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Statement by the Hon. **YAW OSAFO-MAAFO**,
Governor of the Bank for **GHANA**,
at the Joint Annual Discussion

ANNUAL MEETINGS- PLENARY SESSION

**STATEMENT BY HON. YAW OSAFO-MAAFO, M.P
MINISTER OF FINANCE AND ECONOMIC PLANNING
REPUBLIC OF GHANA**

SUNDAY, OCTOBER 3, 2004

Mr. Chairman, President of the World Bank, Managing Director of the IMF, Fellow Governors, Distinguished Ladies and Gentlemen, may I also take this opportunity to welcome Mr. Rodrigo Rato, the Managing Director of the IMF to his new job. The enthusiasm and interest with which he has already taken to his work is impressive. We also want to thank the former Managing Director of the IMF, Mr. Kohler, now President of the Federal Republic of Germany for his efforts and his special attention to Africa during his tenure as Managing Director.

I am glad to note that the World Economic Outlook indicates that the prospects for the global economy, including African economies, are improving. While this is good news, the downside risks for non-oil producing African countries, that are inherent in crude oil price developments cannot be underestimated and are worrisome and could put their reform programs at risk. In an already resource-constrained environment, the rising oil import cost will call for additional resources in the short term to underpin the macro stabilization and other reforms that have begun to deliver increasingly rapid growth.

As to the development agenda, we are all agreed that on current trends many of our countries in Africa will not meet the Millennium Development Goals (MDGs). The development agenda, which is essentially a growth agenda, should therefore be given urgent attention. We need growth to achieve poverty reduction. We need growth to resolve the serious unemployment problems facing most developing countries. But how do we generate growth without adequate resources?

Mr. Chairman, the simple fact is that we need additional resources. Timely availability of resources in adequate and predictable amounts is essential if we are not to lose more time in pursuing the MDGs. It is in this context that the recent initiatives by the U.K. Government to write-off the U.K. portions of debts owed by low-income countries to the multilateral institutions is a welcome addition to the International Financing Facility proposal that has been made by Chancellor Gordon Brown. The Millennium Challenge Account facility designed

by the United States is also very welcome in this regard. We would like to urge our development partners to accept the challenge and commit significant additional resources that will allow countries undertake the sort of investments and policies that would promote the attainment of the MDGs. I am sure we are prepared to do our part of the Monterrey Compact.

Mr. Chairman, many African countries are undertaking reforms in the area of political and economic governance. In Ghana for example, the Government, after assuming office in 2001 set about the task of establishing macroeconomic stability, establishing transparency and accountability in public resource management and introducing new standards for governance.

A new anti-corruption strategy was put in place, including Codes of Conduct for state officials, reform of the procurement system, and strengthening of anti-corruption agencies. Press freedom was encouraged by for example repealing the criminal libel law which sought to muzzle the press. Today, the Press is alive, alert, robust and vociferous.

We see the reforms of economic and political governance as fundamental in creating the environment for the generation of resources from the private sector. A private sector friendly environment is indispensable for tapping the synergies of public and private sector partnerships to improve absorptive capacity and transfer technology required to bolster productivity and output for the achievement of the MDGs.

Mr. Chairman, Peace and Security are pre-requisites for development and Africans are pursuing a proactive foreign policy focussed on regional peace and security and good neighbourly relations. We see the work of NEPAD, ECOWAS and the African Union as very important in this regard and their efforts need to be supported.

While aid is important, free and fair trade is even more so as a key and sustainable source of growth for all countries. This is why it is necessary that developing countries have access to markets of the developed countries and subsidies, especially on agriculture, reduced

if not eliminated. It is our hope that the Doha Round of Multilateral negotiations will be concluded promptly and result in improved market access for developing country exports. Political will is needed to resolve this problem of access to the markets of developed countries. We hope and pray that this crucial decision can be made very soon.

Mr. Chairman, I am pleased that it has been possible for me to voice my views in this forum. We do take the issue of Voice and representation in the Bretton Woods institutions very seriously and urge all parties to work toward a speedy compromise to achieve appropriate balance between the interests of the developing and developed countries.

Thank you for your attention.