced abilities to finance critical programs that are relevant to enhancing their growth potential. At the same time, these countries are at a disadvantaged position in accessing international capital markets in view of increased demand for funding by developing economies. It has therefore become imperative that timely actions are taken to safeguard the financial capacities of both the International Bank for Reconstruction and Development (IBRD) and the International Finance Corporation (IFC) in order to sustain scaled up assistance to client countries. While steps are being taken to address the financial capacity of these organizations, it is critically important for these institutions to honor previous commitments to the International Development Association (IDA). It is our hope that a stronger capital base will facilitate the IBRD's enclave lending to IDA countries. Also, there should be enhanced focus in making financing available to fragile and conflict affected countries that are worst-hit by the crisis.

Mr. President,

Nigeria recalls with fondness the great hopes the Monterrey Consensus held for global economic growth and development, especially for developing countries. That hope was not misplaced as it was based on a collective desire and perceptive understanding of the goals to be achieved. The intentions were genuine and expectations justified. And true to the spirit and content of the document, economies of most developing countries actually exhibited some modest growth, which soon virtually evaporated in the face of unforeseen challenges.

The Doha Review Conference in 2008, which was set to redress obvious setbacks and give impetus to the implementation of Monterrey, was also to chart the way forward in implementing and exploring innovative ways of generating resources for development. This had become even more imperative as a result of serious mitigating factors inhibiting development, including the convergence of global crises: energy, food and financial and their culmination in the global economic meltdown that has since plunged the entire world into a deep economic recession.

Mr. President,

Nigeria's GDP grew from 7% in 2009 to an estimated 8.1% in 2010. Its medium-term prospects are bright, with real GDP growth projected to remain strong and stable at 6.9% in 2011 and 6.7% in 2012. This underscores the resilience of the Nigerian economy. Medium-to-long term prospects would require addressing key reforms in order to advance infrastructure development and broaden the economic base through enhanced private-sector participation. However, in order to better manage the economy and set the stage for long-term stable growth in an effort to break the past 30 years of uncontrollable boom-and-bust cycles, the Nigerian Government introduced a Transformation Agenda that recognizes trade and investment as a linchpin of Nigeria's international engagements. This was in the clear realization that trade and investment has the capacity to leverage and catalyze economic development. Furthermore, the economy is also being diversified not only to promote export but also expand our infrastructure base to complement the attainment of the Commerce 44 Strategy

which targets the penetration of specifically identified international markets with products from designated major sectors of the economy. The main thrust of Nigeria's trade policy is the integration of the economy into the global market system. This entails progressive liberalization to enhance competitiveness of domestic industries; effective participation in trade negotiations to harness the benefits of the multilateral trading milieu, promotion of transfer, acquisition and adoption of appropriate technologies; and support for regional integration and cooperation.

Mr. President,

Nigeria is making progress with economic reforms that are delivering strong economic fundamentals. The government has maintained prudent macroeconomic policies, strengthened financial institutions and, albeit slowly and unevenly, is undertaking reforms to transform the economy structurally. The reform effort, aided by revenue from high oil prices, has led to significantly improved macroeconomic outcomes, lower inflation rate and strong GDP growth.

The task before us is indeed enormous and calls for the need to guard against setbacks in achieving the Millennium Development Goals by 2015. This requires the adoption of a risk focused and rule based international regulatory framework and strong support for the right policies that would limit the volatility of short term capital flows and entrenchment of tools to encourage long term foreign direct and portfolio investment.

Mr. President,

Debt servicing efforts to sustain the escalating debt burden faced by developing nations continue to be plagued by negative external factors such as adverse exchange rate movements and volatile remittances in official development assistance. In order to mitigate against credit shocks, Nigeria's Debt Management Office (DMO) has developed a National Debt Management Framework (NDMF) to guide various policies and to map out strategies for external and domestic borrowing by governments at Federal, State and Local levels. Furthermore, the government has established a Sovereign Wealth Fund to help cushion the effect of a steep drop in revenue. My delegation therefore reinforces the call for more debt

relief, including outright cancellations for poorer nations and for the exploration of more options to restore a steady and income generating development assistance.

Mr. President,

The global economy still faces considerable risks and challenges. The crisis has and will continue to impact on the developing economies. We note with concern that the recovery of our economies may take much longer than expected. In this regard, efforts at stimulating the economies, as well as action to promote job creation and safety nets remain critical to ensuring that the remarkable gains of the past decade are preserved. These efforts will help the continent return to strong and all-inclusive growth, as well as provide the basis for making in-roads into poverty reduction.

My delegation notes that in response to the crisis, the World Bank Group (WBG) has taken measures, within its capacity, to increase its grant and concessional lending by introducing new instruments, fast tracking implementation, and front loading commitments. In this context, we applaud the Bank for establishing the IDA Fast Track Initiative and urge that disbursements should be similarly expedited. While these efforts are encouraging, they are not comprehensive enough and fall far short of what is needed to quickly respond to such crisis in IDA countries.

My Government urges an expeditious reform of the international financial system that would enable these institutions to play their roles more efficiently, effectively and with a high degree of transparency and accountability, in both their structures and functions. We hope that such reforms will provide for the empowerment and enhancement of the delivery capacities of regional financial institutions to enable them support development activities in developing countries, especially in sub-Saharan Africa.

To conclude, Mr. President, Nigeria wishes to emphasize the necessity for improved and invigorated international surveillance system, both at the bilateral and multilateral levels. This would ensure that future crisis would not take the world unawares and develop into the current magnitude.

I thank you.