

**SPEECH OF THE HONOURABLE MINISTER OF FINANCE
AND GOVERNOR FOR NIGERIA,
MR. OLUSEGUN OLUTOYIN AGANGA
ABIDJAN, 27TH – 28TH MAY, 2010**

Chairman, Board of Governors,
Fellow Governors,
President Donarld Kaberuka,
Distinguished Guests,
Ladies and Gentlemen.

This statement is being read on behalf of Mr. Olusegun Aganga, Honourable Minister of Finance, and Governor for Nigeria, who is unavoidably absent at this meeting. He sends his apologies for not being able to be here.

On behalf of the Federal Government of Nigeria, it gives me pleasure to address the 2010 Annual Meeting of the ADB Group taking place here in Abidjan. I also wish to express my deep appreciation to the people and Government of Cote D' Ivoire for the warm hospitality accorded to the Nigerian delegation since our arrival here in this beautiful city of Abidjan. President Kaberuka, we congratulate you on your re-election into office and we look forward to further strengthening of the existing relations between the ADB Group and Nigeria. We equally thank the President and Management of ADB for the excellent arrangements put in place for these meetings.

Africa and the Global Crisis

- This year's Annual meeting is being held at a time when the global economy has begun to show modest recovery, even though uneven and fragile.
- It is worthy of mention that Africa has weathered the global crisis fairly well due to over two decades of reforms undertaken by our Governments.
- In this regard, Nigeria acknowledges the immense contributions of President Kaberuka and Management of the ADB Group in building on the strong foundation of the Bank. In particular, we attest to the Bank's prompt response and innovative measures taken at the onset of the global economic crisis as well as the reforms adopted to reposition the Bank Group.
- We need to draw some lessons from the global economic crisis – We must continue to diversify our economy, deepen reforms, consolidate on regional integration initiatives and invest in infrastructure to promote growth and development.

Nigeria and the Global Economic Crisis

- Mr. Chairman, I seek your indulgence to briefly touch on the effects of the economic crisis on Nigeria.
- Nigeria was negatively impacted by the second round effects of the global economic crisis. In order to mitigate the effects, Nigeria adopted a number of measures namely:
- Scaling down of public expenditures

- Drawing from the Excess Crude Account that was established under the oil priced fiscal policy regime (US\$20 billion in April, 2009 drawn to \$4 billion) for execution of capital programmes.
- Deepening Financial Sector Reforms:
 - ° 6 distressed Banks (from stress tests carried out) recapitalized
 - ° An Asset Management Company of Nigeria to take over the toxic assets established
- Petroleum Sector Reforms:
 - ° Local Content Act passed
 - ° Petroleum Industry Bill before the National Assembly. The two Acts seek to enhance efficiency, profitability, product availability, and deepening participation of Nigerians in the Petroleum Sector.
- Amnesty was granted the militants in the Niger Delta region and this led to restoring peace and oil activities in the Niger Delta region.
- Vision 20-2020 and immediate priorities of President Goodluck Ebele Jonathan:
 - ° Employment generation
 - ° Infrastructure – Power and road network
 - ° Electoral Reforms
 - ° Niger Delta, peace and security
 - ° Productivity improvement
 - ° GDP growth of 7% in 2010

General Capital Increase, Board Expansion and ADF Replenishment

Mr. Chairman,

At this juncture, kindly permit me to comment briefly on the proposals for the Sixth General Capital Increase, the creation of two additional seats on the Board of Directors and ADF-12 replenishment.

- We affirm our unequivocal support for a GCI of 200% with 6% paid in portion
- We commend the understanding shown by our Development Partners and urge all stakeholders to fully fulfill their obligations on a timely basis
- We support the initiative to make the Board inclusive and therefore welcome the decision to expand the Executive Board of the Bank by two additional seats.
- As we take the important decision of ADF-12 Replenishment, we call for a generous replenishment that will support Africa's development efforts. The contributions under ADF-12 should be an additionality and should not be at the expense of the GCI.

ii. The ADB Group and Nigeria

Nigeria acknowledges the funding support and technical assistance extended to our country over the years. We welcome the Bank's decision to extend the Country Strategy Paper (CSP) till 2011 in order to harmonize it with the Vision 20: 2020; as well as the strategic intervention and support for the Private Sector. Going forward, we expect the AfDB to maintain its focus areas, namely: infrastructure financing, support to private sector

and knowledge sharing, and deepen collaboration with other Development Partners to assist Africa respond appropriately to climate change challenges without jeopardizing socio-economic development.

iii. **The Nigeria Trust Fund**

Let me conclude by commending the President and the Bank Group for the effective manner the Nigeria Trust Fund which was established in 1976 has been managed. So far, 72 operations in 31 Regional Member Countries financed at a cost of UA 309 million have been executed.

We call for speedy resumption of NTF support programmes to eligible countries.

Thank you, all.