



Conference on the World Financial and Economic Crisis and Its Impact on Development

Official Records

8th meeting

Monday, 29 June 2009, 10 a.m.

New York

President: Mr. D'Escoto Brockmann. (Nicaragua)

In the absence of the President, Ms. Ochir (Mongolia), Vice-President, took the Chair.

The meeting was called to order at 10.15 a.m.

Agenda item 8 (continued)

General debate on the world financial and economic crisis and its impact on development

(a) General exchange of views on the world financial and economic crisis and its impact on development

The Acting President: I now give the floor to the Chairman of the delegation of the Republic of the Congo.

Mr. Balé (Congo) (*spoke in French*): I would like to congratulate the President of the General Assembly on his commitment and determination throughout this process, which has led to the holding of this United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development. This Conference responds to the legitimate determination of all States Members of the United Nations to involve themselves in the search for fair, equitable and lasting solutions.

Indeed, since the autumn 2008 Washington meeting of the Group of 20 (G-20) on the global financial crisis was announced, many have spoken in favour of establishing a broader, more representative deliberative framework.

This Conference, therefore, is of particular importance. The crisis, due to its scale, provides us today with the opportunity to review the current international economic and financial system. Moreover, it allows us, through new commitments, to give form to a new vision of a world based on solidarity whose cherished advent can only come about through working together.

In April, the G-20 summit, meeting in London, unanimously adopted a series of measures to bring lasting structural solutions to the imbalances in the system. A month earlier, the Committee of African Ministers of Finance and Governors of Central Banks had adopted measures with a view to review the international financial system from scratch. That indeed is what this is all about.

This Conference must establish a new starting point for new changes by establishing the necessary and vital conditions for reform that many countries, particularly developing countries, have for many years been earnestly calling for.

In this respect, we welcome the efforts made by Member States during the negotiations that led to a consensus on the outcome document of the Conference. It is clear that, at midpoint in the achievement of the Millennium Development Goals (MDGs), our success depends to a large extent on the choices that we make today. Therefore, we welcome this framework for action and, in the systemic measures that it sets out, we see a way of dealing with the uncertainty and disorder that weigh upon the world today.

This record contains the text of speeches delivered in English and of the interpretation of speeches delivered in the other languages. Corrections should be submitted to the original languages only. They should be incorporated in a copy of the record and sent under the signature of a member of the delegation concerned to the Chief of the Verbatim Reporting Service, room C-154A. Corrections will be issued after the end of the session in a consolidated corrigendum.



However, we must be specific about the nature of the measures to be taken, both globally and in terms of Africa and other regions, both with respect to public policy, in order to involve all stakeholders, and with respect to the people themselves, so that they can be mobilized towards goals of international, responsible and coordinated solidarity.

Similarly, as a general mobilization is being seen with regard to this crisis, we can only hope that this trend will lead to the establishment of a fair economic system that benefits all peoples throughout the world. That is why we consider that it is highly important and beneficial to advocate a global new governance system. Furthermore, we emphasize the urgency of truly bringing it about. That reflects the expectations we have with regard to the participative cooperation open to all because, as we have the opportunity to say on many other occasions, the reshaping of the international financial system is everybody's business.

All countries are affected by this crisis to different degrees, but African countries are particularly affected, despite the fact that they are marginal in global trade. Africa, because of the vulnerability of its economy, is suffering the consequences of a crisis for which it was not responsible, at the very moment when it was beginning to turn the corner in terms of growth and the reduction of poverty, although for many African countries the Millennium Development Goals continue to be a major challenge.

This situation, which was worsened by the energy crisis, the food crisis and climate change, has been exacerbated by the drop in commodity prices and the negative impact that this has had on export revenue. Export revenue is a major financial lever for our nascent economies.

Because the Congolese economy looks outward, it is all the more vulnerable to external shocks, and the crisis has revealed its extreme vulnerability. Because of the nature of our trade with developed countries that have been seriously affected by the financial crisis, my country has seen an entire sector — the forestry sector — contract by nearly 50 per cent, with all the resulting economic and social consequences.

Moreover, our very deep dependency on oil, the inadequacy of basic infrastructure, the debt burden, the high cost of inputs for production and the low level of financing in the economy from the banking sector — despite its having been restructured — represent

challenges that our Government is working to address. Hence, the progress that has been achieved over the past 10 years allowed for strong growth with a considerable reduction in poverty. Unfortunately, because of external factors that have damaged the macroeconomic equilibrium, we have had to revise our growth targets downwards.

To deal with the negative consequences of the crisis, and particularly its high social and human costs, the Congolese Government has implemented a number of measures. These efforts being made by my Government require the support of the international community, particularly developed countries, without prejudice to their earlier commitments, which now need to be respected more than ever.

It has been formally recognized, and we reassert this fact here, that the protection of the Congo basin forest is vital for the sustainable economic development of the countries in the region as well as for the international community. For this reason, in this period of a financial crisis, my delegation stresses the need to continue to seek out and pursue adequate funding to conserve the Congo basin, which is the world's second most important ecological lung.

The response to this crisis must be worldwide. For that reason, in the context of this global effort, we must ensure that the United Nations plays the role provided for it in the Charter, resolving international economic and social problems. Hence, we must establish a United Nations system that is stronger and which plays a key role in coordinating international cooperation for development.

The Acting President: I now give the floor to the Chairman of the delegation of the Plurinational State of Bolivia.

Mr. Solón-Romero (Plurinational State of Bolivia) (*spoke in Spanish*): Allow me to begin this statement by speaking about the serious situation in Honduras, which we cannot avoid addressing. All of the Governments of Latin America and the Caribbean have condemned the very grave coup d'état which took place yesterday and are calling for the restoration of President Zelaya to his functions. Nevertheless, despite the isolation in which the authors of the coup find themselves and the international rejection they have received, the first death has taken place in Honduras, and if the legally elected President, President Zelaya, is not swiftly restored, the situation can deteriorate in a

truly unfortunate manner in our dear sister Republic of Honduras. For this reason, the Plurinational State of Bolivia and the other countries of the Bolivarian Alternative for the Americas (ALBA) have urgently called for a meeting in order to address the situation in Honduras.

Turning to the issue at hand, for the Plurinational State of Bolivia, the main achievement of this Conference has been to demonstrate to the elites that control the centres of power that they are responsible for the crisis and that they cannot continue to flout the will of the vast majority of the people of the world. This Conference is a triumph of democratic participation in the face of the despotism of the Washington Consensus of recent decades.

We wish to indicate, first of all, that this crisis is not a cyclical crisis. It is a structural and systemic crisis that calls for far-reaching responses, not just short-term measures. Those who believe that a simple injection of fiscal money and a few regulatory measures will return us to business as usual are quite mistaken. This crisis is not the product of a simple failure to regulate the system. It is an integral part of the capitalist system, which speculates on all the goods and values in order to obtain as much profit as possible.

Competition and the capitalist system's boundless thirst for profit are destroying the planet. For capitalism, we are not human beings, but consumers. For capitalism, there is no Mother Earth. There are just raw materials.

Capitalism is a source of the asymmetries and imbalances in the world. It generates luxury, ostentation and waste for the few while millions die of hunger worldwide. In the hands of capitalism, everything becomes merchandise: water, land, the human genome, ancestral cultures, justice, ethics and life itself. Everything, absolutely everything, is bought and sold in capitalism. Even natural disasters have become a source of business.

We, the peoples and Governments of the United Nations, are facing a major crossroads: either to continue along the path of capitalism and exclusion or take the path of a new model with respect for life and living in harmony with nature.

We, the poor countries of the South, cannot continue to pay for the serious errors of rich countries

of the North which have led to this crisis. The big paradox and the big injustice is that money today is flowing out of the poorest countries to go to the richest ones. That is unacceptable. Those who should pay the bills for the crisis are the guilty, not the victims. The developed countries must face the consequences and pay the bill for sparking this disaster, which was triggered by worldwide neoliberalism.

For this reason, we believe that, first, to compensate developing countries for the economic and financial catastrophe that the developed countries have triggered, those countries must contribute at least an additional 1 per cent of their gross domestic product to create a fund to help mitigate the severe effects of the financial crisis in developing countries. We are talking about a real compensation and mitigation fund for developing countries. Developing countries need fresh resources for investment to generate jobs and not just to stabilize the balance of payments, as the Group of 20 (G-20) suggests.

Second, it is essential to open unilateral trade immediately for manufactured products of the developing countries most severely hit by the economic crisis. The crisis cannot wait for the end of the Doha Round. The North must stop promoting free trade agreements that only lead to social upheaval in our countries, and it must open its markets in order to make restitution for the damage being caused by this crisis.

Third, it is essential to cancel the external debt of the developing countries most affected by the crisis. If your creditor burns your business down, the least he can do is write off your debt. A way to ease the economic situation of the most affected developing countries is to cancel their debt immediately.

Fourth, all conditionalities in loans and assistance to developing countries must be withdrawn. It is not acceptable to maintain or create new types of conditionalities to try to discipline the economies of our countries, as was the case during the time of the Washington Consensus.

Fifth, we must develop a new system of international reserves that does not depend on the dollar or other dominant currencies in order to protect developing countries from monetary fluctuations and speculation that take place in countries of the North. Developing countries must stop financing the countries of the North and start using our reserves to leverage

more resources in order to emerge from the crisis and attain sustainable growth.

Sixth, the main bet of developing countries must be on integration — on a union of the countries of the South — so that we can build our own options, such as the Bank of the South, transactions in national currencies, the Single Regional Compensation System (SUCRE), the Bank of the Bolivarian Alternative for the Americas, PetroCaribe and many other regional initiatives that are being built in various parts of the world.

Seventh, it is essential to ensure that developing countries have the political space they need to implement trade and financial measures aimed at guaranteeing the rights to food, employment, health, energy, water, credit and all basic services. We cannot confuse the protectionism of sharks with the protectionism of sardines. Developing countries must be able to take trade measures to avoid shortages or rises in food prices that have resulted from this financial crisis.

The eighth crucial aspect is the complete restructuring of the International Monetary Fund, the World Bank and the World Trade Organization. Those institutions are responsible for the crisis. They have failed, and they must be changed. It is not possible for them to reform themselves, as some have proposed. If that were to happen, the change would only be cosmetic. For that reason it is essential that the United Nations play a key role in the evaluation, monitoring and restructuring of the World Bank, the International Monetary Fund and the World Trade Organization: in the General Assembly, each country is equally valued. That is not what happens in the Bretton Woods institutions, where a few powerful countries control the decisions taken.

Ninth, the financial crisis has demonstrated that the free market and free trade are unable to regulate themselves. It is we, the States whose societies participate democratically, that must plan the future of the world. We should not permit the free will of the market to trigger even more chaos, instability and injustice. Here, we need new institutions to plan, regulate and supervise an economy based on the principles of solidarity, justice and the rights of Mother Earth and of all living beings.

In conclusion, my country is convinced that the key determinant factor to extricate us from the crisis is

not institutions, technocracy or even in our own Governments. It is the capacity of our peoples to organize, mobilize and collaborate at the international level.

The Acting President: Before giving the floor to the next speaker, I wish to inform members that in the light of the situation in Honduras and upon the request of several Member States, the President of the General Assembly will convene the 91st plenary meeting of the Assembly today, Monday, 29 June 2009, at 12 noon, to consider agenda item 20, entitled “The situation in Central America: progress in fashioning a region of peace, freedom, democracy and development”.

I now give the floor to the Chairman of the delegation of Tajikistan.

Mr. Aslov (Tajikistan) (*spoke in Russian*): First of all, I would like on behalf of the delegation of the Republic of Tajikistan to express our appreciation to the President of the General Assembly and the Secretariat for their efforts to organize this very important Conference. I wish all of us every success.

For the past six months, since the Doha Conference on Financing for Development, the international community has been undertaking important and practical steps at the global, regional and national levels to address and mitigate the impact of the crisis. We support those efforts and recognize that the solution of any global problem, including the current world financial and economic crisis, requires global and coordinated actions. However, it is obvious that developing countries, especially low-income and landlocked countries, still remain the most vulnerable in terms of meeting the challenges posed by the financial and economic crisis.

Today, due to the global financial and economic crisis, the economy of Tajikistan is facing serious difficulties, including constantly increasing food and energy prices. This has made it difficult for Tajikistan to attain the Millennium Development Goals (MDGs). The macroeconomic situation too continues to deteriorate. According to forecasts for the year 2009, income was to have increased by 20 to 25 per cent consistent with budget indices approved at the beginning of the year. The Government of Tajikistan therefore had to review the country’s budget, but has kept expenditures allocated to the social sector at the same level. For Tajikistan, which in recent years has experienced additional difficulties due to the global

energy and food crisis and the ever-growing number of natural disasters, mitigating the impact of the financial and economic crisis is an extremely complicated task.

My Government has developed a plan to address the crisis in the short term. Its measures are aimed at ensuring macroeconomic and real-sector stability and at promoting the development of the private sector, supporting the labour market and the migrant workers concerned and ensuring social support for the population in this time of financial crisis. Obviously, without assistance from the international community, the United Nations and other international and regional financial organizations and institutions, it will be difficult to overcome the current problems.

One of the most urgent tasks in ensuring the country's development is establishing the conditions for the rational use of natural resources, the processing of local raw materials and expanding local production capacity. Tajikistan has sufficient raw materials and natural resources to ensure efficient development of the economy. But stimulating local production, including use of the country's natural resources, requires enormous capital investment. But for external reasons the Government is not capable of mobilizing sufficient internal resources to deal with the crises it faces.

For that reason, the Government of Tajikistan is interested in cooperating with partner countries, donor States and international organizations to develop and implement projects that could have a real positive impact on the country's economy and could be mutually advantageous. First and foremost, we would point to projects for the development of Tajikistan's hydroelectric resources. Supplying the country's economic sectors and population with sufficient energy is the key to ensuring development. The annual hydropower capacity of Tajikistan is estimated at 527 billion kilowatt hours; only about 5 per cent of that capacity is currently being utilized.

We are confident that dozens of countries throughout the world that possess considerable resources that could ensure the development of their real economies lack sufficient financial capacity to exploit them and thus ensure their own development. In that regard, we suggest that international organizations and developed countries take necessary measures to support projects and programmes in developing countries, especially in low-income countries, that could be genuinely beneficial for their development.

On the initiative of the United Nations and with its assistance, Tajikistan has defined a national development strategy for the period to 2015 based on the Millennium Development Goals. We have also adopted a Poverty Reduction Strategy which envisages the achievement of an acceptable annual rate of economic development and halving poverty. However, because of the current world crisis, the Government's financing capacity has been considerably reduced and the timely and complete implementation of the national development strategy and the Poverty Reduction Strategy remains uncertain.

There is therefore an urgent need to carry out a review of the efforts being made to implement those national strategies. In that connection, my delegation would like once again to take this opportunity to call on United Nations agencies, international financial institutions and donor States to contribute to the holding of a conference in our capital of Dushanbe to review the progress made in the implementation of those major strategies, as well as to provide assistance for their continued implementation.

A social approach to our efforts to address the financial and economic crisis is crucial. However, we should not ignore the opportunities provided by direct investment and trade. Once those development instruments are given new impetus, the process of overcoming the crisis can be sped up and justice, transparency and the interests of various countries in this process can be achieved.

In his statement at the Doha conference on financing for development, Tajikistan's President Emomali Rahmon noted that developing countries should have an opportunity to influence the adoption of decisions pertaining to economic development at international organizations, as well as to make a significant contribution to addressing such issues. The time has come to review the current structure of international financial organizations. We suggest that their leadership and management bodies include representatives of developing countries. The President's call is still relevant today.

In conclusion, I would like to emphasize that the decisions of this Conference are of paramount importance and will lay a solid foundation for coordinated and collective action to address the impact of the crisis and strengthen development efforts. We

support the outcome document, which outlines important areas for future efforts.

The Acting President: I now give the floor to the Chairperson of the delegation of Swaziland.

Mr. Nhleko (Swaziland): It is my great honour to address this high-level Conference on behalf of His Majesty King Mswati III, Her Majesty the Indlovukazi, and the Government and the people of the Kingdom of Swaziland.

Globalization has irrefutably changed the structure of the modern firm. The economic borders of our world are no longer drawn between countries, but around economic domains. Commercial entities have sold and sourced their wares and services around the world. Many have reaped efficiency gains by outsourcing their activities to low-cost corners of the world and have been able to reap equally high yields on their investments by taking advantage of the unencumbered movement of capital.

However, today we gather not to sing the praises of that new, efficient and interconnected world, but to rue its detrimental effects. What began as a national crisis in the financial sector has fast become a global phenomenon affecting goods and services in the real economies of developed and developing States alike — the latter having made little, if any, contribution to the cause of the crisis.

Small, open and vulnerable developing countries like my own, although not affected directly by the financial crisis itself because of our weak integration into world capital markets, have nonetheless been affected much more directly by the economic contraction of the advanced economies. Those secondary effects continue to evolve, implying that we, the poorest countries of the world, have not seen the worst of the crisis. Already reeling from the disastrous effects of the food and fuel crises, our countries have now to contend with falling export volumes and commodity prices, balance of payment shortfalls, reduced access to trade financing, diminished foreign direct investment and reduced remittance flows, to enumerate but a few of the challenges.

The crisis has triggered a slowdown, and in some instances an outright retraction, of the economic and social progress achieved by many developing countries during past decades. That is making the achievement of internationally agreed development goals, including

the Millennium Development Goals, an unattainable task. However, unlike many advanced countries, most developing countries, mainly in Africa, lack the individual financial capacity to either affect the system or to provide the necessary stimulus measures to jump-start their economies and weather the economic meltdown.

With revenues and official aid declining in many poor countries, the world should be further alarmed by the erosion of the legitimacy of national and regional Governments. As the crisis continues unmitigated, the security and integrity of sovereign States will become yet further casualties of the economic collapse of developing economies.

Globalization has facilitated the rapid spread of the crisis throughout the world. While we appreciate the initiatives and efforts that have already been made to try to find a solution to the financial and economic crisis, including those of the G-20 summits held in Washington, D.C., and London, it is only fitting that the United Nations should hold this Conference as a key component of our collective efforts towards recovery. The work done and decisions taken in this body, which enjoys the largest international representation, will consolidate what is already being done by other actors in other forums. It is also intended to provide political guidance and direction for future meetings, action and measures undertaken by the world community at large.

Those efforts will require developed countries to provide leadership in steering the global ship out of perilous waters. Developed countries need to intensify efforts to boost global demand, restore stability in financial markets, strengthen financial-system regulation and unlock credit markets to increase prospects for global recovery.

Similarly, developing countries cannot sit idly by in complacency. There is a need to deepen economic and structural reforms, to diversify our economies, to make greater efforts to boost private savings by building and strengthening domestic financial systems, to maintain political and macroeconomic stability and to exploit the potential of microfinance institutions for the mobilization of savings in the informal sector. To realize those imperatives, the Government of the Kingdom of Swaziland has, for example, partnered with regional financial institutions such as the African Development Bank to carry out a medium-term

programme on bank intervention, in line with development priorities articulated in Swaziland's poverty reduction strategy and action plan.

In conclusion, as we the States Members of the United Nations gather here today to find a global solution to what is considered to be the worst financial and economic crisis since the Great Depression, let us remember that, as the crisis continues to ravage developed and developing countries alike, it is the least developed among them, which lack the means to buttress themselves, that will bear the brunt of the downturn. It is the responsibility of developed and developing Member States alike to do whatever is possible, within the limited resources available, to grow economies and arrest the slippage into abject poverty of the most vulnerable among us. Let us also remember and honour the multilateral and bilateral commitments we have made, as they may make the difference between falling off the economic precipice and surviving to see the now famous green shoots of the global economy.

The Acting President: I now give the floor to the Chairperson of the delegation of Tunisia.

Mr. Snoussi (Tunisia) (*spoke in French*): At the outset, allow me to congratulate the President of the General Assembly and the Secretary-General for the high quality of the organization of this Conference, and to warmly thank the two co-facilitators for their efforts to complete the difficult negotiation process on the outcome document (A/CONF.214/3).

The statements that have been made in recent days by heads of delegations note that the global financial and economic crisis reflects the failure of a certain model of multilateral coordination and that globalization has favoured financial integration to the detriment of economic integration. This is an unprecedented crisis that requires an unprecedented response — a collectively agreed and implemented response.

Is it not paradoxical that this Conference is taking place against the backdrop of a crisis, when in fact it is taking place at a decisive stage in the achievement of the Millennium Development Goals (MDGs)? In this context, has not the MDG process itself been left on the back burner as the financial crisis has risen to the top of the international political and economic agenda?

Indeed, because of its systemic nature and its global scope, this crisis has given rise to many and varied questions with regard to the trustworthiness and universal nature of the international governmental architecture of governance and the need to review the bases on which the international financial system was founded. The objective is to make that system more open, more transparent, more stable and more inclusive in order to ensure greater participation by developing States in the management of global affairs and to make the international economic order fairer and more balanced so as to place development and the human dimension at the heart of the global agenda.

In this difficult environment, it has become crucial for States to strive to better coordinate their efforts in economic, financial and military affairs in order to strengthen their capacity to plan for developments, avoid risks and preserve the stability of their financial markets and their rate of growth.

In this respect, the United Nations, as the global structure with the necessary legitimacy under the provisions and tools of the Charter, can play a more significant governing and regulating role in the international financial and economic process to better meet its development mandate and guide the policies of regional and multilateral financial institutions. In this context, the Economic and Social Council, given its status as the central mechanism for system-wide coordination, follow-up and formulation of recommendations in economic and social matters, is capable of assuming this role.

Since the outbreak of the global economic and financial crisis, alternatives and solutions have been put forward. In this regard, greater attention should be given to the recommendations and guidelines set out by the Commission of Experts on Reforms of the International Monetary and Financial System established by the President of the General Assembly. The recent decisions of the G-20 should also be supported, enhanced and monitored.

Similarly, it is necessary to extend control over all financial bodies whose activities present a factor of risk, including sovereign funds and investment funds, and to establish specific rules to ensure that the funds of financial institutions are adequate to their undertakings. It is highly recommended to strengthen the links between the financial sector and the real economy, and to ensure that they are durable and

adequate. We should establish more rigorous standards for the management of risk assessment and in the supervision of complex financial products.

To that end, Tunisia supports the establishment of a code of conduct to control, under the aegis of the United Nations, all oversight bodies and to provide a framework for working methods in the financial system and its fiscal tools, and to prevent excessive liquidity.

Tunisia welcomes the decision to introduce greater flexibility in the instruments to prevent and resolve crises within the International Monetary Fund. We join in the appeal for the access of the poorest countries to funding within the framework of concessional facilities to be rapidly and substantially increased. Tunisia supports the G-20 consensus in particular with regard to respecting financial regulation of derivatives, the reform of ratings agencies and rules that apply to subsidiaries of foreign countries in host countries.

Like many delegations, Tunisia's believes that the financial and economic crisis must not be a pretext for reducing development assistance or for adopting protectionist measures in trade, investment, finance and the revenues of migrant workers.

The financial and economic crisis, combined with the climate threat, weakens and even endangers the achievements of and prospects for development. Indeed, faced as we are with the many present and future adverse impacts of the crisis, on the one hand, and the fact that our ability to respond is limited by economic, financial and technological imbalances, on the other, the major challenges of the crisis and the measures needed to meet them are additional handicaps requiring further efforts at readaptation.

Finally, Tunisia supports the idea of establishing within the United Nations a follow-up mechanism for the implementation of the commitments made in the Doha Declaration as well as the outcome document that has crowned the work of this Conference.

The Acting President: I now give the floor to the Chairman of the delegation of Ghana.

Mr. Christian (Ghana): We have come a long way to get to this day — from the decision taken at the International Conference on Financing for Development in Doha in December 2008 through the adoption of the modalities resolution (resolution 63/277) and the negotiations of the outcome document (A/CONF.214/3).

Our ability to transcend all the hurdles is in itself an achievement of which we must all be proud.

We appreciate the fact that this crisis requires an unprecedented global response, and the most economically powerful countries in the world — through the G-7, G-8 or G-20 — have risen to the call for urgent action. However, the efforts so far have left the rest of the international community, particularly developing countries, out of the debate on how to deal with the crisis. It is for this reason, among others, that Ghana applauds the Secretary-General and the President of the General Assembly for their leadership in coordinating the global response, and in particular in convening this major international conference to tackle the crisis.

Let me also salute the facilitators, the Permanent Representatives of the Netherlands and Saint Vincent and the Grenadines, for skilfully and successfully steering the negotiations. We also commend the negotiators, especially Ambassador Lumumba, who led the G-77 negotiations. The efforts of various stakeholders, including the Commission of Experts chaired by Mr. Joseph Stiglitz, in putting forward varied proposals for the consideration of Member States should also be commended. We also acknowledge the contributions of several civil society organizations through their representations and organized campaigns to ensure that the outcome of this Conference works for the people of the world.

The crisis has now spread to all regions of the world, with dire consequences for trade, investment and growth. For Africa, the crisis represents a serious setback because it is taking place at a time when the continent is gradually but steadily making progress in economic performance and management. The region has had an improved growth rate of above 5 per cent and declining inflation. There have also been significant improvements in governance and a reduction in armed conflicts, improving the region's attractiveness to private capital flows.

At a time when Africa is slowly recovering from the negative effects of the fuel and food crisis, the key challenge facing the continent is how to manage the current crisis to ensure that it does not reverse the progress made and thereby diminish any prospects of achieving the Millennium Development Goals and other internationally agreed development goals. The impact of the crisis on Africa has been felt mostly

through the financial sector, with increased stock market volatility as well as depreciation of local currencies, which affects the cost of imports. And as net importers of food, African countries will experience increased domestic prices of consumer goods and reduced access to food by vulnerable groups.

Various forms of private capital flows have also been affected. Prior to the current crisis, Ghana successfully issued bonds in international markets; these were even oversubscribed. However, this source of external finance has now dried up, compelling several countries in Africa to cancel plans to raise funds in these markets. While there is no evidence yet that donors plan to reduce official development assistance, pressures to recapitalize the banking sector and provide support for ailing industries may force developed countries to cut flows to Africa and other developing countries. That will seriously affect the financing of many development programmes.

The economic and financial effects of the crisis will make it harder for some countries to service their debts. If developing countries find themselves unable to repay those debts, they will have to look for refinancing or restructuring of their debts; otherwise the progress made in resolving the debt problems of developing countries, through initiatives such as the Heavily Indebted Poor Countries Debt Initiative and the Multilateral Debt Relief Initiative, will come to naught.

A number of developing countries, including those in Africa, have taken various steps to mitigate the impact of the financial crisis on their economies, including interest rate reductions, recapitalization of financial institutions, increasing liquidity to banks, trade policy changes and regulatory reforms. In Ghana, fiscal restraint has been exercised in response to the crisis, including restrictions imposed on travel budgets, official procurement and the creation of new posts.

Despite those steps at the national level, financing constraints limit the range of policy measures that countries can adopt in response to the crisis. In this regard, we reiterate calls made at various African high-level meetings to address the impact of the crisis on African economies. These include, inter alia: rich countries making a greater effort to meet existing commitments on aid and debt reduction; accelerating disbursements and improving access to existing finance

facilities; urging the International Monetary Fund to put in place a new facility with relaxed conditions to support African economies during this crisis; and an early capital increase for the African Development Bank to enable it to scale up its interventions in support of African development. There should also be the sale of International Monetary Fund gold reserves to release additional resources to help developing countries deal with the financial crisis, as well as the issuance of new Special Drawing Rights.

There are a number of key areas in which African countries would like to see changes in the context of the reform of the Bretton Woods institutions and the global financial architecture. The imposition and use of policy conditionalities in aid delivery has been a matter of concern to African policymakers due to constraints they impose on policy formulation and choices. The Country Policy and Institutional Assessment (CPIA) of the World Bank is an example of an aid allocation tool or framework which limits the policy choices available to Governments. African countries would like a redesign of the CPIA to reflect their development and country-specific needs. Another tool that needs to be looked at is the Debt Sustainability Framework.

There should also be an enhancement of the voice, representation and participation of developing countries in important forums and in the decision-making of international institutions such as the International Monetary Fund and the World Bank. Trade is an important source of development finance for Africa. In that regard, Ghana would like to see a speedy conclusion of the Doha Round with appropriate provisions and emphasis on the development dimensions. We urge the G-20 to deliver on its pledges to Africa, including its pledge to refrain from pursuing protectionist policies.

In the end, we must remember that we are all in this together, and that we can only come out of it successfully if we do so together.

The Acting President: I now give the floor to the Chairman of the delegation of Eritrea.

Mr. Desta (Eritrea): A problem that seemed to be only a domestic one a year ago has now become global, thus prompting this high-level Conference at the United Nations. My delegation wishes to commend Mr. d'Escoto Brockmann for bringing us together to address one of the most challenging issues of our time: the world financial and economic crisis. Profound

appreciation is in order for his having given us a draft outcome document for adoption by this high-level Conference. My delegation wishes further to commend the co-facilitators of the draft document, Ambassador Frank Majoor of the Netherlands and Ambassador Camillo Gonsalves of Saint Vincent and the Grenadines, for their remarkable work, which led us to a consensus document.

At the outset, my delegation subscribes to the statements made by the Minister for Foreign Affairs of Bangladesh, who spoke on behalf of the least developed countries. At this juncture, I wish to thank the sisterly delegation of the Sudan for its commendable leadership in the process of negotiating the draft outcome document on behalf of the Group of 77 and China.

The financial crisis that started on Wall Street here in this city, as a result of what President Obama has characterized as “a culture of irresponsibility”, spread like wildfire across continents to the Main Streets of nations, including my country, Eritrea. The cause of this crisis is rooted in human greed — greed that had no human face and that ignored the timeless wisdom that says, “Do unto others as you would have them do unto you”. In a financial market that operated in a spirit of speculation, with no regulation to limit it, the greedy carried on without mercy to cause the damage we bear now.

The damage is colossal. As a result, the world is witnessing the unfolding of the worst economic and financial crisis in recent memory. The effects of this crisis are compounding those of the recent increases in food and fuel prices, with severe ramifications for the poorest and most vulnerable populations in terms of unemployment, decreased sources of income and reduced access to nutritious food and basic health services. According to the World Bank, higher food prices are estimated already to have increased the number of those living in poverty by 130 million to 135 million people globally.

The crisis, which became full-blown in September 2008, is rapidly spreading to developing countries, like my own, and to emerging market economies, which are affected by lower export revenues because of lower volumes and prices, as well as by reduced tourism, increased unemployment, decreased capital flows and fiscal budgetary constraints. While the rich nations have been able to mobilize

resources domestically to bail out and buy out their failing financial institutions, the poor nations do not have that ability or capacity.

According to United Nations Conference on Trade and Development reports, the ongoing global financial and economic crisis has the potential to usher in a period of global recession that may seriously undermine the process of economic growth and transformation of all countries. Preliminary evidence indicates that Africa’s growth in 2009, for example, will be reduced by 2 to 4 per cent. The crisis will also jeopardize efforts to widen economic and social opportunities and improve the livelihoods of ordinary people in our respective countries. In particular, the crisis may place a limit on and reverse efforts towards development gains from trade and the promotion of internationally agreed development goals, including the Millennium Development Goals, that my country, the State of Eritrea, holds dear.

It should be emphasized that the current crisis has triggered a slowdown in global economic growth that is manifesting itself in a demand-driven fall in international trade exacerbated by the deficit in credit and trade finance, falling commodity prices, declining remittances, shrinking foreign direct investment and potentially declining official development assistance. Those effects compound the ongoing global food crisis, volatile energy prices and climate change challenges.

According to the International Energy Agency, current global trends in energy supply and consumption are patently unsustainable environmentally, economically and socially. The total impact is such that most of developing countries are being heavily hurt through declining exports, rising unemployment and declining family incomes that have returned millions of people to poverty or worsened the conditions of those in extreme poverty. That has given rise to the most significant challenge facing the international community today — how to focus on propping up development and poverty-reduction efforts globally, especially in developing countries, and on putting in place conditions to avert future crises and facilitate a sustainable process of economic transformation for our countries.

In conclusion, we cannot change the past, but we have the power to chart the future. This Conference should not be like any other. It should be a conference that leads to fervent action. The crisis at hand is one

that requires immediate collective action. The immediate action should include a strong follow-up mechanism to the Conference and reform of the international financial institutions, especially the governance of the International Monetary Fund. Although unprecedented measures have been taken to avert the worsening of the crisis, global recovery will be protracted and further policy action will be required to help restore confidence and relieve the financial markets of the uncertainties that are affecting progress towards economic recovery.

The outcome document before us, the outcome of long and arduous negotiation, can serve as the road map to our actions to restore confidence, build recovery and above all promote inclusive development where gains are shared widely among all countries and all peoples. Therefore, let us go to work.

The Acting President: I now give the floor to the Chairman of the delegation of Panama.

Ms. Francis Lanuza (Panama) (*spoke in Spanish*): At the outset, the Panamanian delegation wishes to congratulate the President of the General Assembly on organizing this Conference on the World Financial and Economic Crisis and Its Impact on Development, and its co-facilitators, Ambassadors Gonsalves and Majoor, for their excellent work. Panama also expresses its support for the statement made by the Mexican delegation on behalf of the Rio Group.

The global financial crisis which the world is experiencing is the most severe of the past seven decades. No matter which economic model is used, the crisis has been shown to affect without distinction developed and developing countries alike. Nevertheless, the impact of the global financial and economic injustices and imbalances that we are suffering at the international level affects developing countries directly and particularly. Those effects compound already severe and increasing economic and social problems within our borders.

The convening of this multilateral forum for discussion pleases my country for many reasons, among which two are of particular importance to us. First, the convening of this Conference reflects the urgent need to discuss in depth the current grave economic and financial situation that has made the world economy dangerously fragile. The second reason is that Panama recognizes the values of legitimacy and

representation conferred on the discussion by its convening within this United Nations forum, creating a space in which all of those affected can express their views and participate in the analysis and proposals that will ultimately be presented during the final days of the discussion.

Panama sees the effort to convene this meeting as an important step along the appropriate path. Nevertheless, conclusions and results of the Conference should be based on responsible, dispassionate and effective exchange allowing us to identify viable and applicable recommendations apposite to the regions, countries and systems represented in this Organization. Such recommendations cannot be one-size-fits-all and must prevent us from reverting to a moment that will go down in history as having had the direst impact on the development and growth of our peoples.

This assessment of the causes of the crisis, its effects and possible solutions is a task that has given rise to multiple evaluations and conclusions throughout the world. In this forum, my country welcomes the effort to strengthen these discussions through the representation of all systems, structures and levels of development in the world. That representation should foster a discussion that incorporates synergies, differences and the recognition that a variety of factors and elements — not just economic and financial, but also social and political — must be addressed.

This review of the causes of the crisis should lead us to reconsider the existing financial structures and regulations. Panama believes that the time has come to stress the importance of supporting strengthened financial systems in our countries. One factor of this critical exercise is the recognition of and respect for each economic environment. In Panama, our economy is based on diverse sectors of goods and services production, within which the provision of international and financial services plays an important role. The regulations and requirements established by financial monitoring bodies have been shown to be timely and necessary, and have been developed from the very inception of our financial system.

Panama believes in and has based its economy on sound systems in which many countries of the world have invested. We have established a sturdy system based on responsible national regulatory institutions and the incorporation of the highest standards of international financial regulation. We believe in those

standards, and that the relationship between finance and trade is growing in strength, complexity and pace in our countries, making it necessary to continue promoting efficient consolidating and monitoring mechanisms so as to strike a balance between effective regulation and the capacity to permit the development of financial management, which is a fundamental basis for the growth and development of our society.

The interlinked effects of the crisis — including in particular the decrease in trade flows; the decline in exports and in commercial transactions with our trade partners; the fall in the prices of food staples, which constitute a foundation of the economies of the producers of such agricultural goods; and the contraction of bank financial credit — have necessarily affected and will continue to affect not only the developed economies initially hit by the crisis, but also developing economies, which continue to have an interdependent relationship with them. Thus, investment is decreasing cyclically, which continues to affect remittances and increases unemployment.

At the same time, as has already been stated in the discussion that brings us together here today and in various other multilateral forums, today more than ever before all forms of cooperation are positive, not only in the traditional North-South channels, but also among our own developing economies. The crisis and its swift effect of deceleration — primarily in developed countries, with which our developing countries maintain solid and historical relations in the areas of trade, finance and cooperation — necessarily entails the consideration of creative formulas that will strengthen mechanisms for cooperation among all countries and permit a mutually reinforcing solution. Furthermore, we must avoid the tendency to implement measures that will restrict or hinder the progress that we have already made in trade relations and investment, which has permitted economic growth and solidity in the productive and service sectors of our countries. Any backsliding in that regard would lead to a more harmful situation in the long term.

Finally, in the strategy of reconstructing the financial architecture and the regulation and supervision of bodies and national institutions, in the implementation of new economic policies and as commercial trade continues to increase, we must not lose sight of the ultimate objective: the development and well-being of our citizens. In that connection, while the formulas that we develop together as we

review the status quo should certainly strengthen the macroeconomic and structural pillars, they should also promote greater and more effective participation by our peoples in economic growth, thus improving the quality of life and access to better conditions in the areas of health, education, work and security.

The task ahead is as basic as it is complex. This Conference will allow us to make a major contribution based on recognition of the universality and diversity of the components, structures and levels of complexity that must be considered in discussions as the only viable way to reach consensus and arrive at realistic proposals. We are confident that the role that the United Nations will continue to play on an issue of such importance for the future of our countries and our peoples will be ongoing and will supplement that of the specialized agencies, whose role should also be strengthened through critical and objective review in the light of the world situation.

Finally, we cannot speak of development and of overcoming the financial crisis without democracy. Panama reaffirms its strong rejection — as expressed yesterday by President Martín Torrijos — of the acts of democratic destabilization carried out yesterday in the sisterly Republic of Honduras. We call for the restoration of the constitutional order that our region has enjoyed in recent years.

The Acting President: I now call on the Chairman of the delegation of Ethiopia.

Mr. Nega (Ethiopia): Permit me at the outset to express my delegation's appreciation to Mr. d'Escoto Brockmann and to the United Nations for convening this timely and important Conference on the World Financial and Economic Crisis and Its Impact on Development. My delegation would also like to seize this opportunity to express its appreciation to the Permanent Representatives of the Netherlands and of Saint Vincent and Grenadines for their tireless efforts and dedication throughout the negotiation process on the outcome document (A/CONF.214/3).

The global economic crisis — the most severe since the Great Depression, as asserted by many speakers before me — has been rapidly changing and has now become a human development crisis. In particular, to the dismay of all, it is pushing millions back into poverty and putting the very survival of poor and vulnerable groups at risk. The prospects of achieving the Millennium Development Goals (MDGs)

have also been compromised and seem more distant than ever before. It has also become apparent that no region remains immune to or can escape its catastrophic consequences. What makes the crisis even more worrisome is the fact that it comes on the heels of the food and fuel crises, posing a serious threat to the hard-won gains of many developing countries in boosting growth and reducing poverty. Amid all these debacles and uncertainties lies the continent of Africa, which has become a victim of the consequences of a crisis for neither the inception nor the spread of which it bears any responsibility.

As is well known, Africa has been involved in undertaking major reforms over the past three decades, during which it has had a number of growth acceleration episodes. On the other hand, those surges in growth were accompanied by an almost equal number of collapses, offsetting much of the success. The continent's determination to undertake some concrete measures, coupled with favourable international market conditions, has enabled it to enjoy high economic growth and social progress in recent years.

Just as many on the continent were ensuring that it was on the path towards stable circumstances, the crisis put their efforts to the test. Thus, their progress in various social and economic arenas is now being subjected to various challenges. Some studies have shown that the percentage of people living in extreme poverty will remain above the MDG target of 28.8 per cent in 2015. Because of lower growth, between 200,000 and 400,000 babies die each year and the number of chronically hungry people is expected to climb to 1 billion this year. Most of these calamities are expected to occur in Africa.

The collective efforts of the international community to address these challenges have also been stalled. The spirit envisaged at the high-level meetings on Africa's development needs and on the MDGs last September remains a mere memory. All of this means that the likely impact of the crisis, if not addressed in a timely manner, could also erode the promising results that have been achieved on the continent over the past couple of years.

Ethiopia believes that it is time for the international community to take concrete measures to effectively address this global economic crisis. The time could not be more apt. Just as the priority is to recapitalize financial institutions in the developed

world, committing to the provision of additional resources to poor countries should also be the first order of business for development partners. Our deliberations here should be no less important than those of the G-20 summit in London or its subsequent meetings, and ought to be even firmer and action-oriented. The momentum must be kept up so as to continually assess the progress made and results achieved in tackling the crisis and strengthening the predictive capabilities of institutions to prevent potential future catastrophes.

It is in this light that my delegation fully supports the establishment of a global economic coordinating council, as per the recommendations of the commission headed by Mr. Stiglitz, with adequate representation of developing countries, practitioners and policymakers.

We are also of the view that the United Nations must continue to play an important role in addressing this and possible future crises. There is, however, an urgent need to strengthen the coordination and coherence of its functions and activities among its agencies and other international organizations.

In concluding, my delegation requests the Office of the President of the Assembly to attach paramount importance to the follow-up to this Conference and the developments of the outcome document. We also kindly request the office of the Secretary-General and our development partners to push the agenda of Africa, in the context of the current global crisis, to the fore. A similar forum of equal magnitude could be organized to address the challenges of the continent.

As my Prime Minister, Mr. Meles Zenawi, who represented Africa at the G-20 summit, has made abundantly clear, Africa's main concern is not simply the crisis itself. The crisis could go beyond shattering real economies and rekindle dormant conflicts, thereby precipitating social and political instabilities in the region. This, in our view, is a portrait of Africa far removed from the Africa we all wish to see, which is an entirely new, prosperous continent that we have all started to build.

The Acting President: I now give the floor to the Chairman of the delegation of Cape Verde.

Mr. Lima (Cape Verde) (*spoke in French*): On behalf of the President of the Republic and the authorities of Cape Verde, I would like to thank the President of the Assembly for convening this high-

level Conference on the World Financial and Economic Crisis and Its Impact on Development. It gives us an opportunity to express our views on the crisis and to describe its impact on the economy and development in my country. I would also like to express my thanks to the two co-facilitators, the Permanent Representatives of the Netherlands and Saint Vincent and the Grenadines, for their sustained efforts to achieve consensus on the outcome document (A/CONF.214/3) adopted on 26 June, which is a worthy end result of the discussions and negotiations we undertook.

For a developing country and, indeed, an island State such as Cape Verde, which is small, vulnerable and already subject to the vagaries of climate change and the painful effects of the food and energy crisis, finding itself in the midst of an unprecedented financial crisis puts to the test the capacity of its authorities, the spirit of sacrifice of its people and the manoeuvring room available to local financial institutions.

The fact is that we are bearing the brunt of a crisis for which we are not at all responsible. We know that, without an adequate domestic response and firm and sustained international efforts to address the crisis, we could find ourselves in a situation in which all the progress that has been achieved over the past 30-plus years is in jeopardy. This is clearly unacceptable.

We therefore believe it vital that we deepen our understanding of the causes of this crisis and that we understand its evolution and its various effects, so that we can take appropriate and concerted measures to address it, take it firmly in hand and overcome it.

All the analysts and observers seem to agree that market deregulation, brainchild of the prevailing atmosphere of neoliberalism, was one of the major causes of the financial crisis. It led many Governments to break hastily with previously inviolable practices and to involve the State in rescuing private businesses, thus shoring up public authority to ensure that the shortcomings of the market, which led to a financial crisis affecting every country and every region in the world, did not lead to an unprecedented global humanitarian crisis.

We believe that this is indeed what is at stake. We must save the world from the catastrophic humanitarian crisis that could follow on the heels of this crushing financial crisis. We have seen the effects of this crisis, and the relevant international institutions have been sounding the alarm for quite some time.

Indeed, if we do not take care, and in particular if we continue to hesitate to take vigorous action against the root causes of the problem or if we are stingy in our aid to the poorest and most vulnerable, it is predicted that, in 2009, over 53 million people will join the ranks of the hundreds of millions of others who already live below the poverty line.

According to recent estimates, the increase in food prices that took place between 2006 and 2008, together with the global financial crisis, could raise the number of hungry people throughout the world to over 1 billion in 2009. A 1.7 per cent drop in the global economy is expected for 2009. The gross national product of developing countries will be reduced by 2.1 per cent, and recessions will become entrenched in developed countries. Behind these chilling figures lies the reality of individual and collective tragedies, crushed hopes and smouldering conflicts that cast a shadow on the future of humanity.

The global financial and economic crisis therefore poses new challenges with regard to achieving the first Millennium Development Goal (MDG) on eradicating extreme poverty and hunger. It will also affect other MDGs, in particular MDGs 4 and 5 regarding maternal and infant mortality. Women and children are at particular risk in terms of their nutritional needs and are the most vulnerable as a result of the low social standing to which they are condemned in many regions of the world.

This global situation, in which poverty is spreading to all four corners of the globe, is exacerbating social tensions and kindling strife around the world. This should encourage us to act in a more coordinated, proactive and effective way in order to prevent a contagion of crises and to prevent despair from prevailing and fuelling the resentments that give rise to extremism and strife.

In this context, a reform of the financial institutions aimed at achieving greater transparency, greater efficiency and better regulation must be pursued. We seek coherence within the United Nations system, and we must do the same for the global financial institutions. Withdrawal and protectionism in this context would condemn hundreds of millions of impoverished people to further decline, particularly in Africa. Today, we must call again and again for renewed solidarity and increased contributions by development partners to avert disastrous consequences

not only for the most poor and vulnerable, but also for the globalized world in which we live.

Cape Verde is an archipelagic nation that graduated to the status of medium-income country in 2008. We continue, however, to be very vulnerable, in particular because of the discontinuity of our territory, the rapid erosion of our soils and an accelerated desertification process. Our country produces only 20 per cent of its food needs, and only 10 per cent of its land can be cultivated. We are therefore extremely dependent on others for all our needs, including food, energy and manufactured products.

Despite this extreme vulnerability, Cape Verde has been able to build a nation that is firmly based on democratic governance, which is being strengthened every year; renewed respect for the rule of law; a system of monitored economic management free of all corruption; remarkable investments in social services, with a particular focus on education and health services; the continued support of our development partners; and a high level of remittances from our diaspora.

If we are able to describe our economy today as dynamic and promising, we believe that we can do so thanks basically to our sense of realism and pragmatism, our strict management of public finances, our careful attention to the State budget and the various steps we have taken, in particular with regard to the weakest and most vulnerable sectors in our population. We have also made remarkable progress with regard to several of the Millennium Development Goals. However, against the backdrop of the financial crisis, we are now experiencing a sharp drop in foreign direct investment. With the tourism sector in free fall, we are now expecting a drop in tourism revenue. Remittances from Cape Verdeans abroad also appear to be heading downward as a result of this environment, falling from 12.2 per cent of gross national product in 2005 to 8.7 per cent in 2007. That trend seems to be accelerating. A downward revision in the gross domestic product is also foreseeable.

With the expanding global economic crisis levelling everything in its wake, it is pointless to think that a small country like Cape Verde can weather the storm alone, regardless of how deserving it is, the courage of its people, the determination of its officials to confront it by marshalling its political assets and sustainably and by soundly managing its economy, or

the limitless sacrifice shared by the entire population. It is more than clear that, without the support of our traditional State and institutional partners, we run the risk of being carried off by the storm and of finding ourselves once again facing the harsh reality of thwarted development, with all its disastrous consequences, and perhaps even of losing our status as a middle-income country. That would certainly represent a failure not only in our drive to achieve sustainable development, but also of the international community itself.

However, we are a young country and the future belongs to us. Defeatism and lack of confidence are alien notions to Cape Verdeans. Tomorrow, once the crisis has passed, we will all be stronger, we will reach higher and we will go further.

The Acting President: I now give the floor to the Chairman of the delegation of the Republic of Moldova.

Mr. Cujba (Republic of Moldova): On behalf of the delegation of the Republic of Moldova, I would like to begin my statement by expressing our sincere appreciation to the President for convening this timely Conference, which is taking place at a moment when the world is facing the deepest economic and financial crisis in decades. The genuine interest of Member States in addressing the problem, the intensive negotiations on the outcome document (A/CONF.214/3) and the significant number of delegations that are taking the floor indicate the importance attached to this global challenge. We would also like to convey our gratitude to the co-facilitators, Ambassador Gonsalves and Ambassador Major. Under their wise leadership and skilful approach, Member States have been able to reach consensus on the outcome document adopted on Friday by acclamation.

The Republic of Moldova fully aligns itself with the statement made by the representative of the Czech Republic on behalf of the European Union, and shares the assessment on the nature of the crisis expressed therein. I should now like to make some comments in my national capacity.

The scale of the financial crisis that has affected industrialized countries and the extent of the meltdown in the credit and equity markets that we have witnessed in recent months were entirely underestimated. The crisis surged across borders and affected emerging markets all over the world, directly or indirectly but

undoubtedly in a severe way. It has gradually had an impact on the real economy in the majority of States, degenerating into an economic crisis. While the real estate and financial sectors have suffered the most, the crisis has also turned out have a human face, affecting, as has been mentioned, not only Wall Street but Main Street as well.

In order to avoid severe setbacks to the social and economic development of our countries, it is therefore of paramount importance to get back on track towards achieving the Millennium Development Goals. Unfortunately, the progress made in that regard during the past 10 years has eroded significantly in recent months. Given the very negative impact of the evolving crisis, it is necessary to fulfil the commitments that have been made with regard to official development assistance, as well as to identify other adequate responses that could help to address its consequences. In that regard, we welcome the fact that a number of delegations have reiterated from this very rostrum their commitments with regard to development assistance.

We consider it important to also view the current crisis as an opportunity and as an incentive to bring together the leaders of the world's major economies to take the collective actions necessary to stabilize the global economy and ensure its recovery. The Government of the Republic of Moldova welcomes the outcome of the G-20 summit, at which a \$1.1 trillion package of measures was agreed upon to restore growth and jobs and rebuild confidence and trust in the global financial system.

Speakers in this Hall have described the current global crisis as one of the most severe since the Great Depression of the 1930s, with deeper and more bitter consequences than those of the 1998 financial crisis, which also affected the Republic of Moldova. After enjoying a number of years of strong growth and poverty reduction, the Republic of Moldova, like many countries in our region, has been affected by the global economic crisis, with people being pushed back into poverty and vulnerability. Furthermore, the past two years of rising food prices, high energy costs and the global economic downturn were accompanied in Moldova by natural disasters, such as the severe drought of 2007 and the 2008 floods, which diverted resources from national programmes, reduced Government revenues and affected social spending.

Despite all that, the Republic of Moldova had a 7.2 per cent rate of gross domestic product growth in 2008. Although the Moldovan banking sector was less integrated into the international financial system, and while the magnitude of the crisis was not as devastating to us last year as it was in other parts of the world, concerns relating to the effects of the crisis nevertheless gradually grew. As a result, most economic indicators in Moldova for the first quarter of 2009 were in decline.

According to our national bureau of statistics, industrial output decreased by 24 per cent in the first quarter of 2009, exports and imports alike declined by more than 18 per cent and 25 per cent, respectively, and taxes and fees collected for the State budget dropped, reducing income and putting pressure on many national projects. In addition, almost every mode of transport experienced declines of more than 50 per cent, capital investment fell by more than 40 per cent and the construction sector experienced a decline of 36 per cent. Overall, Moldova's gross domestic product dropped by 6.9 per cent in the first quarter, as compared to the same period in 2008.

Given those circumstances, the Government had to identify immediate measures aimed at attenuating the impact of the current economic and financial crisis in the Republic of Moldova. A set of anti-crisis measures was developed in order to support the real sector of the national economy. The Government's actions are focused on preserving jobs, protecting people and maintaining a stable situation in the financial sector. The Government is ready to provide liquidity for the real sector, thereby continuing its support for small and medium-sized enterprises. Other measures include amendments to fiscal policies, the launching of support programmes for the construction sector and attracting foreign resources to develop infrastructure. In the long run, exporters will be supported through the provision of risk-reduction guarantees. Investment will be directed towards the energy sector and domestic production will be supported with increased financial support for agriculture and other important areas.

Undoubtedly, the economic interdependence of today's globalized world has both positive and negative aspects. For a number of years, we enjoyed the positive part of globalization. Regrettably, however, the current global crisis has revealed many of its darker aspects,

which have been reflected in a wide range of phenomena.

We are experiencing the negative impact of the economic downturn, which has affected developed and developing countries alike and economies in transition with a decline in remittances to developing countries, diminished revenue from tourism, the contraction of world trade and other negative consequences that must be properly addressed by the international community. Only through our common efforts and the genuine contributions of all members of the Group of 192 will we succeed.

The Acting President: I now give the floor to the Chairman of the delegation of Belarus.

Mr. Dapkiunas (Belarus) (*spoke in Russian*): The financial and economic crisis is a major threat to development. That threat is aggravated by the fact that many countries have begun to adopt new protectionist measures under the pretext of shielding domestic producers and consumers. Such measures do the greatest harm to small and medium-size export-oriented countries that do not have effective leaders to influence trade partners.

We believe that protectionism is a dead end. Worse yet, there is reason to believe that such protection measures are undertaken not only to protect the market, but also to put political pressure on other countries. Such conduct is unacceptable in international relations. The United Nations system, in cooperation with the World Trade Organization (WTO), should take effective measures to ensure the timely cancellation of protectionist measures, including through using its good offices. United Nations agencies should take effective measures to support affected countries in addressing the losses caused by protectionism.

We call on the Secretary-General and the heads of United Nations funds and programmes to work with the WTO secretariat, the World Bank and the International Monetary Fund in prioritizing the implementation of the decisions taken by the Chief Executives Board for Coordination a few months ago to step up measures to counteract protectionism.

Alongside its dangers for the international community, the crisis is also a unique opportunity to move towards a healthier and more sustainable path to development. We can wisely exploit this moment of economic truth to ensure the vital needs of all people in

terms of food, water, clean air, education, health care, decent work and the development of human potential.

Belarus believes that a key element on the path to development is access to modern sources of energy. However, until now energy has been low on the agenda of the United Nations, yet without access to modern energy resources it will not be possible to achieve a high level of human development. Modern energy resources are necessary in order to reduce poverty, ensure high quality education and health care, and address the problem of climate change.

In that context, we suggest that the United Nations recognize energy issues as a priority area for action and establish an integrated energy agenda for the Organization. It is important for United Nations agencies, in cooperation with the World Bank, to support countries in integrating national financial stimulus programmes into the world economy with measures to increase efficient energy use, energy saving measures and the use of new and renewable sources of energy.

The Acting President: I now give the floor to the Chairman of the delegation of Iceland.

Mr. Pálsson (Iceland): Iceland was one of the first countries to be caught in the world financial storm in the fall of 2008. The financial and economic crisis has subsequently affected the well-being of millions of people and threatens to put the international community back several years in its development efforts. Our own experience has underscored the need for this crisis to be resolved in a collective manner. We need to work constructively and resolutely together at promoting sustainable recovery, taking into account the human dimension of the crisis at both the national and the international levels.

Iceland believes that the active participation of the United Nations and wider cooperation with the Bretton Woods institutions are essential to address the difficult financial and economic crisis confronting the world today. Iceland firmly supports the reforms under way within the international financial institutions that aim to achieve more equitable representation and provide more flexible instruments for countries in need. To proactively mitigate future crises, closer cooperation is needed on financial regulation and supervision and must be complemented by greater political commitment to implementing recommendations made by the international financial institutions.

Iceland is strongly committed to concluding the Doha Development Round of trade negotiations and calls for all countries to observe pledges not to undertake protectionist actions.

Following the hard-won advances made towards the Millennium Development Goals (MDGs), developing countries are now confronted by an unforeseen threat to further recovery. All efforts must be made to protect the poor and vulnerable and to keep on track towards the MDGs. At the same time, we need to ensure accountability at all levels and work towards increased aid effectiveness through harmonization and alignment, applying the principles of the Paris Declaration and the Accra Agenda for Action. Good governance is a key factor in improving accountability.

Over the next 25 years, two thirds of the increase in world energy demand is expected to come from the developing countries. Access to clean and cost-effective energy resources is essential to poverty reduction strategies, as it can vastly improve the living conditions and the productivity of the more than 1.6 billion people who still lack access to electricity. With the support of the United Nations system, the accelerated transfer and development of technologies for harnessing clean and renewable energy must be effectively promoted.

Last but perhaps most importantly, it is widely acknowledged that women and children will be hit particularly hard by the global financial and economic crisis. We must ensure that there is no backsliding in promoting gender equality and women's empowerment during these trying times. Harnessing the energy and talents of women, who represent half of every society, is essential to economic recovery.

This Conference has shown that all of us are resolved to contribute to this process in order to put development efforts back on track. Now it is time to step up our ongoing efforts and let our actions speak for themselves.

The Acting President: I now give the floor to the Chairman of the delegation of Albania.

Mr. Neritani (Albania): At the outset, let me join others in thanking the President of the General Assembly, the co-facilitators and delegations for their tireless efforts in progressively bringing together different views and opinions and finding common

ground towards producing the outcome document (A/CONF.214/3).

My country fully aligns itself with the statement made on behalf of the European Union. Let me make a few further remarks.

The challenges tend to be serious and multidimensional as the economic and financial meltdown is one of the deepest in history and threatens to reverse development goals that have only recently been achieved. The crisis has had a global spillover effect because the problems of globalization in an increasingly interdependent world have not been properly managed. That premise has brought all of us together to seek working solutions to the crisis, mitigate the risks and make a serious attempt to put our respective economies back on positive territory.

The formulation and enforcement of international standards may result in increased power for the international financial institutions. If not addressed, that tendency may become more inflexible and less adaptable, especially if the multiple rules of sovereign nations that compete on their own to be attractive on global markets are not accommodated. The home-country approach is always a good alternative. National response plans, in wide consultation with society at large and the private sector, are a very crucial and necessary part of our collective global response. The voices and levels of representation of emerging and developing countries must be fairly and realistically dealt with.

The United Nations has the legitimate authority to bring us together to discuss important issues and to effectively make decisions. As Members, we all share the responsibility to make our institution better shoulder its obligations. The United Nations has its own comparative institutional advantages in the current architecture. Its impact could be far-reaching if we continue to seriously pursue the needed reforms.

One core element will continue to be the responsibility and ownership by Member States with regard to their own development. With that in mind, Albania has been successfully implementing the One United Nations Initiative. As we contribute our share to United Nations reform in general, we are simultaneously pursuing our drive to join the European Union and save time and financial resources for our national and international partners.

Albania has avoided the initial direct impact of the international crisis because we enjoy a degree of natural protection as a result of our less developed and integrated financial markets and a much lower level of indebtedness on the part of households and businesses. We continue to experience positive economic growth. However, it is now clear that continued financial integration and economic globalization may not be enough to compensate for the risks emanating from less diversified economic growth, an over-reliance on remittances, an insufficient culture of risk management among financial institutions and other economic agents, and few opportunities for our public authorities to introduce financial measures similar to those being implemented in developed countries.

The United Nations will remain indispensable in helping developing countries to address multiple crises and to foster sustainable development in all its aspects. The idea of working with other global institutions to establish a global impact and vulnerability alert system in real time to protect the poorest and most vulnerable deserves the needed support and implementation.

The generation of this political momentum is our collective response aimed at addressing the impacts of the crisis on development and preventing it from recurring in future. Reforming our respective Governments and institutions to serve us better and to provide national leadership, as the most important component of any joint global action, may transform that political energy into momentum to deliver more and to prevent future risks.

The meeting rose at 12.05 p.m.