STATEMENT BY THE GOVERNOR FOR SUDAN

Your Excellency, The Chairman of the Board of Governors of the Bank Group,
Dr. Donald Kaberuka, President of the Bank Group,
Fellow Governors of the Bank Group,
Ladies and Gentlemen

Please, allow me to express our gratitude and appreciation to the Government and people of Senegal for the superb hospitality they have given to the Sudanese delegation since our arrival in this beautiful city of Dakar. I would also like to extend special thanks to the staff and Management of the Bank Group in their sustained quest for excellence in the service of Africa.

Mr. Chairman,

These Annual Meetings of the African Development Bank Group are taking place at a critical time of a Wall Street-generated global financial crisis, which has in turn led to an economic downturn world-wide. In Sudan, the effect of the crisis is demonstrated by a sharp fall in oil prices, by a decline in foreign direct investment, and by a slowdown in the remittances of Sudanese Diaspora. This has in turn resulted in the deterioration in our public finances and foreign exchange reserves.

Mr. Chairman,

The global financial crisis and subsequent recession have compounded the management of the economy of a fragile state like Sudan. It is complicating the implementation of the Comprehensive Peace Agreement (CPA) in that falling oil revenues means less resources for post-conflict reconstruction and development, which increases the risk of renewed civil conflict in Southern Sudan. It is also undermining our efforts in combating poverty, in resolving the conflict in Darfur as well as in clearing our arrears with the Bank Group, World Bank and the IMF.

Mr. Chairman,

I would like to acknowledge at this juncture the timely and valuable technical assistance the African Development Bank has been given to Sudan in building our capacity to combat poverty. Such assistance by the Bank Group, demonstrates beyond doubt that the Bank’s overriding goal is service to Africa.

In conclusion, Mr. Chairman, I would like to make two proposals:

First, the Bank can help Sudan to emerge out of fragility if it lifts double cross-conditionality it has on Sudan with the World Bank and the IMF. This would enable Sudan to normalize its relation with the Bank Group, since our arrears to the African Development Bank are relatively smaller. This proposal should not be misunderstood as calling for non-cooperation with the IMF and World Bank or as a call for rejecting participation of non-African countries in the share holding of the Bank.
Finally, Sudan is proposing to host a special technical meeting of the Governors of Africa Central Banks to examine the viability of establishing dual banking system – conventional and Islamic – as one of the vehicles for mobilizing additional resources in support of trade-led growth. We would like the Office of the Chief Economist of the Bank to provide a secretariat for this meeting. Sudan is ready to co-finance with the Bank the cost of the proposed meeting.

Thank you.